

Terms of reference

Remuneration Committee

28 February 2023

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1. Introduction

The Board of Directors of Sydbank A/S has resolved to set up a Remuneration Committee pursuant to section 77c(1) of the Danish Financial Business Act and the Danish executive order on remuneration policy and remuneration in banks, mortgage credit institutions, brokerage firms, investment management companies, financial holding companies and investment funds.

The committee reports to the Board of Directors.

The committee must undertake the preparatory work preceding the Board of Directors' decisions with respect to remuneration, including the remuneration policy and other decisions in this respect which may affect the company's risk management.

In its preparatory work for the Board of Directors the committee safeguards the Bank's long-term interests, including the relationship to investors and public interest.

The responsibilities and powers of the committee are set out in these terms of reference.

The terms of reference are reviewed, updated and approved by the Board of Directors once a year. Proposals for amendments may be submitted by any board member.

2. Members

The Remuneration Committee consists of 3-4 members. The committee members including the committee chairman are elected by and from among the members of the Board of Directors. At least one committee member must be a board member elected by the employees. The board chairman cannot be elected as chairman of the committee.

Members are elected for a term of one year. Members are eligible for re-election.

The composition of the committee must ensure that its members are able to make a qualified and independent assessment of the company's remuneration, including that the remuneration policy reflects the Bank's size, organisation as well as the scale and complexity of the Bank's activities.

Remuneration of the committee members is assessed by the Remuneration Committee once a year.

3. Meetings

The Remuneration Committee convenes as often as necessary, however as a minimum once a year. The committee chairman convenes meetings and if the

chairman is absent meetings are convened by one of the other members. The notice of a meeting is accompanied by an agenda.

The committee forms a quorum when at least half of its members are present.

Decisions are made by a simple majority. In case of equality of votes the chairman holds the casting vote.

The CEO and the head of Human Resources attend the committee's meetings unless the committee decides otherwise. The board chairman attends the meeting where the committee considers the remuneration of the Board of Directors and the Group Executive Management. Furthermore the Remuneration Committee may decide that the meetings are attended by others, including external consultants.

When the committee discusses issues relating to an individual member of the committee, the member in question does not participate and must leave the meeting during the discussion.

The committee keeps minutes of business transacted at committee meetings, including states if a member has left the meeting because issues relating to the member have been discussed. At the next board meeting the committee chairman will give an account of the business transacted at the committee meeting.

The committee performs its duties subject to confidentiality, which means that information regarding the committee's work may not be disclosed or used without authorisation.

4. Powers etc

The Board of Directors authorises the Remuneration Committee to:

- Review, examine and assess any affairs within the terms of reference.
- Obtain necessary information concerning remuneration of employees at the Bank.
- Seek advice, guidance and assistance from external consultants when deemed necessary or expedient to carry out the committee's duties. External consultants may not be the same consultants as the external consultants advising the Group Executive Management on remuneration issues.

5. Duties

The duties of the Remuneration Committee are to:

- Advise the Board of Directors on the formulation of the Bank's remuneration policy.

- Ensure that compliance with the remuneration policy is checked at least once a year. The committee determines the guidelines for checking compliance with the remuneration policy and the result of the check is reported to the Board of Directors. The Bank's head of Internal Audit is in charge of the audit to check compliance and reports to the committee.
- Review once a year whether the remuneration policy is updated and when relevant to submit proposals for changes to the Board of Directors.
- Ensure that information submitted to the general meeting on the Bank's remuneration policy, practice and any increase of the cap on variable remuneration is sufficient.
- Assess whether the Bank's internal remuneration processes and systems are adequate.
- Ensure that the Bank's remuneration structure takes into account the company's risks, including risks relating to capital and liquidity. In addition the committee must ensure that the remuneration policy and the Bank's practice in this regard promote sound and efficient risk management and comply with the Bank's fundamental values and strategy.
- Ensure that the Group Executive Management has evaluated performance criteria for variable remuneration and that the conditions for variable remuneration to the Group Executive Management and material risk takers continue to be met at the time of payment, cf section 77a(4) of the Danish Financial Business Act. The committee must moreover monitor compliance with this.
- Determine the group of material risk takers and the management of control functions who are covered by the remuneration policy and to review and update the group at least once a year.
- Assess and formulate a recommendation once a year about the remuneration of the Board of Directors and the board committees to be approved by the Board of Directors and subsequently adopted by the Shareholders' Committee.
- Assess and formulate a recommendation once a year about the remuneration of members of the Shareholders' Committee and members of the Advisory Boards to be approved by the Board of Directors and subsequently adopted by the Shareholders' Committee.
- Assess the remuneration of the members of the Group Executive Management once a year and on this basis recommend any changes in the remuneration of Group Executive Management members to be decided by the Board of Directors. The assessment of remuneration to the deputy group chief executives is based on the recommendation by the CEO and the assessment of remuneration to the CEO is based on the recommendation by the chairman of

the Board of Directors.

- Monitor the remuneration of the head of Internal Audit.

6. Publication

The committee's activities during the year are disclosed in Sydbank's annual report and on the Bank's website.

7. Secretariat, files etc

The Bank's Group Executive Management Secretariat acts as the secretariat for the Remuneration Committee.

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Submitted for signature at the board meeting held on 28 February 2023.

Lars Mikkjelgaard-Jensen
Chairman

Jacob Chr. Nielsen
Vice-Chairman

Henrik Hoffmann

Søren Holm

Janne Moltke-Leth

Gitte Poulsen

Jon Stefansson

Susanne Schou

Carsten Andersen

Pia Wrang

Jarl Oxlund

Jørn Krogh Sørensen