

Danske Bank Group

Remuneration Policy 2026

Danske Bank

Summary of material changes

To ensure that the Remuneration Policy is fit for purpose and supports the Group's long-term strategy, the Remuneration Committee reviews and considers potential changes on an annual basis. Where necessary, a proposal for updating the Remuneration Policy is presented by the Remuneration Committee to the Board of Directors for approval and subsequently to the annual general meeting for adoption at least every four years.

In 2025, the section related to the base salary of the members of the Executive Leadership Team was revised to include the possibility of paying parts of the base salary in shares or cash with an obligation to spend the amount to acquire shares in Danske Bank. As the current 50% cap on variable remuneration for members of the Executive Leadership Team limits the granting of share-based variable remuneration, this revision aims to strengthen the alignment of interests between the members of the Executive Leadership Team and shareholders should the Board of Directors decide to pay parts of the base salary in shares.

In addition to the material change mentioned above, other non-material amendments and clarifications were made. These include a specification of the minimum meeting frequency of the Remuneration Committee (increased to a minimum of four meetings per year instead of three) to align with the Remuneration Committee's existing practice and clarification in the section 'Material risk takers and control functions', specifying that the designation process applies to material risk takers and not to employees of the Group's internal control functions. It was also clarified in the section for all employees that sign-on fees are not restricted to the executive level, aligning with current practice.

The Remuneration Policy will take effect once it has been approved at the annual general meeting on 26 March 2026.



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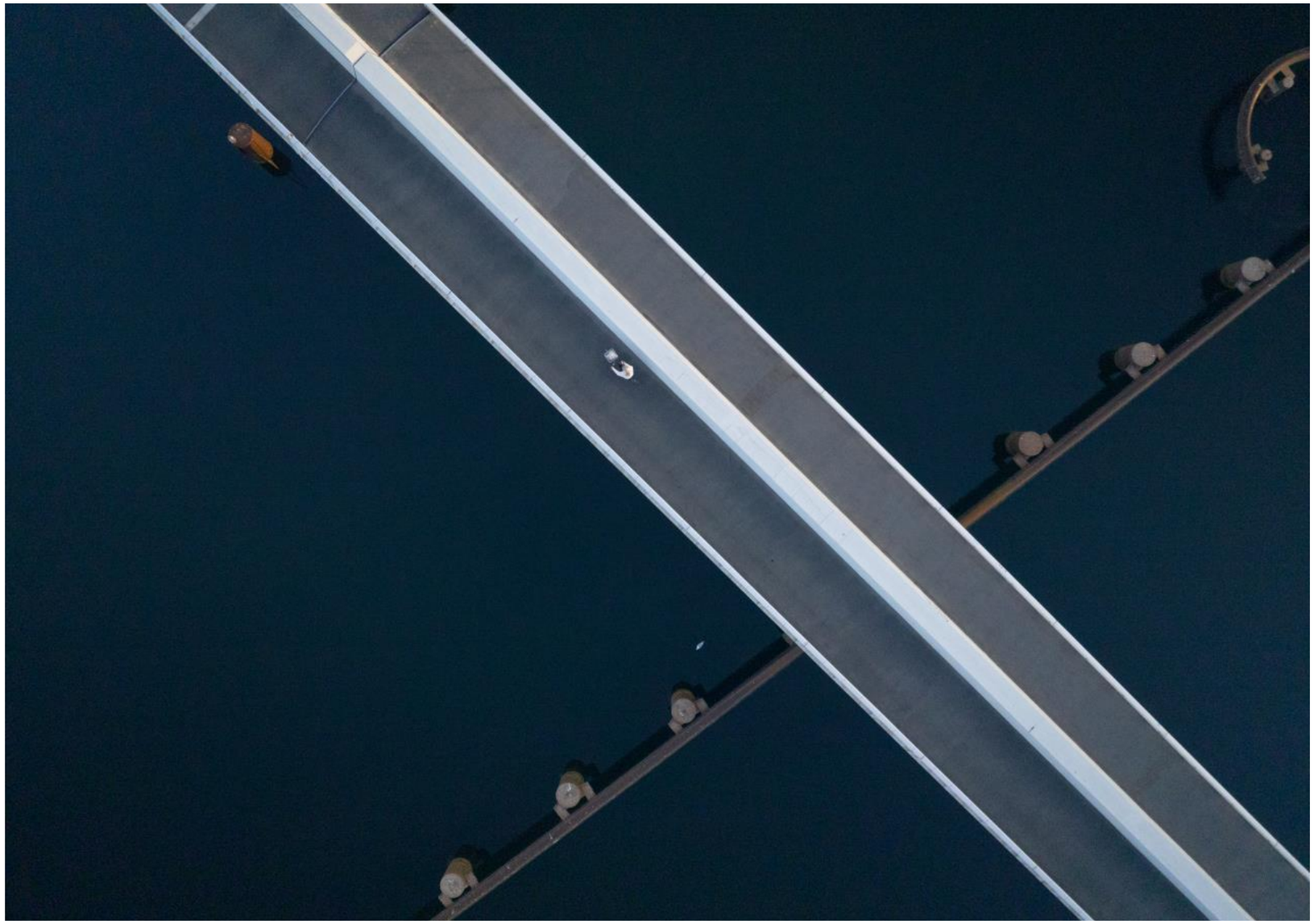
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Introduction

The Remuneration Policy has been prepared in accordance with sections 139 and 139a of the Danish Companies Act, section 77d(1) of the Danish Financial Business Act and sections 5-9 of Danish Executive Order No. 1242.

The Remuneration Policy sets the framework for the remuneration at the Danske Bank Group and applies to all the Group's employees. The policy outlines the principles of the total remuneration by components and how the policy supports the achievement of the Group's Forward '28 strategy, long-term interest and sustainability.

The Remuneration Policy was submitted for approval at the annual general meeting in March 2026 and will apply until the annual general meeting in 2030, unless material amendments are proposed, or the Board of Directors determines that a revised Remuneration Policy should be submitted for adoption at an earlier general meeting.



Policy objectives and link to the Group's Forward '28 strategy

The objectives of the Group's Remuneration Policy are to:

- Promote sustainable long-term value creation at the Group.
- Ensure alignment between the interests of management and employees and the interests of the Group and shareholders by ensuring that remuneration packages have a clear link to Danske Bank's strategy.
- Support Danske Bank's ability to attract, motivate and retain qualified and high-performing employees in a competitive international market by offering an appropriate total remuneration package.

The Remuneration Policy contributes to achieving the Group's ambitions and long-term interests in several ways:

1. The applied performance criteria (KPIs) and associated targets for the Group's incentive programmes are closely aligned with the Group's Forward '28 Strategy and the four strategic focus areas: Advisory, Digital, Sustainability and Simple, Efficient & Secure.
2. The distribution between bonus payouts in cash and shares seeks to ensure a balance between short-term and long-term results.
3. The payout partly in shares under the short-term incentive programme (STI) and the completely share-based long-term incentive programme (LTI) provide strong alignment with the Group's long-term interests. In particular, the fact that the share-based variable remuneration of the Executive Leadership Team is deferred over a five-year period (four years for other material risk takers) and further retained for a period of minimum one year (six months for other material risk takers) ensures that the Executive Leadership Team and other material risk takers are continuously exposed to the development of Danske Bank's share price.

The Group's general incentive structure supports its business strategy, including the risk strategy and the risk tolerance across all risk types, such as credit, market, operational, liquidity, reputational and other risks identified by the Group as well as the Group's cultural commitments and values.

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

- Clear guidance for setting goals.
- Alignment with the Group's ambitions and key priorities on a short- and long-term basis.
- Alignment with the principle of protection of customers, shareholders and Alternative Investment Funds managed by Alternative Investment Fund Managers ensuring prevention of conflicts of interest.
- Ensuring that the total bonus pool does not undermine or compromise 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 with risk and actual performance.
- Alignment with the Group's Code of Conduct.

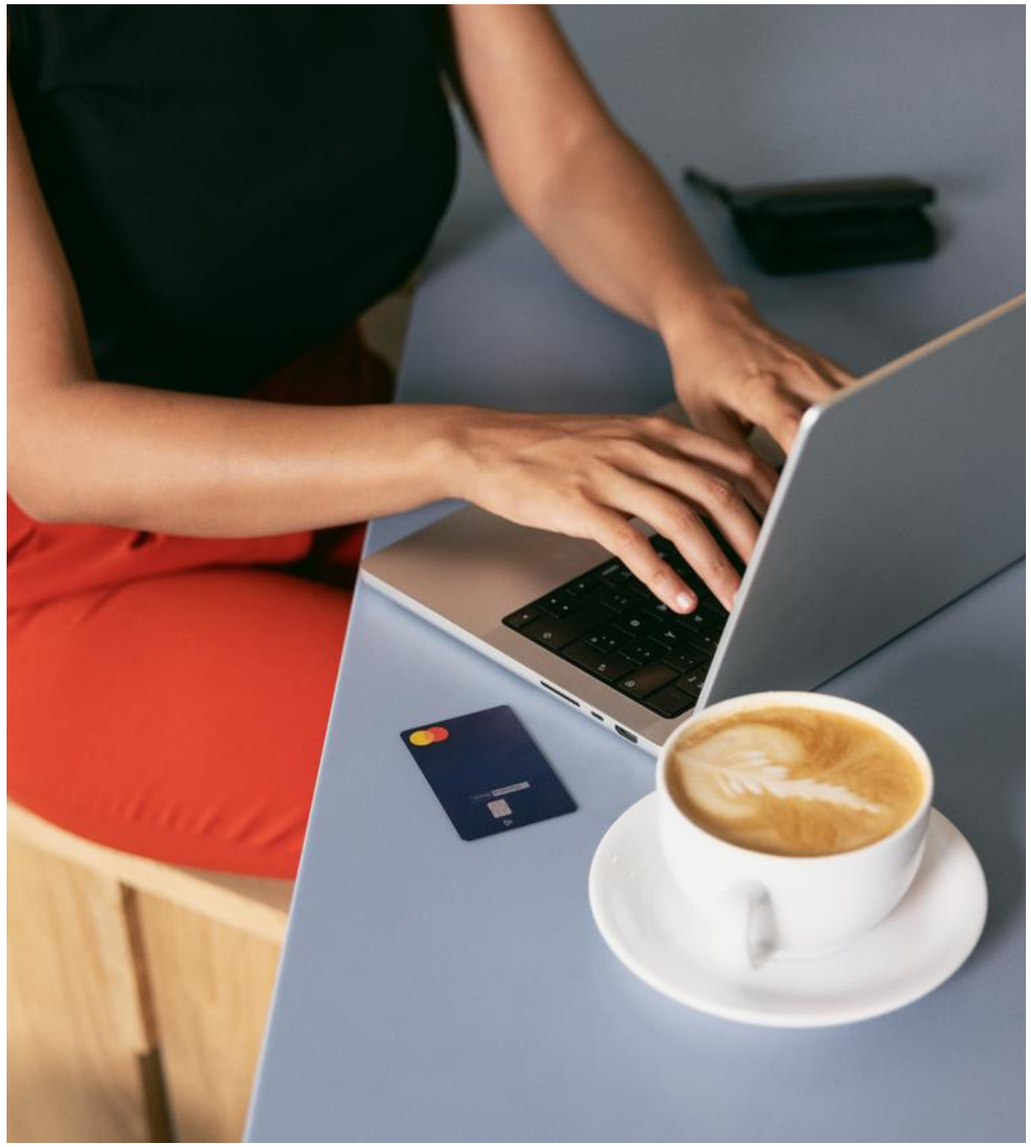
Remuneration Committee

The Board of Directors has established a Remuneration Committee. The Remuneration Committee works as a preparatory committee for the Board of Directors with respect to matters concerning remuneration. In particular, the Remuneration Committee focuses on the Group's Remuneration Policy, the structure and governance of the incentive programmes, the remuneration of members of the Board of Directors and the Executive Leadership Team and the principles for remuneration of key employees. These include material risk takers, employees in charge of control and internal audit functions and the employees receiving the highest remuneration.

The Remuneration Committee's charter lays down the responsibilities of the Remuneration Committee and is published on Danske Bank's website (www.danskebank.com).

The Remuneration Committee consists of at least three members, of whom one is the Chairman of the Board of Directors. The Chairman of the Remuneration Committee is elected by the Board of Directors from amongst the members of the Remuneration Committee. Another member of the Remuneration Committee is an employee-elected member of the Board of Directors. Other members of the Board of Directors, the Executive Leadership Team and relevant employees of Danske Bank, such as the Head of Total Rewards, participate in meetings of the Remuneration Committee at the request of the committee. Further, the Company Secretariat acts as secretariat to the Remuneration Committee. The composition of the Remuneration Committee as well as the committee members' record of attendance are available on Danske Bank's website.

The Remuneration Committee meets four times a year as a minimum.



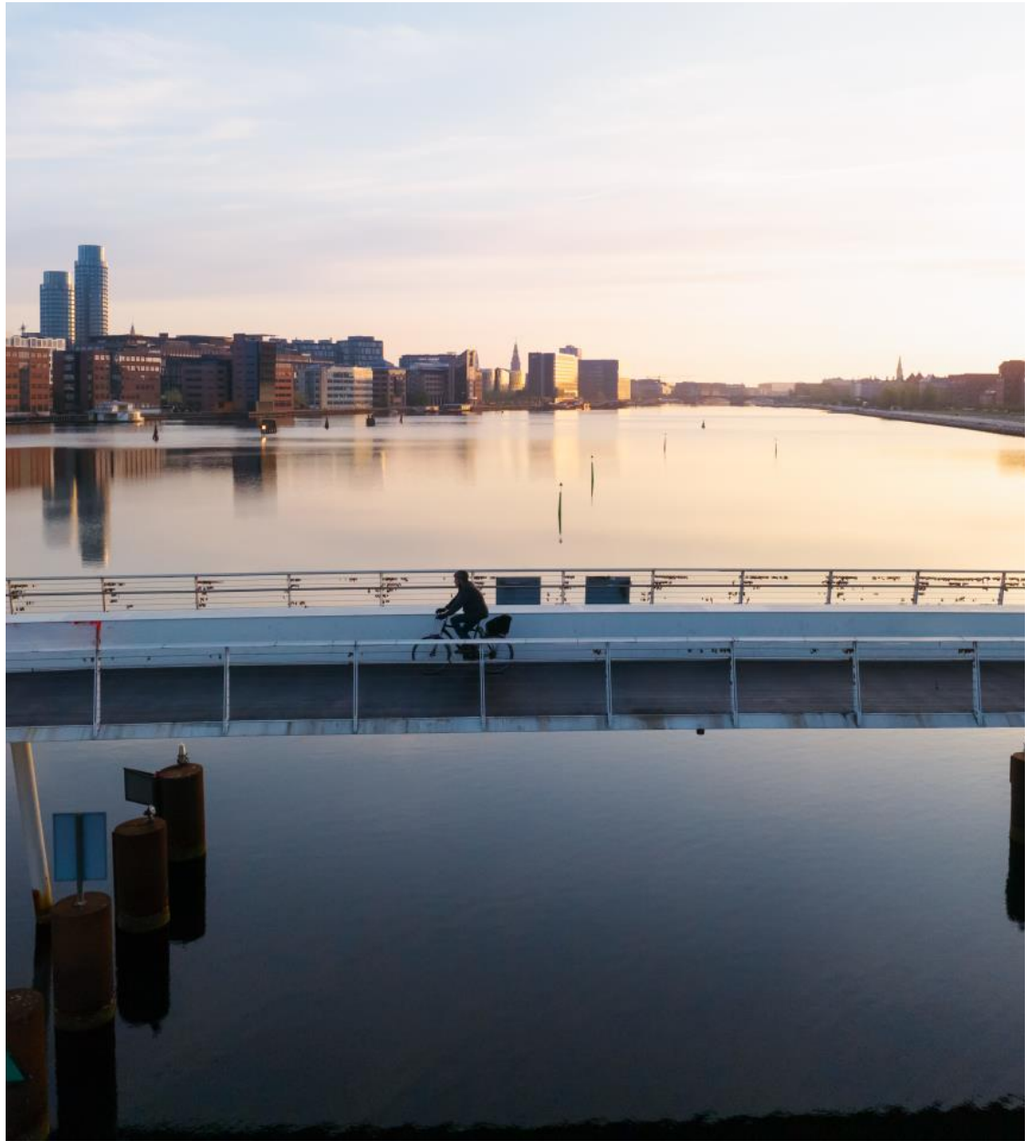
Corporate governance

Various control and compliance functions within the Group are involved in the process regarding 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.

Based on 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 the above-mentioned structures, is approved once a year by the Board of Directors on the basis of the recommendation of the Remuneration Committee.

The Group has established effective control procedures in order to ensure that variable remuneration payouts are made in accordance with the guidelines laid down by the Board of Directors and applicable regulation. The practices and procedures with regard to this are clear, well-documented and transparent, and the procedures are subject to at least one annual, independent review by Group Internal Audit.

The general rules on conflict of interest applicable to the Board of Directors also apply to the decision-making process as regards remuneration matters, including the Remuneration Policy. Accordingly, each member of the Board of Directors must as soon as practically possible notify the Chairman of the Board of Directors in the event that the individual member finds reason to believe that their private or professional interests or those of their related parties may – directly or indirectly – conflict with the interests of Danske Bank. In the event of any reasonable doubt as to whether a conflict of interest exists, the Chairman may decide to defer the decision to the Board of Directors. More details about conflict of interest are provided in the Rules of Procedure of the Board of Directors and the Executive Leadership Team, which are available on Danske Bank's website.



Remuneration – all employees

At least once a year, during the performance and appraisal dialogues, the individual employees and managers evaluate and document performance for the past period/year and set new forward-looking goals. Decisions on adjustment, if any, of an employee's base salary or on annual variable remuneration are made on the basis of these dialogues.

The general remuneration components are:

- Base salary
- Fixed allowances
- Pension schemes and other benefits
- Variable remuneration, such as the short-term incentives and long-term incentives
- Exceptional remuneration components

Base salary

Base salary is determined based on the role and position of the individual employee, including professional experience, seniority, education, responsibility, job complexity, local market conditions, etc. The base salary is paid mainly in cash but can in specific cases be paid partly in shares or other instruments especially if required by relevant legislation or the Group´s policies.

Fixed allowances

Fixed allowances are used but are limited to allowances governed by collective agreement or otherwise approved by the Group. The allocation of such allowances is governed by the internal Remuneration Governance.

Pension schemes and other benefits

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 agreements. Further, pension schemes are set up and offered to employees in accordance with local practices and regulation.

Other benefits are awarded based on individual employment contracts and local market practice. As a main rule, the Group has set guidelines to align benefits offered to employees at the various employment levels of the Group. The benefits offered to certain groups of employees may include mobile telephone, internet, newspaper, company car, health insurance and health checks as well as other benefits in kind, such as insurance cover and/or indemnification for costs related to the conduct of certain employees during their employment.

Variable remuneration

Variable remuneration supports facilitating the right conduct according to our purpose and cultural commitments and rewards performance in line with the Group's strategy. The Group's incentive programmes include performance targets at group, unit (or Alternative Investment Fund Manager/Management Companies) level and at the individual level where relevant. As a minimum, this applies to material risk takers.

The Group's incentive structures are overall divided into the following:

1. Management programmes (KPI scorecards)
2. Profit pools for revenue-generating units (such as Large Corporate & Institutional Customers and Asset Management)
3. Employee award programmes (profit sharing)
4. Long-term share-based remuneration

As a main principle for the KPI-based programmes, variable remuneration should be based on an assessment of the performance against pre-determined KPIs and targets. Procedures and internal governance are in place to ensure that variable remuneration represents the actual performance delivered.

Depending on the field of employment, the Group sets and uses an appropriate balance of financial, non-financial, absolute, relative, internal and external KPIs, balancing short-term and long-term objectives. Risk and compliance KPIs are further applied to ensure a strong risk management and compliance culture, facilitating the Group's commitment to integrity and a sound business culture. Where relevant, this includes integrating sustainability risks into the existing KPI structures of variable remuneration programmes so that the variable remuneration for individuals covered by such programmes depend partly on sound risk management and/or compliance with group policies covering sustainability risks.

Examples of KPIs are listed below:

- Return on Equity (RoE)
- Profit
- Cost/income ratio and/or other cost-related measures
- Creation of shareholder value relative to peers
- Relative and/or absolute customer satisfaction
- Compliance with legislation and/or internal business/conduct procedures
- Observance of the Group's and business units' risk management and compliance culture
- Other risk measures
- Sustainability and ESG-related targets
- Diversity and inclusion
- Employee engagement
- Actions and performance supporting the achievement of the Group's strategy
- Personal KPIs, including conduct and demonstration of Danske Bank's Culture Commitments

Employees in customer-facing roles, such as advisers and other front-line employees, may be subject to a KPI-based programme. However, the majority of customer-facing employees are covered by the Group's employee award programmes.

It is a key principle that these employees must be remunerated in a manner that promotes the fair treatment of our customers. In this regard, the Group has laid down internal policies and instructions outlining the principles for treating customers fairly and for regulatory compliance. The policies and instructions are supplemented by internal guidelines and procedures for managers and employees outlining the principle that the target setting and performance appraisals for such employees must be in the customer's interest and must not incentivise employees to sell specific products to customers if other products would serve the customer better, or be more suitable for the customer. Additional (non-exhaustive) examples are provided in the following of how sound risk management is supported for customer-facing roles. The governance and practices are regularly reviewed and updated:

- Target setting for individuals is based on a balanced approach between performance-related goals ('What') and conduct ('How').
- Managers are responsible for ensuring that the performance-related goals take into account the regulatory requirements and the governance for the specific area, as relevant.
- Guidelines and training are provided to support compliant application of the risk governance framework in the target setting, follow-up and appraisal processes.
- In line with the principles set out in the Group's Code of Conduct, the Group does not reward outcomes if they are reached through undesired conduct (see below). Consequence management procedures are applied in cases of non-compliant conduct.
- The Group is conducting targeted reviews of sales employees' compliance, typically in the form of spot checks.
- The Group has a whistleblowing procedure under which employees can anonymously report practices that are to the disadvantage of customers.

Conflict of interest

A conflict of interest associated with remuneration can arise that may affect or appear to affect an employee's performance, motivation, loyalty or alignment with the Group's objectives and values. Conflicts of interest will be avoided or, where applicable, mitigated and managed in line with the principles and guidelines outlined in Danske Bank's established conflict management framework. Some of the measures used by Danske Bank to avoid a conflict of interest are described in this policy, such as the KPI Scorecard for management programmes.

Applicable to all the Group's short-term incentive programmes, a qualifying mechanism is installed to ensure that variable remuneration lapses in general if the Group incurs losses during a year ('hurdle rate'). Further, if individual beneficiaries act in conflict with behavioural expectations, such as misconduct, the Executive Leadership Team, subsequently the Group's Remuneration Committee, may reduce any earned variable remuneration in part or in full ('conduct detractor').

To ensure an appropriate balance between fixed and variable remuneration, the Board of Directors has determined a maximum percentage of variable remuneration relative to the fixed

remuneration ('cap'). The cap varies according to the type of position held by the employee and the business unit at which the employee works and local requirements. The cap on variable remuneration remains at 200% of fixed remuneration, including base salary and 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 cap is reduced in jurisdictions where a lower maximum is required by applicable legislation.

Most employees covered by incentive schemes have a cap on variable remuneration of 25%. Furthermore, certain employees and senior management are subject to a variable remuneration cap of up to 50% of the base salary, possibly inclusive of pension. When calculating the ratio between fixed and variable remuneration, institutions are 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 at the moment.

Variable remuneration may be settled in cash, 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 set certain minimum thresholds according to which variable remuneration exceeding the thresholds must be split into cash and shares or other adequate financial instruments. In accordance with the proportionality principle set out in applicable legislation, the thresholds and the split vary within different business units and positions and are set according to an employees' impact on the specific risk profile and market practice within the business unit in question and 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.

Variable remuneration is awarded in a manner promoting sound risk management, includes ex-post risk adjustments and does not induce excessive risk-taking. This means that if the variable remuneration exceeds the minimum threshold determined by the Board of Directors the variable pay will be split into shares (or other instruments) and cash, part of which will be deferred in accordance with national legislation or the Group's guidelines. Further, the default performance period for short-term incentives is one year. For a limited number of employees, the performance period is two years, while long-term incentive programmes may have a performance period of up to three years.

Deferral varies on the basis of position, geography and amount from three to seven years. Employees receiving variable remuneration over a certain threshold will receive the part of the variable remuneration exceeding the threshold in the form of conditional shares or other applicable instruments, deferred for one to three years. For material risk takers, deferral is applied according to applicable legislation and Group policies. The Executive Leadership Team is subject to a deferral period of at least five years. The deferral period for other material risk takers has been assessed, the purpose being to ensure adequate ex-post risk adjustments according to applicable legislation. Given the nature of the business, the business cycle, its risks, the individual's activities and applied payout structures, including backtesting and clawback provisions, a general deferral period of at least four years has been determined.

Deferred variable remuneration is subject to backtesting (as a minimum for employees identified as material risk takers) before being paid. Backtesting criteria are determined by Group HR and relevant control functions in accordance with applicable legislation.

In regard to material risk takers, variable remuneration is subject to mandatory clawback regulations if granted on the basis of information which has subsequently proved to be manifestly misstated or inaccurate. Variable remuneration is awarded by ensuring:

- An appropriate balance between fixed and variable components.
- That the fixed component represents a sufficiently high proportion of the total remuneration to make non-payment of the variable 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 the transfer of the instruments to the risk taker.

Exceptional remuneration components

Remuneration components, such as buyouts, sign-on fees, guaranteed bonuses as well as retention bonuses, are granted only in certain cases where a clear business need exists.

Buyouts, sign-on fees and guaranteed bonuses are agreed when an employment agreement is entered into and are not granted for longer than the first year of employment. Furthermore, buyouts, sign-on fees, guaranteed bonuses and retention bonuses are governed by and paid in accordance with relevant legislation applicable to both the Group and local entities. In general, each of these exceptional remuneration components must not exceed one year's fixed remuneration which includes base salary, pension, benefits, fixed supplements and allowances. However, in exceptional cases, Danske Bank may also award exceptional remuneration exceeding this general internal guideline if needed for attracting and retaining key talents without deviating from this policy. In such case, as in all others, the applicable regulatory caps remain in effect.

Buyouts
Buyouts are granted to compensate for remuneration which was forfeited or reduced at the former place of employment due to the employee leaving the former employer. All requirements for variable remuneration apply, including deferral, retention and clawback.

Sign-on fees
Sign-on fees are granted only by exception to attract key candidates. Sign-on fees can be paid in cash and/or shares. In addition, deferral and holding periods may apply.

Unless prohibited by statutory legislation, the main rule is that the employees will lose the sign-on fee if they resign within a given period after having received the fee.

Guaranteed bonuses
Guaranteed bonuses are granted only by exception to attract key candidates.

Retention bonuses
Retention bonuses are only used in extraordinary cases to retain individual employees for a pre-defined period. The retention period must be set as a specific period or by defining an event when the retention criterion should be met (such as restructuring, wind-down, divestment, etc.). The retention bonus should not be granted merely to compensate for performance-related remuneration not paid due to insufficient performance or the institution's financial situation.

Severance pay
Severance pay is 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 termination initiated by the Group and is decided upon consideration of the individual employee's responsibility and decision-making powers, and it is taken into account that it must not constitute a reward for failure or misconduct. Normally, severance pay is linked to seniority as employees become eligible for 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 additional severance pay pursuant to legislation or collective agreement of up to a maximum of 12 months' base salary, while certain managers (below Executive Leadership Team level) are entitled to a maximum of up to 24 months' base salary.

For the avoidance of doubt and subject to applicable legislation and collective bargaining agreements, no severance pay agreed as from 1 January 2015 onwards must 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.

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, where applicable on a consolidated, sub-consolidated and individual institution basis, the Board of Directors designates 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 Leadership Team and the Board of Directors are appointed material risk takers on an ongoing basis.

To the extent control functions are comprised by incentive programmes, 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 covered by other special regulations

Special legislation regulates the Alternative Investment Fund Managers within the Group. Variable remuneration for any such employees is created in order to ensure compliance with regulations applicable in this area.

Under certain conditions, incentives in the form of carried interest payable from Alternative Investment Funds to the Alternative Investment Fund Managers, including Danske Private Equity A/S, 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 Managers. The purpose is to ensure that the assessment process is based on longer-term performance and that the actual payment of variable components of remuneration is spread over a period which takes into account the life cycle of the Alternative Investment Funds being managed. Further, their investment risks are also taken into consideration.

Some functions within the Group are covered by other special regulations, and performance agreements covering employees in such functions are construed in accordance with applicable mandatory law, including (legislation implementing) the Mortgage Credit Directive, MiFID II, UCITS, IDD, AIFMD, Solvency II, the Disclosure Regulation, etc. This includes specific measures ensuring that the structure of remuneration does not provide an incentive to take excessive risks with respect to environmental, social or governance events or to take excessive risks that may cause actual or potential negative impact on the value of clients' investments or, where relevant, on the value of liabilities. Where relevant, the variable remuneration is adjusted to address exposure to such risks.

Finally, to the extent bonuses are agreed 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.

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 at which the employee is employed and the individual employee's performance, etc.

For several years, the Group has been pursuing a strategy and policy on diversity, equality and inclusion, which is available at www.danskebank.com. The objectives of this policy imply that the remuneration of individual employees is determined with no regard to gender, race, ethnic origin, political opinion, sexual orientation, age or other discriminatory factors. The Group constantly strives to promote equality within the Group with respect to both employment, career development, promotion, equal pay, etc. Accordingly, 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 for 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 about this is provided in the section on sustainability in the annual report.

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 are in accordance with the Group's business and risk strategy, long-term interest, purpose, cultural commitments, avoid conflicts of interest and do not encourage excessive risk-taking or mis-selling of products. Accordingly, as an overall starting point, non-employees are paid a fixed hourly fee or a fixed project fee and do not receive variable remuneration from the Group. In alignment with the criteria set out above, the Chief Procurement Officer may 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 must respect the criteria referred to above and may not be rewarded for any kind of failure or misconduct/non-compliance with group policies on the part of the non-employee.

Remuneration of the Board of Directors

In line with market practice, members of the Board of Directors receive a fixed annual base fee. In addition to the base fee, members of the Board of Directors receive an additional annual fixed fee for serving on board committees. No member of the Board of Directors is entitled to receive any variable remuneration or pension contribution, except for employee-elected members or where this is required pursuant to local regulations. Employee-elected members of the Board of Directors, in their roles as employees of Danske Bank, are entitled to variable remuneration and staff benefits like their peers at the Group.

In addition to the fixed fees for 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. Further, Danske Bank may pay costs associated with granting telephones, newspapers, safe deposit boxes and security facilities installed at the private addresses of the members of the Board of Directors as deemed necessary by the Board of Directors in order to protect the individual member of the Board of Directors and to safeguard the interests of Danske Bank and its customers. The Group will pay all costs associated with the above security facilities, including tax, if necessary, installation of equipment, monthly fees, etc. Further, members of the Board of Directors may be offered insurance cover and/or indemnification for costs related to the performance of their services.

Members elected to the Board of Directors by the general meeting are obliged to acquire and retain a personal shareholding in Danske Bank equal to 100% of the annual base fee. This shareholding requirement must be met within a period of not more than three years from the general meeting in March 2024 or, as regards future members of the Board of Directors, from their election to the Board of Directors. The three-year period may be extended in case of closed trading windows. The holding requirement must continue to apply to members of the Board of Directors for a period of three years following their resignation from the Board of Directors. During this period, they may reduce their (minimum) shareholding by 1/3 a year.

Based on the recommendation of the Remuneration Committee, the Board of Directors submits proposals for the remuneration of the members of the Board of Directors to the annual general meeting for approval every year.



Remuneration of the Executive Leadership Team

The remuneration of the Executive Leadership Team reflects the Group's desire to attract, motivate and retain qualified members of the Executive Leadership Team and to offer a competitive total remuneration package with an appropriate balance between fixed and variable remuneration.

In connection with the annual assessment of the remuneration of the Executive Leadership Team, developments in market practice are assessed. The Remuneration Committee makes recommendations for adjustments of the remuneration of the members of the Executive Leadership Team to the Board of Directors.

The remuneration of the Executive Leadership Team may consist of the following:

- Base salary
- Certain benefits
- Short-term incentive programme (STI)
- Long-term incentive programme (LTI)
- Exceptional remuneration

Base salary

Base salary is the fixed amount paid to the members of the Executive Leadership Team every month. The amount of base salary reflects the nature of the role in terms of responsibility and complexity in combination with the individual member's experience and contribution to the Group in terms of long-term sustainable value creation. The base salary is generally paid in cash. However, parts of the base salary may also be paid in shares or cash with an obligation to spend the amount to acquire shares in Danske Bank.

Once a year, the Remuneration Committee and the Board of Directors review the base salary level of the Executive Leadership Team members. Off-cycle reviews and adjustments may be conducted on request and is subject to approval by the Board of Directors.

Benefits

The benefits offered to Executive Leadership Team members may include mobile telephone, internet, newspaper, health insurance, health checks and other benefits in kind, such as insurance cover. Members of the Executive Leadership Team do not receive pension contributions. As from 1 January 2025, the existing company car scheme was phased out.

Security arrangements are provided for the members of the Executive Leadership Team as deemed necessary by the Board of Directors in order to protect the individual member and to safeguard the interests of Danske Bank and its customers.

Short-term incentive programme (STI)

The purpose of the STI for the Executive Leadership Team is to encourage the achievement of certain annual KPIs and targets for the relevant year, guided by the longer-term ambitions.

To ensure alignment with the Group's strategic focus for the coming year and long-term interest in the Group's performance, the Remuneration Committee reviews the STI for members of the Executive Leadership Team on an annual basis. Any proposed changes are recommended to the Board of Directors by the Remuneration Committee. The KPIs and targets applied to calculate the STI are decided prior to the performance period, usually in December.

In connection with the year-end process, the annual performance is assessed on the basis of actual results achieved measured against the pre-determined targets and may include audited financial figures.

Performance for any qualitative KPIs will be at the Remuneration Committee's and the Board of Directors' discretion. In case of extraordinary circumstances and/or unforeseen events, the Remuneration Committee and the Board of Directors may decide to deviate from the KPI results and targets. The target payout is set at 10% of the individual base salary of the members of the Executive Leadership Team. The possible payout ranges from 0% to 20% (maximum). In line with applicable regulation, the STI is considered to be variable remuneration and thus subject to the rules on split payouts (40% cash and 60% deferred shares) and deferral (five years' deferral and one year's holding period). Moreover, the LTI is subject to backtesting, malus and clawback.

The performance of Executive Leadership Team members is assessed once a year based on written performance agreements in accordance with the earlier described criteria containing both financial and non-financial KPIs. The annual variable remuneration of members of the Executive Leadership Team cannot exceed the limit of 50% of the annual base salary, however, subject to applicable legislation.

Long-term incentive programme (LTI)

The purpose of the Group's LTI is to create long-term focus on and interest in the Group's performance and shareholder value creation.

The LTI is share-based and exists alongside the STI to balance incentives between short- and long-term objectives.

The applicable metrics for settling LTI awards are subject to an annual review and approval by the Board of Directors in advance of the granting of awards. The Board of Directors has discretion to set the performance metrics.

LTI awards are granted to members of the Executive Leadership Team on an annual basis. However, they are subject to performance over a three-year period. Forty per cent of the LTI award vests after three years and the remainder after five years. The target payout is set at 15% of the individual base salary. The possible payout ranges from 0% to 30% (maximum) of the individual base salary of members of the Executive Leadership Team.

In line with applicable regulation, the LTI is considered to be variable remuneration and awarded solely in the form of shares and subject to deferral (five years' deferral and one year's holding period). Moreover, the LTI is subject to backtesting, malus and clawback.

Shareholding requirement

The members of the Executive Leadership Team must hold shares in the Group corresponding to a value of one year's base salary. Only shares owned by the members of the Executive Leadership Team are taken into consideration. This also includes vested deferred shares which are being retained and any voluntary Danske Bank share investments made by the individual Executive Leadership Team members. However, as a main rule, the shareholding requirement is expected to be built up from vested deferred shares from the STI and LTI programmes. The members of the Executive Leadership Team are expected not to sell any shares until the shareholding requirement has been met.

As a significant portion of the variable remuneration components is subject to deferral and holding periods, no specific build-up period for the shareholding has been set for the members of the Executive Leadership Team.

Exceptional remuneration components

Exceptional remuneration components, such as buyout and sign-on fees, are described in the previous section for all employees and apply to the Executive Leadership Team as well. The exceptional components for members of the Executive Leadership Team are subject to individual agreements and relevant regulations.

Notice periods

As a main rule, the members of the Executive Leadership Team are entitled to a notice period upon termination from the Group of 12 months and to terminate their own positions by giving six months' notice (effective for members having joined the Executive Leadership Team after 1 January 2022). During such notice period, the Executive Leadership Team members are entitled only to full salary and benefits to the extent the members do not obtain other income during the notice period. As a main rule, the members of the Executive Leadership Team are not entitled to severance pay, unless by exemption and upon specific approval by the Board of Directors.

Deviation from the policy

Some entities and units of 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 practices, 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 for 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.

In the event of exceptional circumstances and in accordance with the framework of the remuneration rules for the financial sector, the Board of Directors, based on a recommendation from the Remuneration Committee, may temporarily deviate from the Remuneration Policy in order to serve the long-term interests of the Group and its shareholders. Such deviation must be based on valid and objective criteria. The respects in which the Board of Directors may deviate from the Remuneration Policy include but are not limited to the following:

- Caps and forms of settlement of variable remuneration
- Forms of settlement of exceptional remuneration and granting of further exceptional remuneration
- Deferral and holding periods of shares as well as term of notice periods
- Weighting of the STI and LTI for members of the Executive Leadership Team

Any such temporary deviation, including the reasons for such deviation given by the Board of Directors, must be described in the Remuneration Report.





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