

Charter of

The Risk Committee

As adopted by the Board of Directors on 13 June 2016.





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Charter of the Risk Committee

1. Establishment and objective

- 1.1. The board of directors (the "Board of Directors") of VP SECURITIES A/S ("VP") has established a Risk Committee under the supervision of the Board of Directors.
- 1.2. The Risk Committee is responsible for advising the Board of Directors on VP's overall current and future risk tolerance and strategy. The tasks of the Risk Committee are described in more detail in clause 3 below.
- 1.3. The Risk 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 Risk Committee will assess the internal control and risk management systems of VP.
- 1.5. The Risk Committee's function is merely preparatory in connection with the transaction of business by the Board of Directors. Accordingly, the setting up of the Risk Committee does not limit or render superfluous any requisite 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 the Board of Directors and not only to the Risk Committee. The Board of Directors carries full responsibility for all recommendations that have been prepared by the Risk Committee.

2. Members and composition

- 2.1. The Risk 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 Risk Committee for one-year terms. Members may be removed by the Board of Directors at any time. Any member of the Risk Committee who resigns from the Board of Directors must also resign from the Risk Committee.
- 2.4. The Risk Committee elects a chairman with appropriate experience, who is independent from the Executive Board.
- 2.5. At least half of the members of the Risk Committee must be independent.
 - 2.5.1. No member of the Risk 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 Risk Committee can be deemed independent or not.



- 2.6. The chairman of the Risk Committee must have relevant and up-to-date risk expertise and experience to ensure that the Risk Committee's pool of combined expertise and experience is sufficient in relation to VP.
- 2.7. The Chief Risk Officer shall attend meetings of the Risk Committee unless otherwise instructed by the chairman of the Risk Committee.

3. Duties

- 3.1. The duties of the Risk Committee are:
 - a) To advise the Board of Directors on the overall current and future risk tolerance and strategy;
 - b) To monitor VP's risk management strategy, risk tolerance, and policies, including identifying, communicating and manage risks;
 - c) To submit risk management policies and/or policies for undertaking risks (in addition to risks associated with the financial reporting) for approval by the Board of Directors;
 - d) To monitor the Executive Board's reporting to the Board of Directors concerning the development in the most essential risk areas as well as reporting on compliance with any adopted policies, scope, etc.;
 - e) To monitor the development in the most essential risk areas and the compliance with any adopted policies, scopes, etc. for the purposes of the Board of Directors ability to be updated on developments and make the necessary decisions. Related hereto, the Risk Committee shall, if deemed relevant, conduct and monitor the completion of stress tests on essential areas as well as monitor that the results of such tests are evaluated and communicated to the Board of Directors.
- 3.2. Other duties of the Risk Committee
 - 3.2.1. At VP's general meetings, the chairman of the Risk Committee must be available to answer questions about the Risk Committee's charter and activities.
 - 3.2.2. The Risk Committee must also monitor any other matters relating to the duties referred to in clauses 3.1 to 3.2 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 be held as often as the chairman deems it necessary or if requested by a member of the Risk Committee or by the Chief Risk Officer.
- 4.2. Meetings of the Risk Committee will be convened by the chairman of the Risk Committee. In the chairman's absence, meetings will be convened by an independent member of the Risk Committee.
- 4.3. Copies of all meeting agendas must be sent to the Board of Directors for information. All material prepared for the Risk Committee must be made available for the full Board of Directors.
- 4.4. The chairman of the Risk Committee presides over the Risk Committee's meetings.
- 4.5. The Risk Committee constitutes a quorum when more than half of its members are present.
- 4.6. The Risk Committee must keep a minute book.
- 4.7. The Risk Committee only passes resolutions where recommendations are to be made to the Board of Directors. The Risk Committee has no independent decision-making power. All resolutions by the Risk Committee must be passed by a simple majority of votes.



- 4.8. To ensure the Risk 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 Risk Committee.

5. Authority

- 5.1. The Board of Directors authorises the Risk 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 Risk Committee deems to be necessary or appropriate for performing its duties.

6. Secretariat, resources and budget

- 6.1. VP must make available to the Risk 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 Risk Committee must avoid using the same external advisers as the Executive Board.
- 6.3. The chairman of the Risk Committee must prepare an annual budget for the Committee, which must be approved by the Board of Directors. The chairman must control the Risk Committee's budget on an on-going basis.
- 6.4. The Chief Risk Officer is responsible for the secretariat to the Risk Committee and oversees agenda setting, meeting preparation, and minutes of the meeting in coordination with the chairman of the Risk Committee.

7. Reporting to the Board of Directors

- 7.1. Minutes of all meetings of the Risk Committee must be prepared as soon as possible and no later than two weeks after the meeting.
- 7.2. The Risk Committee's reasoned recommendations to the Board of Directors must be set out in the minutes.
- 7.3. Minutes of the meetings of the Risk Committee must be presented at the next meeting of the Board of Directors.
- 7.4. Meetings of the Board of Directors to consider the Risk Committee's recommendations must be organised to enable the chairman of the Risk Committee or an independent member of the Risk Committee appointed by the chairman to attend the meeting.
- 7.5. At least every six months, the Risk Committee must report its activities, etc. to the Board of Directors, including in connection with the Risk Committee's duties under clause 3 of this charter.

8. Publication of information about the Risk Committee

- 8.1. VP must publish the following information in its annual report and on its website:
- a) that VP has established an Risk Committee;
 - b) the names of the members of the Risk Committee;
 - c) the name of the chairman of the Risk Committee;
 - d) which members of the Risk Committee are independent members, see clause 2.4 of this charter; and



e) which members have knowledge about and experience in audit matters (see clause 2.5.1 of this charter).

9. Remuneration

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

As adopted by the Board of Directors on 13 June 2016.