

# The BANK of Greenland 's Remuneration Committee Charter

## 1. *Introduction*

- 1.1 This charter is reviewed, updated and approved annually by the Board of Directors. Proposals for amendments can be made by any board member including members of the remuneration committee.

## 2. *Appointment and Objectives*

- 2.1. In accordance with Section 77c of the Financial Activities Act and rules governing the work of the Board of Directors it has been decided that the work of the remuneration committee's Chairman and Deputy Chairman will be executed by the Chairman and Deputy Chairman of the Board of Directors. In addition, a staff representative is appointed as a full member.
- 2.2 The committee reviews remuneration matters which the Board of Directors, the committee itself, the external auditor or the bank's own internal chief auditor may wish to study more closely.
- 2.3. The committee monitors The BANK of Greenland's guidelines for and the determination of remuneration to the Boards of Directors and Management.

## 3. *The meetings of the Remuneration Committee*

- 3.1. Meetings are held as often as the chairman considers necessary and at least twice a year. The invitation to the meeting and agenda is sent in reasonable time prior to the meeting. Any member of the Remuneration Committee may request a meeting of the Remuneration Committee whenever he or she finds it necessary.
- 3.2. The participants are the members of the committee and whoever else is considered relevant to participate in a meeting of the remuneration committee including external consultants.
- 3.3. The committee proposes an annual plan to the Board of Directors.
- 3.4 The Remuneration Committee is legally competent when all members are present. Decisions are taken by simple majority vote. Minutes are taken, but if the Remuneration Committee meeting is held immediately prior to a Board meeting, the chairman or the deputy chairman of the Committee may make a provisional verbal report and submit any recommendation from the Committee meeting.

## 4. *Powers, etc.*

- 4.1. The committee has the authority to examine all matters lying within the scope of this charter and to obtain the requisite information and assistance from employees at The BANK of Greenland.
- 4.2. Other board members, the Board of Management, the internal chief auditor, the external auditor as well as relevant employees are obliged to attend meetings if so requested by the committee.

## 5. *Tasks of the Remuneration Committee*

In accordance with the Danish Financial Business Act and the Order on remuneration policy and disclosure obligations concerning remuneration in financial enterprises, the Remuneration Committee must at least undertake the following:

- 5.1. The Remuneration Committee will undertake the preparatory work prior to the Board of Directors' decisions concerning remuneration, including the remuneration policy and other decisions in this regard that may influence the Bank's risk management, and in this respect will undertake the tasks and obligations laid down in legislation, and in accordance with recommendations for corporate governance.
- 5.2. Advising the Board of Directors on the drafting of the remuneration policy, assisting the Board of Directors with ensuring compliance therewith, assessing whether the remuneration policy is updated and, if necessary, proposing amendments to the policy.

- 5.3. Ensuring that the information concerning the BANK of Greenland's remuneration policy and practice that is submitted to the Annual General Meeting is adequate.
  - 5.4. Assessing whether the BANK of Greenland's procedures and systems are adequate and take account of the Bank's risks concerning the management of capital and liquidity in relation to the remuneration structure.
  - 5.5. Ensuring that the remuneration policy and practice are in accordance with and promote sound and effective risk management and are in accordance with the BANK of Greenland's business strategy, objectives, values and long-term interests.
  - 5.6. Ensuring that independent control functions and other relevant functions are involved to the extent necessary, in order to perform the aforementioned tasks and, if necessary, seek external advisory services.
  - 5.7. In the preparatory work, with reference to the adopted remuneration policy, the Committee must *inter alia* pursue the BANK of Greenland's long-term interests, including in relation to shareholders and other investors, and the interests of the general public.
  - 5.8. Other tasks concerning remuneration, including preparing the Board of Directors' work of designating significant risk-takers.
  - 5.9. Tasks in relation to the BANK of Greenland's compliance with the remuneration policy in relation to special requirements in the housing area.
  - 5.10. Prior to the Annual General Meeting's approval of the remuneration policy, the Committee will submit proposals to the Board of Directors concerning the remuneration of members of the Board of Directors and Executive Board. The Committee will also ensure that the remuneration is in accordance with the BANK of Greenland's remuneration policy and the assessment of the contribution of the person concerned and recommend a remuneration policy which generally applies to the BANK of Greenland.
6. *Reporting*
- 6.1. In the Management's Report found in the annual report as well as the bank's website, the remuneration of the Boards of Directors and Management and the bank's remuneration policy can be found. It is the duty of the remuneration committee to ensure that this reporting is done correctly.
7. *Publication*
- On the bank's website the Remuneration Committee's
- Mandate
  - Significant activities during the year and number of meetings of the Committee, as well as
  - Names of members of the Committee
  - An overview of the Board member's attendance of the Committee's meetings are published.
- In addition, information is published on how the bank meets the requirements for setting up a Remuneration Committee.
8. *Changes to the mandate*
- Changes to this mandate may be adopted by a simple majority of the Board of Directors at any time.
9. *Evaluation*
- 9.1. Annually the remuneration committee makes a self-evaluation of the committee's fulfillment of the conditions laid down in these terms of reference and recommends to the board of directors.