

To the Board of Directors

The Executive Board
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Remuneration policy

Please find enclosed “Danske Bank Group’s Remuneration Policy, March 2014”, which was approved by the Board of Directors of Danske Bank A/S on 1 September 2014. This is the same policy which was presented to the Board of Directors at RD’s board meeting on 29 January 2014 with later amendments to reflect comments made at the Annual General Meeting of Danske Bank held in March 2014. The amendments are not significant.

It is recommended that the Board of Directors adopt the policy with the following comments.

As the Realkredit Danmark Group has no independent remuneration committee, the remuneration committee of Danske Bank handles matters relating to remuneration for Realkredit Danmark.

The members of the Board of Directors of Realkredit Danmark A/S receive an annual fee of DKK 125,000. Board members employed with Danske Bank do not receive remuneration. The chairman of the Board of Director’s audit committee receives an annual committee fee of DKK 190,000.

No fee has been fixed for members of the Board of Directors of home A/S because all members are employed with Danske Bank Group and therefore do not receive any remuneration. There are no employee representatives on the Board of Directors of home A/S as the company has fewer than 32 FTEs.

The Executive Board

Danske Bank Group's Remuneration Policy, March 2014

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 2014, however when approved, the policy shall apply to remuneration earned from 1 January 2014.

In order to comply with local regulation, some entities and units within the Group have remuneration policies and guidelines which apply in addition to the Group's remuneration policy.

The policy reflects 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 and that a link exists between shareholders/Alternative Investment Funds managed by Alternative Investment Fund Managers within the Group, customers and employee interests

The policy focuses 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 within the Group ensuring prevention of conflict of interests
- ensuring that the total bonus pool does not undermine the Group's capital base

Corporate governance

The Board of Directors has set guidelines for the review and control of compliance with the Remuneration Policy. Further, 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. A description of the composition, duties and authority of the Remuneration Committee is available in the Charter for the Remuneration Committee at www.danskebank.com.

When deemed appropriate, however, and at least once a year, the Board of Directors monitors compliance with the Remuneration Policy. If necessary considering changes or development within the business of the Group, based on the recommendation of the Remuneration Committee the Board of Directors submits proposals on relevant policy adjustments to the General Meeting for approval.

Various control and compliance functions within the Group are involved in the process with regard to the implementation of 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 the Risk Committee further evaluates the probability and timing of the remuneration.

On the basis of the recommendation of the Remuneration Committee the Board of Directors determines the funds to be allocated to the performance-based remuneration pools. The bonus pool is approved once a year by the Board of Directors based on recommendation of the Remuneration Committee.

The total maximum for performance-based pay for Executive Board members and other material risk takers is 3% of the Group's profit before loan impairment charges in each year.

Remuneration components

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

The various remuneration components are combined to ensure an appropriate and balanced remuneration package.

The five remuneration components are

- fixed remuneration (including fixed supplements)
- performance-based remuneration (variable salary)
- 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, responsibility, job complexity and local market conditions.

The *performance-based remuneration* motivates and rewards high performers who significantly contribute to sustainable results, perform according to set expectations for the individual in question, strengthen long-term customer relations, and generate income and shareholder value/value to the Alternative Investment Funds managed by Alternative Investment Fund Managers within the Group.

The Board of Directors has determined a maximum percentage of performance-based remuneration relative to the fixed remuneration. This percentage varies according to the type of position held by the employee and the business unit in which the employee is employed and on local requirements. The maximum limit on variable remuneration remains at 200 per cent of fixed salary inclusive of pension. This level of variable remuneration will, in practice, only apply to a small minority of employees and will only be offered to enable the Group to match market terms. The limit will be reduced if required by applicable legislation.

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 and how the split is between cash/shares or other adequate financial instruments. The thresholds and the split vary within different business units and positions and are set according to market practice within the business unit in question and in order to offer competitive remuneration packages, however, always ensuring alignment of the interests of the employees, the Group, and its shareholders/Alternative Investment Funds managed by Alternative Investment Fund Managers within the Group.

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

Other benefits are awarded on the basis of individual employment contracts and local market practice.

Severance payments are payable in accordance with relevant local legislation and applicable collective agreements. Under specific individual agreements, certain key employees are entitled to a maximum of up to 12 months' salary while certain senior members of management 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 the effective date of this remuneration policy may include any variable remuneration, pension or other benefits.

Performance-based remuneration

Performance-based remuneration is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking, i.e. if the performance-based remuneration exceeds the minimum threshold determined by the Board of Directors by granting a proportion of performance-based pay as deferred shares and for material risk takers the possibility of deferred cash as well.

Non-disbursed performance-based components are subject to back testing (as a minimum for employees identified as material risk takers) and should be forfeited in full or in part if granted on the basis of unsustainable results or if the Group's financial situation has deteriorated significantly.

Further, for material risk takers a deferred bonus is conditional upon the employee not having been responsible for or having taken part in conduct resulting in significant losses for the Group, its shareholders and/or the Alternative Investment Funds managed by Alternative Investment Fund Managers within the Group and that the employee has proven to be fit and proper.

Concerning all employees, disbursed as well as non-disbursed components are subject to claw back provisions 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 remuneration (pools or pay-out) must be based on an assessment of the Group's results and a number of KPIs reflecting the Group's strategic key priorities. E.g. the KPIs cover the following

- profit before tax
- assessment of risk-adjusted return
- costs
- customer satisfaction
- compliance with internal business procedures
- expected loss

Performance-based pay is granted to reflect the Group's financial results, the result of the business unit 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 internal guidelines and procedures, including customers 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 is granted to employees with particular influence on Group results and shareholder value. As an overall starting point the Group ensures a balanced split between fixed salary and variable pay. However, in functions targeting capital markets, performance-based pay constitutes a significant proportion of the total remuneration package for selected employees to attract and retain the most talented people in these fields.

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 business unit in question and Group HR. The mentioned components will only be used to attract or retain highly specialized individuals. Such pay may not exceed one year's gross salary inclusive of pension, benefits and fixed supplements. Sign-on fixed pay can be paid in cash or in a split between cash/shares and will according to applicable legislation as a main rule be conditional upon the employee not resigning within a given period of time after the pay. Any sign-on pay to material risk takers will be agreed in connection with the employment of the material risk taker.

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

Material risk takers and control functions

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

In accordance with applicable guidelines once a year, subject to the policy of conducting an annual assessment process, the Board of Directors identifies employees in control functions and employees who are material risk takers.

In accordance with the regulations then applicable, the identification of material risk takers is made subject to internal criteria set by the Board of Directors and other regulatory qualitative and quantitative criteria.

The Group maintains a record of the results of the yearly assessment.

Remuneration comprised by special regulation

Special legislation regulates the Alternative Investment Fund Managers within the Group. Performance based remuneration to employees within this segment of the Group is created in order to ensure that the remuneration is in compliance with the policies for portfolio activities and risk management of Alternative Investment Funds managed by Alternative Investment Fund Managers within the Group.

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

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

The Group has established procedures and entered into agreements with the relevant parties in order to ensure that companies to which an Alternative Investment Fund Manager within the Group has delegated certain portfolio activities and/or risk-controlling assignments have set remuneration policies fulfilling the requirements in the applicable AIFM legislation.

Some functions within the Group are comprised by other special regulations, hereunder MIFID, and performance agreements covering employees in such functions are construed in accordance with the applicable mandatory requirements set out in these regulations.

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 and to provide solid basis for succession planning. In connection with the annual assessment of the remuneration of the Executive Board, developments in market practice are assessed systematically.

The Remuneration Committee submits recommendations on adjustments in remuneration of the Executive Board members for the approval of the Board of Directors. The remuneration of the Executive Board may consist of fixed salary and supplements, incentive programmes and pension schemes. Subject to individual agreement, members of the Executive Board are also entitled to a company car, phone and other fixed benefits. The maximum severance pay is two years' fixed salary.

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. These KPIs reflect the Group's value creation targets, both in the short and in the long term. The yearly performance based remuneration to members of the Executive Board cannot exceed 50 per cent of the yearly gross salary inclusive 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 www.danskebank.com.

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 below 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 fulfill their duties 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, and in the curriculum vitae of each Board member at www.danskebank.com.

Remuneration of the Board of Directors

Base fee	DKK 472,500
The Chairman receives	3 x the base fee
The Vice Chairman receives	1.5 x the base fee
Board Committee fee	DKK 150,000
Board Committee Chairman's (additional) fee	DKK 40,000

Based on the recommendation of the Remuneration Committee the Board of Directors submits proposals of adjustments in remuneration of the Board of Directors or in the Committees established by the Board of Directors to the Annual General Meeting for approval.

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.

Once a year on the Group website, the Group discloses information on remuneration of the Board of Directors, the Executive Board and material risk takers.