

Charter of

The Remuneration Committee

As adopted by the Board of Directors on 10 December 2018.





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Charter of the Remuneration Committee

1. Establishment and objective

- 1.1. The Board of Directors (the "Board of Directors") of VP SECURITIES A/S ("VP") has established a Remuneration Committee.
- 1.2. The Remuneration Committee has as its objective to (i) improve the quality of the work of the Board of Directors by contributing to the preparation of the basis for the Board of Directors' decisions in connection with the drawing up, implementation and pursuit of the remuneration policy for members of the Board of Directors and the executive Board of VP, and (ii) advise the Board of Directors on VP's remuneration policy, which it shall oversee. The tasks of the Remuneration Committee are described in more detail in clause 3 below.
- 1.3. The Remuneration Committee shall have a clear and publicly available mandate, procedures and access to external expert advice where necessary. The mandate is evaluated and adjusted once a year.
- 1.4. The Remuneration Committee's function is merely preparatory in connection with the transaction of business by the Board of Directors. Accordingly, the setting up of the Remuneration Committee does not limit or render superfluous any consideration by the Board of Directors, and important information required by all members of the Board of Directors must therefore be provided to all members of the Board of Directors and not only to the Remuneration Committee. The Board of Directors carries full responsibility for all recommendations that have been prepared by the Remuneration Committee.

2. Members and composition

- 2.1. The Remuneration Committee consists of a minimum of three members who are appointed by the Board of Directors.
- 2.2. Members are appointed among the members of the Board of Directors.
- 2.3. Members are appointed to the Remuneration Committee for one-year terms. Members may be removed by the Board of Directors at any time. Any member of the Remuneration Committee who resigns from the Board of Directors must also resign from the Remuneration Committee.
- 2.4. The Board of Directors appoint a chairman of the Remuneration Committee with appropriate experience, who is independent from the CSD's executive leaders of the Board of Directors.
- 2.5. At least half of the members of the Remuneration Committee must be independent.
 - 2.5.1. No member of the Remuneration Committee will be considered as independent if he or she (list not exhaustive):
 - a. is - or has been within the last five years - a manager/executive officer of VP or of any affiliated company;
 - b. has received a significant amount of remuneration from VP or any affiliated company other than as member of the Board of Directors;
 - c. represents the interests of a controlling shareholder;
 - d. has had within the last year important business relations (as a partner, shareholder, customer, supplier or member of a governing body of a company or companies with similar relations) with VP or any affiliated company; or
 - e. is, or has been within the last three years, an employee or partner of VP's external auditor;
 - f. is manager of any company and there is overlapping board membership between that company and the Company;



- g. has served on the Board of Directors for more than twelve years;
- h. is closely related to any person who is not considered to be independent;

2.5.2. The Board of Directors determines whether a member of the Remuneration Committee can be deemed independent or not.

2.5.3. The CEO and/or the Chief Execution Officer attend meetings of the Remuneration Committee unless otherwise instructed by the chairman of the Remuneration Committee.

3. Duties

3.1. The remuneration policy

3.1.1. The Remuneration Committee is responsible for overseeing VP's remuneration policy and advising the Board of Directors hereof.

3.1.2. The Remuneration Committee submits recommendations to the Board of Directors on the remuneration policy applicable to the Board of Directors and the Executive Board, including general guidelines on incentive pay, to be approved by the Board of Directors.

3.1.3. The remuneration policy must be clear and comprehensible.

3.2. Proposals for remuneration

3.2.1. The Remuneration Committee must submit proposals to the Board of Directors for the remuneration of the members of the Board of Directors before being presented to VP's Annual General Meeting (the "General Meeting") for adoption.

3.2.2. The Remuneration Committee must submit proposals to the Board of Directors for the remuneration of the members of the Executive Board.

3.2.3. The Remuneration Committee must ensure that the remuneration of the members of the Board of Directors and of the Executive Board, respectively, is in accordance with VP's remuneration policy and the evaluation of the members of the Board of Directors' and of the Executive Board's performance.

3.2.4. The Remuneration Committee must be informed about the aggregate remuneration received by the members of the Board of Directors and Executive Board from other companies in the group.

3.3. Monitor the information in the annual report about remuneration

3.3.1. The Remuneration Committee must ensure that the information in VP's annual report about remuneration for the Board of Directors and the Executive Board is true, accurate and adequate.

3.4. Other duties

3.4.1. At the General Meeting, the chairman of the Remuneration Committee must be available for answering questions about the Remuneration Committee's charter and activities.

3.4.2. The Remuneration Committee must also monitor any other matters relating to the duties referred to in clauses 3.1 to 3.3 that it deems necessary, in its discretion, and perform any other duties that the Board of Directors delegates to it.



4. Meetings

- 4.1. Meetings will as a minimum be held twice a year or as often as the chairman deems it necessary or if requested by a member of the Remuneration Committee.
- 4.2. Meetings of the Remuneration Committee will be convened by the chairman of the Remuneration Committee. In the chairman's absence, meetings will be convened by an independent member of the Remuneration Committee.
- 4.3. All material prepared for the Remuneration Committee must be made available for the full Board of Directors.
- 4.4. The chairman of the Remuneration Committee presides over the Remuneration Committee's meetings.
- 4.5. The Remuneration Committee constitutes a quorum when more than half of its members are present.
- 4.6. The Remuneration Committee must keep a minute book.
- 4.7. The Remuneration Committee only passes resolutions where recommendations are to be made to the Board of Directors. The Remuneration Committee has no independent decision-making power. All resolutions by the Remuneration Committee must be passed by a simple majority of votes.
- 4.8. To ensure the Remuneration Committee's independence and autonomy, members of the Executive Board, other members of the Board of Directors and the external auditor may only attend meetings on request from the Remuneration Committee.

5. Authority

- 5.1. The Board of Directors authorises the Remuneration Committee to:
 - a) investigate and assess all matters that fall within the guidelines set out in this charter;
 - b) obtain all necessary information from the members of VP's Executive Board and employees of VP and its subsidiaries;
 - c) obtain information from VP's auditor elected by the General Meeting; and
 - d) obtain the advice, guidance and assistance from external advisers that the Remuneration Committee deems to be necessary or appropriate for performing its duties.

6. Secretariat, resources and budget

- 6.1. VP must make available to the Remuneration Committee the resources required for the performance of the Committee's duties, including outside legal, accounting and other professional advice and assistance.
- 6.2. The Remuneration Committee must avoid using the same external advisers as the Executive Board.
- 6.3. The chairman of the Remuneration Committee must prepare an annual budget for the Committee, which must be approved by the Board of Directors. The chairman must control the Remuneration Committee's budget on an on-going basis.
- 6.4. If necessary the secretary of the Board of Directors is responsible for the secretariat to the Remuneration Committee and oversees agenda setting, meeting preparation, and minutes of the meeting in coordination with the chairman of the Remuneration Committee.



7. Reporting to the Board of Directors

- 7.1. Minutes of all meetings of the Remuneration Committee must be prepared as soon as possible and are upon approval by the Committee submitted to the Board of Directors.
- 7.2. The Remuneration Committee's reasoned recommendations to the Board of Directors must be set out in the minutes.
- 7.3. Minutes of the meetings of the Remuneration Committee must be reviewed at the next meeting of the Board of Directors.
- 7.4. Meetings of the Board of Directors to consider the Remuneration Committee's recommendations must be organised so as to enable the chairman of the Remuneration Committee or an independent member of the Remuneration Committee appointed by the chairman to attend the meeting.
- 7.5. At least every six months, the Remuneration Committee must report its activities, etc. to the Board of Directors, including in connection with the Remuneration Committee's duties under clause 3 of this charter.

8. Publication of information about the remuneration committee

- 8.1. VP must publish the following information in its annual report and on its website
 - a) that VP has established a Remuneration Committee;
 - b) the names of the members of the Remuneration Committee;
 - c) the name of the chairman of the Remuneration Committee; and
 - d) which members of the Remuneration Committee are independent members, see clause 2.5 of this charter
 - e) The guidelines for the remuneration of the Board of Directors and the Executive Board as stipulated in §9.7 in the Articles of Association.

9. Remuneration

- 9.1. The members of the Remuneration Committee shall receive remuneration for their work. The remuneration shall be determined by the General Meeting.

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