

A woman with brown hair tied back, wearing a black and yellow vertically striped shirt, is holding a smartphone to her ear. She is looking slightly off-camera with a focused expression. The background is a blurred office environment with warm lighting.

Annual general meeting of Danske Bank A/S 2019

ISIN DK0010274414

Danske Bank

Danske Bank A/S (“Danske Bank”) will hold its annual general meeting on Monday, 18 March 2019 at 3.00pm at Tivoli Congress Center, Arni Magnussons Gade 2-4, Copenhagen

The doors to the general meeting at Tivoli Congress Center will open at 2.00pm. Coffee and tea will be served until 3.00pm.

Agenda

- 1) The Board of Directors' report on Danske Bank's activities in 2018
- 2) Submission of Annual Report 2018 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) The Board of Directors' proposals to amend the Articles of Association

Proposal for

 - a. reduction of Danske Bank's share capital according to article 4.1
 - b. extension and reduction of the Board of Directors' existing authority according to articles 6.1 and 6.2 regarding capital increases with pre-emption rights
 - c. extension and reduction of the Board of Directors' existing authority according to articles 6.5 and 6.6 regarding capital increases without pre-emption rights
- 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 2019
- 9) The Board of Directors' proposal for adjustments to the Remuneration Policy
- 10) Proposal from shareholder Bent Bernhard Gabelgaard
- 11) Proposal from shareholder Kjell Nilsson
- 12) Proposal from shareholder DRS Belgium SCRL (Deminor)
- 13) Proposal from shareholder Gunnar Mikkelsen

14) Proposal from shareholder Ole Schultz

15) Proposal from shareholder Frank Aaen

16) Any other business

Items on the agenda, including complete proposals

Re item 1)

The Board of Directors' report on Danske Bank's activities in 2018

The Board of Directors recommends that the general meeting take note of the report on Danske Bank's activities in 2018.

Re item 2)

Submission of Annual Report 2018 for adoption

The Board of Directors proposes that the general meeting adopt Danske Bank's Annual Report 2018.

Re item 3)

Proposal for allocation of profits according to the adopted annual report

The net profit of Danske Bank A/S for 2018 is DKK 14,691 million.

The Board of Directors proposes that the net profit for 2018 be allocated as follows:

Payment of a dividend of DKK 8.5 per share of DKK 10, corresponding to DKK 7,616 million or 51% of net profit for the year for the Danske Bank Group.

Transfer of DKK 213 million from the "Equity method reserve"

Transfer of DKK 781 million to "Additional tier 1 capital holders"

Transfer of DKK 6,507 million to "Retained earnings"

Please also refer to page 209 of Annual Report 2018.

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

Lars-Erik Brenøe, Karsten Dybvad, Jan Thorsgaard Nielsen, Jens Due Olsen and Carol Sergeant all seek and are proposed for re-election to the Board of Directors.

Ingrid Bonde, Rolv Erik Ryssdal and Hilde Tonne do not seek re-election.

The Board of Directors nominates Christian Sagild and Gerrit Zalm as new candidates for the Board of Directors.

The Board of Directors updated its competency profile in 2018 and has 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 of Directors as part of its planning for the future composition of the Board of Directors.

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

For more information about the candidates' competencies, independence, background, directorships and other offices, please refer to Appendix 1.

The competency profile for the full Board of Directors is available at danskebank.com.

Re item 5)**Appointment of external auditors**

The Board of Directors proposes re-election of Deloitte Statsautoriseret Revisionspartnerselskab as external auditors in line with the recommendation of the Audit Committee. The Audit Committee's recommendation is free from influence from third parties and no clauses restricting the choice by the general meeting to certain categories or lists of statutory auditors or audit firms have been imposed upon the Audit Committee.

Re item 6)**The Board of Directors' proposals to amend the Articles of Association**

- a. Proposal for reduction of Danske Bank's share capital according to article 4.1

The Board of Directors proposes to reduce Danske Bank's share capital by nominally DKK 337,690,000 from nominally DKK 8,959,536,210 to nominally DKK 8,621,846,210 by cancelling part of Danske Bank's holding of own shares.

The reduction of the share capital is legally considered as distribution to shareholders as the amount of the capital reduction has been paid out to Danske Bank's shareholders as payment for shares acquired by Danske Bank. If the proposal is adopted, Danske Bank's holding of own shares will be reduced by 33,769,000 shares of nominally DKK 10 each. Those shares have been bought back under Danske Bank's share buy-back programme which was carried out in the period from 5 February 2018 to 3 October 2018 for a total purchase price of DKK 6,929,926,100, which means that, in addition to the nominal amount of the capital reduction, DKK 6,592,236,100 has been distributed to 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 reduction is effected at a price of DKK 205.22 (rounded), corresponding to the average price paid per share of nominally DKK 10.

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

"The share capital of Danske Bank totals DKK 8,621,846,210. The share capital is fully paid up."

- b. Proposal for extension and reduction of the Board of Directors' authority according to articles 6.1 and 6.2 regarding capital increases with pre-emption rights

The Board of Directors proposes that the Board of Directors' authority, with pre-emption rights for Danske Bank's shareholders, to increase Danske Bank's share capital and to raise loans against bonds or other debt instruments with access

to conversion of shares (convertible loans) be extended from 1 March 2023 to 1 March 2024. The Board of Directors furthermore proposes to reduce the amount of the authority from DKK 1,790,000,000 to DKK 1,720,000,000, whereby the authority corresponds to less than 20% of Danske Bank's nominal share capital (after completion of the capital reduction proposed under agenda item 6.a). The purpose of the proposal is to ensure Danske Bank's flexibility to raise capital, if necessary.

Consequently, the Board of Directors proposes that articles 6.1 and 6.2 of the Articles of Association be amended as follows:

"6.1. The Board of Directors is authorised, until 1 March 2024, to increase Danske Bank's share capital by up to DKK 1,720,000,000. The share capital increase may take place on one or more occasions against cash. According to article 5.1., Danske Bank's existing shareholders have pre-emption rights to subscribe for the new shares in proportion to their existing holdings.

6.2. The Board of Directors is also authorised, until 1 March 2024, on one or more occasions to raise loans against bonds or other instruments of debt with access to convert them into shares (convertible loans), and the Board of Directors is authorised to make the related capital increase. Convertible loans may not exceed an amount resulting in a maximum capital increase, which may be effected under the authority to increase Danske Bank's share capital, see article 6.1.above, according to the conversion price fixed at the raising of such loans as laid down by the terms and conditions of the bonds or other instruments of debt. The exercise of this authority reduces, by a corresponding amount, the authority in article 6.1. 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 article 6.1. 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 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."

The proposal does not result in any changes to articles 6.3 and 6.4 of the Articles of Association.

- c. Proposal for extension and reduction of the Board of Directors' authority according to articles 6.5 and 6.6 regarding capital increases without pre-emption rights

The Board of Directors proposes that the Board of Directors' authority, without pre-emption rights for Danske Bank's shareholders, to increase Danske Bank's share capital and to raise loans against bonds or other debt instruments with access to conversion of shares (convertible loans) be extended from 1 March 2023 to 1 March 2024. The Board of Directors furthermore proposes to reduce the amount of the authority from DKK 895,000,000 to DKK 860,000,000, whereby the authority corresponds to less than 10% of Danske Bank's nominal share capital (after completion of the capital reduction proposed under agenda item 6.a). The purpose of the proposal is to ensure Danske Bank's flexibility to raise capital, if necessary.

Consequently, the Board of Directors proposes that articles 6.5 and 6.6 of the Articles of Association be amended as follows:

"6.5. The Board of Directors is authorised, until 1 March 2024, to increase Danske Bank's share capital by up to DKK 860,000,000. 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 2024, on one or more occasions to raise loans against bonds or other instruments of debt with access to convert them into shares (convertible loans), and the Board of Directors is authorised to make the related capital increase. Convertible loans may not exceed an amount

resulting in a maximum capital increase, which may be effected under the authority to increase Danske Bank's share capital, see article 6.5. above, according to the conversion price fixed at 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 article 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 article 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."

The proposal does not result in any changes to articles 6.7-6.10 of the Articles of Association.

Re item 7)

The Board of Directors' proposal to renew and extend its existing authority to acquire own shares

The Board of Directors proposes that the Board of Directors be authorised in the period until 1 March 2024 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%.

Re item 8)

The Board of Directors' proposal for remuneration of the Board of Directors in 2019

The Board of Directors proposes that the base fee, the chairman's fee, the vice chairman's/men's fees and the additional fees for committee work remain unchanged at the 2018 levels.

The Board of Directors intends to establish a new permanent committee to deal with matters related to conduct, compliance and culture named the Conduct & Compliance Committee. The Board of Directors proposes that the current fee structure for the Audit Committee and the Risk Committee, respectively, be applied also to the new Conduct & Compliance Committee (see below).

The fee structure for 2019 will then be as follows:

| | 2019 | 2018 |
|----------------------------------------------------|----------------|----------------|
| Base fee | DKK 537,500 | DKK 537,500 |
| The chairman's fee | 3.5 x base fee | 3.5 x base fee |
| The vice chairman's/ men's fees | 1.5 x base fee | 1.5 x base fee |
| Board committee fees | | |
| Remuneration Committee | DKK 123,000 | DKK 123,000 |
| Nomination Committee | DKK 123,000 | DKK 123,000 |
| Audit Committee | DKK 185,000 | DKK 185,000 |
| Risk Committee | DKK 185,000 | DKK 185,000 |
| Conduct & Compliance Committee | DKK 185,000 | - |
| Committee chairmen, additional fee | | |
| Remuneration Committee and Nomination Committee | DKK 175,000 | DKK 175,000 |
| Audit Committee and Risk Committee | DKK 278,000 | DKK 278,000 |
| Conduct & Compliance Committee | DKK 278,000 | - |

In addition to the above fixed fees to the board and committee members, Danske Bank may pay social duties and similar taxes levied by foreign authorities in relation to the directors' fees. Danske 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.

Re item 9)

The Board of Directors' proposal for adjustments to the Remuneration Policy

As a result of changes in applicable legislation as well as to ensure a strong correlation between the Group's incentive schemes and KPIs, the Board of Directors proposes a number of adjustments to Danske Bank's Remuneration Policy.

The main adjustments are described in general terms below. In addition, the Board of Directors proposes to make certain editorial amendments to the Remuneration Policy.

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

- specification of scenarios warranting exemption from the Remuneration Policy, for example in respect of bonuses agreed on in collective bargaining agreements or prolonged deferral periods;
- clarification and limitation of the notice period and the terms applying to pension schemes and benefits for the Executive Board;
- option of spot bonus and increased focus on KPIs relating to leadership, employee engagement and compliance;
- specification of additional benefits offered to certain groups of employees and the Executive Board; and
- clarification of relevant national legislation applying to sign-on or stay-on bonuses and guaranteed variable pay for both the Group and local entities.

The Board of Directors' proposed and updated Remuneration Policy is set out in Appendix 2.

Re item 10)

Proposal from shareholder Bent Bernhard Gabelgaard

10.1 The general meeting expresses mistrust in the persons who were members of Danske Bank's Audit Committee and Risk Committee during the period from 1 January 2012 to 1 January 2018 as well as the members of Danske Bank's Executive Board who were aware of the Estonia/money laundering case during the same period.

10.2 The general meeting instructs the Board of Directors to look into the possibilities of claiming damages as a result of either criminal offences by or criminal incompetence of the persons who were members of Danske Bank's Audit Committee and Risk Committee during the period from 1 January 2012 to 1 January 2018 and the members of Danske Bank's Executive Board who were aware of the Estonia/money laundering case during the same period.

The Board of Directors' reply:

End-2017, the Board of Directors launched extensive investigations into the matters related to Estonia, including investigations of who knew what and when in both Estonia and at Group level and of whether

managers or employees had sufficiently lived up to their responsibilities during the period from 2007 to the launch of the investigations.

On 19 September 2018, Ole Spiermann, lawyer and partner of the law firm Bruun & Hjejle, who led the investigations of the Bank and individuals, presented conclusions of the investigations, including the conclusions regarding assessments of the accountability of the CEO and members of the Board of Directors, including the Audit Committee, the Risk Committee and the Chairman of the Board of Directors.

The Board of Directors is of the opinion that the conclusions of the investigations provide no basis for expressing mistrust in members of Danske Bank's Board of Directors, the Audit Committee, the Risk Committee or the Executive Board. On the basis of the investigations, the Board of Directors is also of the opinion that no basis exists for claiming damages from the persons mentioned.

Hence, the Board of Directors does not support the proposals 10.1 and 10.2.

10.3 The general meeting instructs the Board of Directors to audit the remuneration/compensation agreements of Danske Bank with a view to ensuring that a clause is inserted in all performance-based remuneration agreements, service agreements and severance agreements – both existing and future agreements – on clawback of all types of compensation paid over the past three years in the event of failure to meet compliance rules, particularly rules on money laundering.

The Board of Directors' reply:

The guidelines on remuneration are set out in the Remuneration Policy adopted by the general meeting.

The Remuneration Policy already sets out rules on clawback of performance-based remuneration on the basis of the relevant special legislation for financial institutions. Pursuant to this special legislation, clawback may take place provided that performance-based remuneration was paid on the basis of information about results which later can be documented to be incorrect and provided that the recipient acted in bad faith. An incorrect basis for payment of bonuses and a recipient acting in bad faith in this respect could thus, depending on the circumstances and within the framework of applicable law, be based on gross negligence or wilful misconduct, including but not limited to non-compliance with anti-money laundering regulations.

Hence, the Board of Directors does not support the proposal.

10.4 The general meeting instructs the Board of Directors to account for how risks associated with the Estonian branch's non-resident banking policy could disappear. The account should cover (1) Danske Bank's acquisition of Sampo Bank, including due diligence, (2) the Danish Financial Supervisory Authority's inquiries in 2007, 2012 and 2013 and (3) Danske Bank's investigation into the transactions at the branch in Estonia. The account should clarify whether any persons – intentionally or as a result of criminal incompetence – tried to keep secret information from the shareholders.

The Board of Directors' reply:

All material matters, including the above-mentioned items (1)-(3), were covered by the investigations into the matters related to Estonia, which formed the basis for the conclusions presented by Ole Spiermann, lawyer and partner of the law firm Bruun & Hjejle, on 19 September 2018.

Hence, the Board of Directors does not support the proposal.

Re item 11)

Proposal from shareholder Kjell Nilsson

The Board of Directors is instructed to ensure that the following be inserted in section 1.1.2 of the Corporate Governance report:

"The Board of Directors has adopted the following explicit policy on Danske Bank's relationship with national, EU and international authorities and stakeholders:

Danske Bank has allocated internal administrative and financial resources to assist in the fight against criminal activities, such as, but not limited to, money laundering and tax avoidance. Danske Bank will actively support national, EU and international authorities and stakeholders in this fight and to enable that rules and regulations are adjusted to levels to secure a "levelled playing field" with clear and transparent rules for all financial activities and all agents. Irrespective of national, EU and international legal standards and regulatory levels, Danske Bank shall operate with Danish laws, regulations and standards as the lowest common denominator, even if this means a local competitive disadvantage."

Proposing shareholder's motivation for the proposal: It is important to focus on what can be done in future, both internally and externally, to restore Danske Bank's reputation as a business among the most competent, profitable, technologically leading and efficient financial advisers and managers. The proposal will send a clear signal to authorities, competitors, speculators, shareholders, customers and employees.

The Board of Directors' reply:

The Corporate Governance report is prepared by Danske Bank pursuant to section 134 of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc., and the report thus provides an account of Danske Bank's compliance with applicable guidelines on corporate governance.

Danske Bank complies with all applicable guidelines and, as stated in the report, Danske Bank already has a stakeholder policy. In continuation of the Estonia case, Danske Bank has also established a central unit at Group level which is to ensure transparency and completeness of Danske Bank's interaction with various supervisory authorities.

As to Danske Bank's actions against financial crime, significant internal investments have been made in this area in the form of both money and staff. Externally, Danske Bank participates, for instance, in several public forums and bank communities and cooperates with the authorities in a joint effort to strengthen anti-financial crime activities. Furthermore, the intention is that the independent foundation to be established using the income from the non-resident portfolio of Danske Bank's branch in Estonia is to support initiatives aimed at combating international financial crime, including money laundering.

Hence, the Board of Directors does not support the proposal.

Re item 12)

Proposal from shareholder DRS Belgium SCRL

DRS Belgium SCRL (Deminor) proposes that the general meeting decide to conduct a scrutiny pursuant to section 150 of the Danish Companies Act. Reference is made to appendix 3 for the full wording of the proposal.

The Board of Directors' reply:

End-2017, the law firm Bruun & Hjejle was given a full mandate to investigate anything and everyone of

relevance to the Estonia case, and conclusions of the investigations were presented by Ole Spiermann, lawyer and partner of Bruun & Hjejle, on 19 September 2018.

Bruun & Hjejle has been involved with a view to ensure that the information collected, reviewed and assessed as part of the investigations provided a sufficient basis for finding the investigations objective and thorough. The investigations have also formed the basis for decision-making in the Board of Directors. It follows that, to the extent relevant, the matters referred to in the proposal have been investigated and considered. Moreover, Danske Bank has kept relevant authorities updated on the case, shared all relevant conclusions and will continue to do so as Danske Bank completes the remaining part of the investigations. Therefore, the Board of Directors does not believe that any further investigations are required.

Hence, the Board of Directors does not support the proposal.

Re item 13)

Proposal from shareholder Gunnar Mikkelsen

13.1 Amendment to the Articles of Association regarding translation into Danish of the annual report

Pursuant to article 3.3. of the Articles of Association, annual reports must be prepared and submitted in English. It is proposed that the general meeting also adopt new articles 3.4 and 3.5, reading as follows:

"3.4. At the time of publication of Danske Bank's annual report, a translation into Danish of the annual report should be uploaded to Danske Bank's website [danskebank.dk/aktionaer].

3.5. The English annual report signed by the management of Danske Bank and the auditor elected by the general meeting takes precedence in the event of objections over discrepancies."

The Board of Directors' reply:

In 2014, the general meeting adopted an amendment to article 3.3. of the Articles of Association to the effect that annual reports were to be prepared and submitted in English in future. As the working language of the Board of Directors is English, the amendment to the Articles of Association thus led to linguistic agreement between the official annual report and the version of the annual report considered by the Board of Directors and

reported to the authorities. To accommodate the Danish shareholders, a Danish version is prepared, containing a complete translation of the management's report.

Hence, the Board of Directors does not support the proposal.

13.2 Communications with the authorities

It is proposed that the following be inserted as a new article 20.3 in continuation of the provision regulating the powers to sign for Danske Bank set out in article 20 of the Articles of Association:

"20.3. The provision regulating the powers to sign for Danske Bank set out in article 20.1 must be observed in connection with any answer to inquiries from the Danish Customs and Tax Administration or equivalent non-Danish authorities and in connection with answers to inquiries from the Danish Financial Supervisory Authority or equivalent non-Danish supervisory authorities."

The Board of Directors' reply:

Danske Bank's signing powers apply to any representation of Danske Bank in relation to the outside world, and there is therefore no need for a separate provision on answers to inquiries from specific authorities.

In continuation of the Estonia case, Danske Bank has established a central unit at Group level which is to ensure transparency and completeness of Danske Bank's interaction with various supervisory authorities and due, timely and qualified reporting and answers from Danske Bank, the Board of Directors and/or the Executive Board, respectively, depending on the matter at hand.

Hence, the Board of Directors does not support the proposal.

13.3 Amendment to the Articles of Association to limit incentive pay etc.

It is proposed that the following new provision be inserted in the Articles of Association as article 18a:

"18a.1. Anyone who, by gross negligence or with intent to avoid Danish or foreign authorities and to evade direct and indirect taxes and in relation to the provision of information for the purpose of investigations conducted by the Danish or foreign financial supervisory

authorities, discloses incorrect, misleading or incomplete information will temporarily lose his or her right, in case of both resignation and dismissal, to receive incentive pay or any other type of incentive compensation pursuant to article 18.2 of the Articles of Association in the event that Danske Bank A/S incurs a fine in excess of DKK 100 million for the violation.

18a.2. During the period until incentive pay is paid, if applicable, the value of such incentive pay will carry interest in favour of the person having resigned or been dismissed. Interest and incentive pay are payable simultaneously.

18a.3. In connection with future conclusion of service agreements or remuneration agreements with members of the Board of Directors, no agreement will be concluded on the payment of severance pay or anything substituted for such pay in the event that the person in question has failed to comply with articles 18.1 or has had an influence on the provision of answers/reports/information in relation to the stated group of authorities where the person knew or should have known that the information was incorrect, misleading or incomplete.

18a.4. In the event of disagreement between the resigned or dismissed members of the Executive Board and the Board of Directors and Danske Bank A/S, any matters in this respect may be brought before the courts. Danske Bank A/S will pay any legal costs in excess of DKK 300,000 for the member having resigned or been dismissed."

The Board of Directors' reply:
The general guidelines on performance-based remuneration are set out in the Remuneration Policy adopted by the general meeting. The Remuneration Policy already sets out rules on both accrual, award, deferral of payment, backtesting and clawback of performance-based remuneration on the basis of the special national legislation and relevant European legislation for financial institutions. The specific purpose of deferral of payment and backtesting is to ensure robust and sustained value creation so deferral of payment and backtesting are not limited to specific situations. Danske Bank's Remuneration Committee ensures that backtesting and payment take place subject to the approval by the Board of Directors.

Accrued but not paid performance-based remuneration does not carry interest until the date of payment.
Accrued but deferred performance-based remuneration

is not considered awarded until backtesting has been completed and it does not carry interest either.

The Remuneration Policy already sets out guidelines for the remuneration of the Executive Board, also stipulating that members of the Executive Board are not entitled to severance pay. Furthermore, the Remuneration Policy already sets out guidelines for the Board of Directors' remuneration, which consists exclusively of a fixed fee.

The management of any disagreement between resigned or dismissed members of the Executive Board and Danske Bank as the employer is set out in their individual service agreements. No employment relationship exists between Danske Bank and the members of the Board of Directors as the latter are elected by the general meeting. Any disagreement between these parties will thus be governed by the general rules of Danish law.

Hence, the Board of Directors does not support the proposal.

13.4 The general meeting expresses disapproval with Danske Bank's Board of Directors having made transactions pursuant to section 195 on charitable gifts of the Danish Companies Act.

The Board of Directors' reply:
The Board of Directors is of the opinion that Danske Bank should not benefit financially from the suspicious transactions which took place at the branch in Estonia. The Board of Directors has therefore made a commercial decision to spend the estimated gross income from these transactions on combating i.a. money laundering, cf. Danske Bank's press release of 18 July 2018 and the interim report for the first half of 2018 of the same date.

Hence, the Board of Directors does not support the proposal.

13.5 The general meeting makes the decision to remove Danske Bank's current external auditor (see section 146 of the Danish Companies Act).

The Board of Directors' reply:
Deloitte Statsautoriseret Revisionspartnerselskab was elected by the general meeting in 2015. Deloitte Statsautoriseret Revisionspartnerselskab is a recognised international audit firm with great expertise in financial auditing. Danske Bank is satisfied

with the cooperation and the services provided, and the Board of Directors has therefore, in agreement with the recommendation of the Board of Directors' Audit Committee, proposed re-election of Deloitte Statsautoriseret Revisionspartnerselskab as Danske Bank's auditor.

Hence, the Board of Directors does not support the proposal.

13.6 The general meeting expresses disapproval with Danske Bank's Group Internal Audit having been deprived of the duty to conduct financial audits and no longer issuing an auditor's report on Danske Bank's financial statements.

The Board of Directors' reply:
With effect from the financial year 2015, the Board of Directors decided that Danske Bank's Group Internal Audit should no longer issue an auditor's report on the financial statements. This decision was made for the purpose of ensuring alignment with international practice and allowing Danske Bank's Group Internal Audit to focus on auditing Danske Bank Group's risk management, processes and controls. Furthermore, it was a possibility for Danske Bank Group to benefit more from the international network of which external auditors form part when the financial audit is fully in the hands of external auditors.

Hence, the Board of Directors does not support the proposal.

Re item 14)

Proposal from shareholder Ole Schultz

14.1 The general meeting recommends that the Board of Directors ensure that real active ownership be taken in relation to fossil fuel companies working against the Paris Agreement, which aims at a global temperature rise of not more than 2 degrees Celsius and as close as possible to 1.5 degrees Celsius.

14.2 The general meeting recommends that Danske Bank sell its shares and corporate bonds in fossil fuel companies which do not adjust their business models to achieve the aim of the Paris Agreement by 2021.

14.3 The general meeting recommends that the Board of Directors of Danske Bank work to avoid offering investments and pension schemes which are placed

with companies which, through their activities, work against the aim of the Paris Agreement of a global temperature rise of not more than 2 degrees Celsius.

14.4 The general meeting recommends that the lending policy does not work against the aim of the Paris Agreement of a global temperature rise of not more than 2 degrees Celsius.

Proposing shareholder's motivation for the proposal:
 The scientific consensus is clear and overwhelming: even burning only half of the already existing reserves of coal, gas and oil will still warm up the earth catastrophically. Fine words are not enough, but real action and visibility which facilitate reduced carbon emissions through dialogue are required, and sales may be required if they do not alter their behaviour.

The Board of Directors' reply:
Danske Bank recognises that also the financial sector plays a key role in the efforts made to fulfil the aims of the Paris Agreement. This being the case, Danske Bank also works actively with the UN's Sustainable Development Goal 13 Climate Action as one of three strategic sustainability themes.

Furthermore, in September 2018, Danske Bank announced its support to the Task Force on Climate-related Financial Disclosures, a series of global recommendations for how businesses and investors can work with the risks and opportunities which are the result of climate change. Danske Bank works actively to increase the volume of green loans in the portfolio, issue its own green bonds and help customers issue green bonds. In connection with lending to or investment in businesses, Danske Bank has included its expectations for the businesses' climate efforts in its published position statements.

Hence, the Board of Directors does not support proposals 14.1-14.4.

Re item 15)

Proposal from shareholder Frank Aaen

15.1 Proposal to split up Danske Bank
 The Board of Directors is instructed to prepare a plan for splitting up Danske Bank into independent limited liability companies each with their own general meeting and independent management. The split-up must include separation of mortgage credit activities, pension

company, insurance business and real estate business, separation of independent companies outside Denmark, asset management and investment and ordinary retail banking business. Such separation must ensure that no company subsequently has total assets in excess of 20% of Danish GDP.

Proposing shareholder's motivation for the proposal: Danske Bank is of such a size that the repercussions may feed through to Danish society at large when the management of Danske Bank makes a mistake. The size of Danske Bank in relation to Danish society is so large that mistakes made by its management may have massive consequences for society at large. For this reason, Danske Bank should be split up. So in keeping with the Danish economy in general, the result should be that individual companies can go bankrupt without rocking society at large.

The Board of Directors' reply:

Also because of its size, Danske Bank has a very special responsibility for running a responsible and proper business with a long-term perspective. The Board of Directors is of the opinion that splitting up Danske Bank would benefit neither society nor the customers. It is a clear advantage to Denmark that large banks exist with the right capacity and expertise to meet, for instance, the financial needs of large Danish businesses and asset managers. Danske Bank has been designated a systemically important financial institution (SIFI) and is therefore subject to special supervision and regulation – for the specific purpose of avoiding any adverse impact on Danish society should Danske Bank run into problems. The universal and diversified business model helps to ensure that Danske Bank is resilient and possesses the required flexibility in the event of a financial crisis. Splitting up Danske Bank's activities would therefore overall not have any beneficial effect, but would weaken Danske Bank's possibilities of serving customers who would instead have to turn to large foreign banks.

Hence, the Board of Directors does not support the proposal.

15.2 Proposal to limit fees and other income from Danske Bank's customers.

In future, a return on equity in excess of 7% must lead to a reduction in fee and interest income so that the consumers see an advantage.

Proposing shareholder's motivation for the proposal: The proposal is fair to consumers as well as a competitive advantage. More people will choose Danske Bank (and the various companies of the Group as long as it has not been split up).

The Board of Directors' reply:

Danske Bank must be competitive, and we therefore work hard to run a simple and efficient business so that our customers are offered competitive products and solutions. The Board of Directors is of the opinion that it is possible to offer attractive products and prices to customers while at the same time delivering to the shareholders a return matching that delivered by other comparable businesses. Limiting the return on equity would prevent Danske Bank from competing on equal terms with other banks and render it more difficult to raise capital and invest in solutions of the future, and this could potentially make it more expensive and less attractive to be a customer of Danske Bank.

Hence, the Board of Directors does not support the proposal.

15.3 Proposal for upper limit on the remuneration of management

Members of the Executive Board may not receive remuneration in excess of eight times the average salary of Danske Bank's employees.

The Board of Directors' reply:

The Board of Directors recognises that efforts must be made to ensure that the remuneration of management is not disproportionate to the general salary level of employees, and new regulation aims at ensuring even greater transparency in this respect. The Remuneration Policy adopted by the general meeting sets out guidelines for the remuneration of the Executive Board. The Remuneration Policy stipulates that the remuneration of the Executive Board must ensure that Danske Bank is always able to attract and retain the best qualified members of the Executive Board and that an assessment of developments in market practice be made in connection with the annual assessment of Executive Board members' remuneration. An upper ratio as the one specified in the proposal for the total remuneration of the Executive Board is not included in the Remuneration Policy.

Hence, the Board of Directors does not support the proposal.

Other information

Share capital and voting rights

Danske Bank's nominal share capital totals DKK 8,959,536,210 and each share of nominally 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. The agenda for the general meeting, the complete proposals, Annual Report 2018 and the forms to be used for requesting an admission card or for voting by correspondence or voting by proxy are also available on the website.

The registration date

The registration date is Monday, 11 March 2019. The right to participate and vote at the general meeting, including voting by correspondence or proxy, is calculated on the basis of the information in Danske Bank's register of shareholders on this date and any notices about shareholdings which have been received by Danske Bank and/or VP Investor Services A/S for entry into the register of shareholders.

Only shareholders who are registered on this date or who have given notification of and documented their title are entitled to attend and vote at the general meeting.

Admission card

In order to attend the general meeting and to exercise his/her rights, a shareholder must have requested an electronic or physical admission card.

In order to receive an admission card electronically the shareholder must have registered an e-mail address on Danske Bank's InvestorPortal.

You may register your e-mail address as follows:

1. Go to danskebank.com and choose "Go to InvestorPortal" on the front page.
2. Log on to the InvestorPortal with your NemID or VP-ID.
3. Enter your e-mail address under "My Profile" and click "Save preferences".

The electronic admission card must be presented at the general meeting by using for example a smartphone

or a tablet. Shareholders may as an alternative bring a printed version of the electronic admission card received by e-mail.

Shareholders may also request a physical admission card at 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. The admission card will be sent by ordinary mail. Danske Bank is not liable for any delays in the delivery of ordinary mail.

The deadline for requesting admission cards is Friday, 15 March 2019 at midnight.

Voting by correspondence

Shareholders may vote electronically at vponline.dk/en/danskebank or by using the voting by correspondence form available at danskebank.com. If the form is used, it must be completed, signed and sent by ordinary mail to VP Investor Services A/S, Weidekampsgade 14, DK-2300 København S or as a scanned copy to vpinvestor@vp.dk. Votes cast by correspondence cannot be revoked.

Please note that votes by correspondence must be received by VP Investor Services A/S no later than Sunday, 17 March 2019 at 4.00pm.

Proxy

Shareholders are entitled to attend the general meeting by proxy. Proxy may be granted at vponline.dk/en/danskebank or by completing the proxy form available at danskebank.com. If the form is used, it must be completed, signed and sent by ordinary mail to VP Investor Services A/S, Weidekampsgade 14, DK-2300 København S or as a scanned copy to vpinvestor@vp.dk.

Shareholders who want to grant a proxy to a third party must request an admission card no later than Friday, 15 March 2019, or send the completed proxy form so that it is received by VP Investor Services A/S no later than Friday, 15 March 2019.

Danske Bank's Board of Directors encourages shareholders to vote by correspondence rather than by granting a proxy to the Board of Directors.

Adoption requirements

The proposals to amend Danske Bank's Articles of Association, items 6.a-6.c and 13.1-13.3, must be passed by at least two-thirds of the votes cast as well as the share capital represented at the general meeting.

All other proposed resolutions may be passed by simple majority.

Electronic voting

An electronic voting device (e-voter) will be used for voting at the general meeting. The e-voter will be handed out at the entrance.

Questions from shareholders

Before the general meeting, shareholders may send questions to the Board of Directors about Annual Report 2018, 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 or by ordinary mail 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 Thursday, 21 March 2019.

Webcast

The general meeting will be webcast live on the InvestorPortal.

GDPR

With regards to Danske Bank's collection and processing of personal data, reference is made to Danske Bank's policy on personal data and cookies and information on matters in relation to personal data protection, which are available on Danske Bank's website danskebank.dk/privat/gdpr/data-in-danske-bank.

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 Erslevss Gade. There is

a charge for parking. Participants may exchange their parking slip for a paid parking slip at the exit when leaving the general meeting.

There is no refund of charges for parking in other car parks than the car park under Tivoli Congress Center.

Documents presented for review

Annual Report 2018 together with the agenda for the general meeting and the complete wording of the proposals are available to shareholders for inspection at Danske Bank's address at Holmens Kanal 2-12, København K.

Danske Bank A/S
21 February 2019
The Board of Directors

Appendix 1

Candidates for the Board of Directors

Lars-Erik Brenøe

Elected by the General Meeting



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

Born 22 March 1961
Nationality: Danish
Gender: Male
Joined the Board 17 March 2016,
Most recently re-elected 2018
Term expiration 2019
Non-independent

Chairman of the Nomination 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 in which Danske Bank operates

Directorships and other offices

Private-sector directorships

The A.P. Møller and Hustru Chastine Mc-Kinney Møller Foundation (member of the boards of directors or the executive boards of 8 affiliated undertakings)

Maersk Broker A/S (chairman or vice chairman of the boards of directors of 6 affiliated undertakings)

LINDØ port of Odense A/S (member of the board of directors)

Navigare Capital Partners A/S (chairman)

Entities which do not pursue predominantly commercial objectives

A.P. Møller og Hustru Chastine Mc-Kinney Møllers Familiefond (The A.P. Møller Family Foundation) (member of the board of directors)

The Danish Committee on Foundation Governance (vice chairman)

The Confederation of Danish Industry (DI) (member of the central board)

Karsten Dybvad

Chairman

Elected by the General Meeting



Born 5 November 1956
Nationality: Danish
Gender: Male
Joined the Board 7 December 2018
Appointed chairman 7 December 2018
Term expiration 2019
Independent

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

Competencies

- Broad experience with community and authority relationships, financial and regulatory competencies with extensive knowledge about the framework conditions of financial institutions
- Broad experience with board work both as member and chairman in various lines of business, mainly in the public sector

Directorships and other offices

Private-sector directorships:

PensionDanmark Pensionsforsikringsaktieselskab and PensionDanmark Holding (vice chairman)

Bygnings- og udviklingsfonden DTM 4.0 (chairman)

Entities which do not pursue predominantly commercial objectives:

Copenhagen Business School (chairman)

Jan Thorsgaard Nielsen**Vice Chairman**

Elected by the General Meeting



Chief Investment Officer (CIO), A. P. Møller Holding A/S

Born 6 June 1974

Nationality: Danish

Gender: Male

Joined the Board 7 December 2018

Term expiration 2019

Non-independent

Member of the Audit Committee

Competencies

- Several years of experience from the global financial sector and broad experience with board work in different lines of business
- Major experience with business development and change management with a strong profile within building talent

Directorships and other offices*Private-sector directorships:*

APMH Invest (member of the board of directors)

A.P. Møller Capital P/S (member of the board of directors)

A.P. Møller Capital GP ApS (member of the board of directors)

LEGO A/S (member of the board of directors)

Jens Due Olsen

Elected by the General Meeting



Born 5 November 1963

Nationality: Danish

Gender: Male

Joined the Board 15 March 2018,

Term expiration 2019

Independent

Chairman of the Audit Committee and member of the Risk Committee

Competencies

- Extensive executive experience from large international public and private equity-backed companies
- Significant board and chairman experience of both public and private equity-backed companies
- Strong financial literacy
- Strong experience in strategy, consolidation and transformation matters

Directorships and other offices*Private-sector directorships*

KMD Holding A/S (chairman and chairman of 4 affiliated undertakings)

NKT A/S (chairman and chairman of 1 affiliated undertaking)

Nilfisk Holding A/S (chairman)

HusCompagniet (chairman)

JDO Invest ApS (executive officer)

JDO Invest 2 ApS (executive officer)

Entities which do not pursue predominantly commercial objectives

BørneBasketFonden (not-for-profit) (chairman)

The Danish Committee on Corporate Governance (vice chairman)

Christian Sagild

Born 11 December 1959
 Nationality: Danish
 Gender: Male
 Independent

Competencies

- Significant experience from managing public companies. Primary experience is from the insurance sector, but also insights and skills from various board roles in public companies in other sectors
- Experience in operating with complex regulatory framework
- Very solid experience in managing external stakeholders and in reputation management in general
- Many years of experience in general financial analysis and reporting across complicated income and balance statements of publicly listed companies

Former employment

2009-2017 Group CEO, Topdanmark A/S
 2006-2009 Executive director, Topdanmark A/S
 1998-2006 CEO, Topdanmark Livsforsikring A/S
 1992-1998 CEO, BG Pension
 1989-1992 Appointed Actuary, SVP, ALKA Forsikring (Insurance)
 1986-1989 Actuary, PFA Pension

Formal training

1985 Actuary, cand.act., Copenhagen University

Directorships and other offices*Private-sector directorships*

Blue Ocean Robotics A/S (member)
 Royal Unibrew A/S (member)
 Nordic Solar Energy A/S and Nordic Solar Global A/S (chairman)
 SDG Invest (member)
 AMBU A/S (member)
 Sagild ApS (executive officer)

Carol Sergeant**Vice Chairman**

Elected by the General Meeting



Born 7 August 1952
 Nationality: British
 Gender: Female
 Joined the Board 18 March 2013
 Most recently re-elected 2018
 Term expiration 2019
 Independent

Chairman of the Risk Committee and member of the Nomination Committee

Competencies

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

Directorships and other offices*Private-sector directorships*

BNY Mellon SA/NV (member of the board of directors, chairman of the risk committee and member of the audit committee)
 Threadneedle Solutions Ltd (company director)

Entities which do not pursue predominantly commercial objectives

British Standards Institute, Standards Policy and Strategy Committee (chairman)
 Lloyds Register Foundation (trustee and member of audit and investment committee)
 The Governing Council of the Centre for the Study of Financial Innovation (CSFI) (trustee)

Gerrit Zalm

Born 6 May 1952
 Nationality: Dutch
 Gender: Male
 Independent

Competencies

- Broad professional background originally anchored in economics and later politics
- Broad and holistic perspective on the financial services sector and its role in society and strong advocate of tighter regulations and less self-supervision
- Significant experience across the audit and risk committees' areas both within and outside banking and a significant senior leadership and board exposure track record
- Unique blend of regulator and banking executive experience and considerable experience in dealing with stakeholder and reputation management

Former employment

2010-2017 CEO and chairman, ABN AMRO Group & ABN AMRO Bank
 2009-2010 CEO and chairman, ABN AMRO Bank
 2008-2009 Chief Financial Officer, DSB Bank NV
 2007-2008 Chief Economist, DSB Bank NV
 2003-2007 Finance Minister, Balkenende II Cabinet and Deputy Prime Minister
 2002-2003 Parliamentary Leader of the People's Party for Freedom and Democracy
 1994-2002 Finance Minister, Paars I and II Cabinets
 1989-1994 Director, Bureau for Economic Policy Analysis
 1989-1994 Professor Economic Policy, Vrije Universiteit Amsterdam
 1988-1989 Deputy Director, Bureau for Economic Policy Analysis
 1985-1988 Director, General Economic Policy, Ministry of Economic Affairs
 1983-1985 Deputy Director, General Economic Policy, Ministry of Economic Affairs
 1981-1983 Deputy Director, Budgetary Affairs, Ministry of Finance
 1975-1981 Various positions in the Ministry of Finance

Formal training

2008 Honorary Doctorate, Economics, Vrije Universiteit, Amsterdam
 1975 Master's Degree, Economics, Vrije Universiteit, Amsterdam

Directorships and other offices

Private-sector directorships
 Moody's Corporation (member)
 Royal Dutch Shell (member)
 Y-Group (Advisory Board member)

Entities which do not pursue predominantly commercial objectives

Central Bureau of Statistics, Netherlands (Advisory Board chairman)
 Foundation Schuldenlab.nl (chairman)
 Stichting VU MC Fonds (Supervisory Council member)
 Trustees of the National Academy for Finance and Economics (chairman)
 Wigo4it, cooperative effort of the social assistance organisations of the four largest cities in the Netherlands (Advisory Council chairman)

Appendix 2

The Danske Bank Group's Remuneration Policy, March 2019 with the proposed amendments.

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 2019, however when approved, the policy will apply to remuneration earned from 1 January 2019.

An overview of the Group's remuneration practice is available in the Remuneration Report at [danskebank.com](https://www.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 thereof 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](https://www.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 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 structure for the coming year. The aggregate bonus spend which is made up of bonus accrued under said structures 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 thereto are clear, well-documented and transparent, and the procedures are subject to at least one independent review annually by Internal Audit.

Remuneration components

At least annually, during the performance and appraisal dialogues, the individual employees and managers evaluate and document performance in the past period/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 these dialogues.

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 payable mainly in cash but can in specific cases be payable partly in shares or other instruments as required by relevant legislation or the Group's policies.

The performance-based remuneration motivates, rewards and drives the right behaviour 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, where relevant. 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, apply only to a small minority of employees and be offered only 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, alignment of the interests of the employees, the Group, the customers and the shareholders, Alternative Investment Funds and/or UCITS managed by management companies is always ensured.

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 are 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 the Group. The benefit offered to certain groups of employees could be mobile telephone, internet, newspaper, company car, health insurance and health checks, assistance from health providers and other benefits in kind.

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 constitutes an appropriate compensation for early termination by the Group, is decided upon consideration of the individual's responsibility and decision-making powers and it is taken into account that it must not constitute a reward for failure. Normally, severance pay is linked to seniority, as employees earn entitlement to severance pay throughout their years of service. Most employees are entitled to severance pay solely 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. Further, unless otherwise required by law, collective agreements or agreements entered into prior to 1 January 2018, severance pay, inclusive of salary during a notice period, cannot exceed a total of two years' salary and benefits.

Performance-based remuneration

Performance-based remuneration is awarded in a manner which promotes sound risk management, includes ex-post risk adjustments and does not induce excessive risk-taking. This means that if the performance-based remuneration exceeds the minimum threshold determined by the Board of Directors the performance-based pay will be split in shares (or other

instruments) and cash, part of which will be deferred in accordance with national legislation or Group's guidelines. 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. Further, the Group has established a governance for spot-bonus under which certain employees, not comprised by mandatory legislation stipulating otherwise, can be granted a bonus for extraordinary performance during a certain period.

Deferral varies on the basis of position, geography and amount, from three to seven 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 or other applicable instruments and deferred for one to three years. For material risk takers, deferral is applied according to mandatory legislation and Group policies. The Executive Board is subject to at least five years' deferral. 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 the nature of the business and applied pay-out structures, including back testing and claw back provisions, a general deferral period of at least 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 pay 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. Risk KPIs are further applied to ensure a strong risk management and compliance culture, facilitating the Group's commitment to integrity. KPIs cover quantitative and qualitative criteria, such as

- return on equity
- cost/income ratio and/or other cost related measures
- customer satisfaction
- relative performance against peers
- observance of the Group's core values and delivery on the Essence of Danske Bank Group
- compliance with legislation and/or internal business procedures
- performance which supports the strategy of the business unit and/or the Group
- expected loss or similar risk measures
- innovation
- observance of the Group's and business units' risk management and compliance culture
- leadership/employee engagement

Long-term performance-based incentives (LTI) can be applied to certain employees. The LTI can be related to other/additional criteria, such as creation of shareholder value, that is, the remuneration is based on a rolling 3-year performance on total shareholder return against peers.

Further, the KPIs are designed to prevent conflicts of interest and thus ensure that employees are remunerated in alignment with serving the best interest of all stakeholders, inclusive of customers.

Employees are not incentivised to sell specific products to customers if other products would serve the customers better or be more suitable for the customer in accordance with best practice, customer analyses, etc. Where applicable, the Group has implemented a prohibition of employees being remunerated on sale of specific products.

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 be used only to attract or retain highly specialised 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 is, according to applicable legislation, as a main rule conditional on the employee not resigning within a given period of time after the pay.

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

Sign-on, stay-on or guaranteed variable pay are subject to and paid in accordance with relevant legislation applicable for both Group and for local entities subject to national legislation.

Diversity and equal pay

An employee's total remuneration package is determined on the basis of the role and position of the individual employee, professional experience, seniority, education, responsibility, job complexity, local market conditions, the results of the Group, the business unit in which the employee is employed and the individual's performance, etc.

The Group has for several years adopted a strategy and policy on Diversity and Inclusion which can be found at [danskebank.com](https://www.danskebank.com). The objectives of that Policy imply that the remuneration of individuals is set with no regard to gender, race, ethnic origin, political views, sexual orientation, age or other discriminatory factors. The Group constantly strives to promote equality within the Group both with respect to employment, career development, promotions, equal pay etc. This implies that to overcome gender pay gaps, the Group does not focus only on pay but more broadly on diversity and inclusion to ensure a more even distribution of women in particularly higher managerial positions and in

positions within professional areas with higher market remuneration levels. The Group has implemented numerous initiatives to achieve its ambitions within diversity and equal pay and regularly performs internal reviews in order to ensure that the Group lives up to the set strategy and targets. Further information on this can be found in the Corporate Responsibility report at danskebank.com.

Non-employees of the Group

When cooperating with non-employees of the Group, such as agents, independent contractors/consultants, temporary workers from temp agencies etc., the Group strives to ensure that the terms and conditions in the contract lives up to the Group's business and risk strategy, long-term interest of the Group, core values, avoid conflict of interests and does not encourage excessive risk-taking or the mis-selling of products. Accordingly, as an overall starting point non-employees are remunerated with a fixed hourly fee or a fixed project fee and do not receive variable pay. In alignment with the above set criteria Head of Procurement can in extraordinary and exceptional cases decide to deviate from fixed remuneration and agree on project bonuses etc. However, in any and all cases such bonus shall respect the criteria above and may not reward any kind of failure or misconduct/non-compliance with Group policies on behalf of the non-employee.

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 local Remuneration Committees and regulatory qualitative and quantitative criteria. Members of the Executive Board and the Board of Directors are appointed material risk takers on an ongoing 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, including Danske Private Equity, are exempted from this Remuneration Policy and are 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. This is done 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 cycle 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, including, but not limited to, MiFID II, UCITS, IDD, etc.

Finally, to the extent bonus is agreed on in collective agreements between the Group or employer organisations and unions, any such agreements will, to the extent necessary, be exempted from this policy in accordance with EU and national legislation.

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 (as a main rule the Executive will be comprised by a Group pension scheme according to which a fixed percentage of the salary will be paid into the collective pension scheme entitling the Executive to appropriate pension payment upon retirement). Subject to individual agreement, members of the Executive Board are also entitled mobile telephone, internet, newspaper, company car, health insurance and health checks, assistance from health providers and other benefits in kind.

As a main rule, the Executive Board members are entitled to a notice period upon termination from the Group of 18 months, and to terminate their own position with a notice of 9 months (12 months for the CEO). During such notice period, the Executive Board members are only entitled to full salary and benefits to the extent the Executive does not obtain other income during the notice period. 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](https://www.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 approximately 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 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 to members of the Board of Directors and Committees, Danske Bank may pay social duties and similar taxes levied by foreign authorities in relation to the directors' fees. Danske 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, for example to set different 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 a 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 must be reported to the owner of the policy.

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

Appendix 3

Complete wording of proposal from shareholder DRS Belgium SCRL (Deminor):

Proposal that the Bank appoints an independent scrutinizer, chosen from a list of Denmark based certified auditors having relevant experience in the audit of listed companies with the tasks listed below to investigate whether the members of the Board of Directors and the Executive Board have violated their duties towards (i) the shareholders and (ii) the Bank in connection with the anti-money laundering activities perpetrated by the Estonian branch of the Bank between 2007 and 2015.

To qualify as “independent”, the scrutinizer shall not have been engaged in any audit, legal or consulting work for the Bank during the last five years, shall not have received fees or other types of payments from the Bank during the last 5 years in any capacity whatsoever, shall not have any ongoing employee, shareholding, business or other relationship, either directly or indirectly (as an employee, officer, director, shareholder or agent of a company or organization) with the Bank. The scrutinizer shall not have any family relationship with any of the higher management, directors or auditors of the Bank and shall refrain from accepting the assignment of independent scrutinizer if there are any other circumstances that could limit its independence or create the impression that its independence would be limited.

The scrutinizer shall among others, in order to answer to the questions mentioned below:

- a. review the discussions, evaluations, communications, internal and external memoranda and decisions with respect to potential money laundering activities made by and/or between the members of the Board of Directors, the Executive Board, the Group Internal Audit Committee, the Group Compliance & AML, the external auditors and the employees of the Bank and its Estonian Branch as from the acquisition by Danske Bank of Sampo Bank and its Estonian branch in 2007, and
- b. review the communications between and the information provided by the Bank to the Danish and Estonian FSA in the context of their investigations against the Bank and its Estonian Branch since 2007.

With respect to the allegations of money-laundering activities of the Estonian Branch of the Bank and the

non-compliance with anti-money laundering legislation, the scrutinizer shall examine the following topics and answer the following questions:

- a. Between 2007 and 2015, the so-called “Non-Resident Portfolio” of the Estonian Branch has been profitable and the profits made from those clients have significantly increased since its acquisition until the closing of the portfolio in 2015. Did the Bank performed any AML procedure with respect to each client of the Non-Resident Portfolio since 2007? With whom were the conclusions of the AML processes shared? To the opinion of the scrutinizer, were those satisfactory considering the type of clients of the Non-Resident Portfolio?
- b. At the time of acquisition of Sampo Bank in 2007, Danske Bank has been informed of money laundering concerns communicated by the Russian Central Bank (through the Danish FSA) and the Estonian FSA. What was the nature of these concerns and with whom were these concerns shared within the Board of Directors and Executive Board? Have measures been decided and effectively implemented by the Executive Board and/or the Board of Directors as a reaction to those concerns? If yes, to the opinion of the scrutinizer, were they satisfactory and in compliance with the applicable legislation? If no, was the absence of measure justified considering the level of concerns?
- c. The Baltic banking activities of the Bank, including its Estonian Branch, were never migrated to the Group IT platform, and the project to do so was abandoned in 2008. Why? What are the consequences therefrom on the compliance by the Bank and the Estonian Branch with AML obligations and procedures?
- d. The Bank had a reporting process from Group Compliance & AML to the Executive Board and the Board of Directors on the Estonian Branch's activities since 2007. Who was involved in the reporting process? Were there any concerns raised about money-laundering suspicions since 2007? Was information about the Non-Resident Portfolio of the Estonian Branch and money-laundering suspicions shared with the Board of Directors or the Executive Board? If yes, what were the decisions and follow-up measures taken following

the discussions and did they comply with relevant legislation considering the level on information of the persons involved? To the opinion of the scrutinizer, were they satisfactory considering the information provided?

- e. A whistleblower report was sent in December 2013. Who were the recipients of the whistleblower report? Has any member of the Board of Directors and the Executive Board been informed of the existence / the content of this whistleblower report? What measures were discussed following the whistleblower report? Who was involved in the process? To the opinion of the scrutinizer, have the members of the Board of Directors and the Executive Board taken the appropriate measures as a reaction to the whistleblower report?
- f. In 2013, a correspondent bank terminated its banking relationship with Danske Bank due to AML concerns. Has this information been discussed internally by the Bank and if yes by whom? Were the Board of Directors and the Executive Board informed of the reasons leading to such termination? It appears that an internal review of the Non-Resident Portfolio of the Estonian Branch has been performed thereafter. What were the conclusions of this review and with whom were they shared? To the opinion of the scrutinizer, were the measures taken satisfactory and were they in compliance with the applicable AML legislation?
- g. A Group Internal Audit has started an investigation on AML suspicions early 2014. Who commissioned this investigation? Has there been any communication between the Group Internal Audit, the Board of Directors, or the Executive Board on this audit and its conclusions? With whom were the (draft) conclusions of the internal audit report shared? To the opinion of the scrutinizer, have the members of the Executive Board and Board of Directors taken the appropriate follow-up measures in light of the (draft) conclusions of the report?
- h. The decision to close the Non-Resident Portfolio of the Estonian Branch was taken in 2014 and the process has been finalized in 2015. Who was part of the decision-making process? Where money laundering activities clearly identified and were they the grounds of this decision? Why it took more than one year to effectively close the Non-Resident Portfolio?
- i. The Bank has been subject to several investigations from the Danish and Estonian Financial Services Authorities on money-laundering suspicions since 2007. Were the members of the Board of Directors and Executive Board aware of these investigations? Was the information communicated by the Bank and its Estonian Branch to the Danish and Estonian financial authorities accurate and complete? With whom were the conclusions of each investigation shared? Was any member of the Executive Board and the Board of Directors involved in the interactions with the authorities as part of these investigations? If not, was there any report made to the Executive Board and Board of Directors about the ongoing investigations and their conclusions? What were the measures taken by the Executive Board and the Board of Directors as a reaction to these investigations and their conclusions? To the opinion of the scrutinizer, have the Executive Board and the Board of Directors taken the appropriate measures as a reaction to the reports from the Danish and Estonian authorities?
- j. In February 2018, the content of the 2013 whistleblower report was publicly disclosed by newspapers. Has this been discussed by the members of the Executive Board and/or the Board of Directors? What were the decisions taken as a result of this disclosure? Has this led to any accrued AML investigation? To the opinion of the scrutinizer, have the members of the Board of Directors and the Executive Board taken the appropriate measures as a reaction to the disclosure and the subsequent press releases?
- k. Have the auditors of the Bank been informed of the money laundering suspicions or on the ongoing investigations made by the Estonian and Danish FSA? To the opinion of the scrutinizer, did the auditors comply with their obligations considering their level of information and did they take the appropriate measures?
- l. Considering the level of information in possession of the Bank's senior executives since at the very least early 2014, has the Bank complied with its information and transparency duties towards its

shareholders? Was the information provided in the 2014, 2015, 2016 and 2017 annual reports and all other communications disseminated by the Bank towards investors over these years accurate and complete considering what was known by senior executives when these reports were published? To the opinion of the scrutinizer, has the Bank complied with its obligations towards its shareholders when it comes to the disclosure of price sensitive information related to the money laundering since 2007?

The Bank and its bodies shall fully collaborate with the scrutinizer to allow him to conduct a full investigation without any limits and have access to all information and document necessary or useful for the performance of his mission. The scrutinizer's fees and expenses will be fully borne by the Bank. The scrutinizer shall draw up a detailed report describing the results of his investigation on the above matters and this report shall be made available to shareholders on their simple request and without any cost to the requesting shareholders. The scrutinizer's report shall be made available to the shareholders no later than the annual general meeting to be held in March 2020.

The independent scrutinizer may call upon the support of professionally qualified persons, in particular persons with knowledge of anti-money laundering legislation and/or knowledge of the Bank's industry and duties.

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