

Organisation and management

2021

Organisation and management

The organisation and management of Jyske Bank reflect the general requirements under the Danish legislation governing financial markets and companies as well as the special requirements ensuing from financial legislation and Jyske Bank's Articles of Association.

Management is undertaken by

- General Meetings
- the Shareholders' Representatives
- the Supervisory Board and the Executive Board

The Supervisory Board and the Executive Board are independent of each other and no person is a member of both the Supervisory Board and the Executive Board. The Supervisory Board and the Executive Board are accountable to the shareholders of Jyske Bank, but they seek also to consider the interests of clients and employees as well.

General meeting

Shareholders' right to pass resolutions shall be exercised at the Annual General Meeting. Jyske Bank's Articles of Association contain information about notice of the general meeting, the right to propose resolutions to the general meeting and right to participate and vote. The Articles of Association are available at investor.jyskebank.com/investorrelations/generalmeetings.

Motions to amend the Articles of Association can only be adopted when at least 90% of the voting share capital is represented at the Annual General Meeting and the motion is adopted by $\frac{3}{4}$ of the votes cast at the Annual General Meeting as well as by $\frac{3}{4}$ of the voting share capital represented at the Annual General Meeting. Where less than 90% of the voting share capital is represented at the Annual General Meeting, but the motion obtained both $\frac{3}{4}$ of the votes cast and $\frac{3}{4}$ of the voting capital represented, and provided the motion was proposed by the Shareholders' Representatives and/or the Supervisory Board Bank, the motion can be adopted at an extraordinary general meeting by the said qualified majority irrespective of the proportion of the share capital represented. Such an Extraordinary General Meeting shall be convened at the usual notice within 14 days after the first General Meeting. Only the rules applying to amendments of the Articles of Association shall apply to motions to wind up Jyske Bank voluntarily or merge it with other financial institutions where Jyske Bank will not be the surviving company.

Shareholders' Representatives

The Shareholders' Representatives elect from its number six members of the Group Supervisory Board based on the recommendation from Nomination Committee.

The purpose and tasks of the Shareholders' Representatives and the individual Representative are, among other things:

- To be informed about the bank's operations and development plans.
- To contribute knowledge and viewpoints to the positive development of the bank.
- To act as ambassadors based on the bank's set of values.
- To generate added value and cohesion between clients, employees and shareholders.
- To support the bank's role and importance in society

Shareholders' representatives shall be elected at the Annual General Meeting. Shareholders' Representatives shall be elected for terms of three years. Members can be re-elected.

Supervisory Board

The Supervisory Board shall be in charge of the overall management of the Group and supervise the decisions and arrangements made by the Executive Board.

The Supervisory Board shall on behalf of the shareholders determine the overall strategy and contribute actively to maintaining and developing Jyske Bank's position in the financial sector.

The Supervisory Board shall consist of:

- six members elected by and among the members of the Shareholders' Representatives
- up to two members for election by members in General Meeting and who meet the requirements of the Danish FSA in respect of relevant knowledge and experience of supervisory board members of banks, and
- any additional members as required by law (members elected by employees)

Each one of the six members who are elected by and among the Shareholders' Representatives is elected for a three-year period. Additional members elected by members in general meeting to meet the requirements of the FSA in respect of relevant knowledge and experience of supervisory board members are elected for a one-year period. Re-elections shall be allowed. Employee-elected members of the Supervisory Board are elected for a term of four years.

Generally Jyske Bank follows the recommendation from the Committee on Corporate Governance; please see the report on this.

The Supervisory Board shall elect its Chairman and Deputy Chairman.

The Supervisory Board shall in written business procedures lay down provisions on the execution of its office and guidelines concerning Jyske Bank's essential activities as well as the distribution of work between the Supervisory Board and the Executive Board. The meetings of the Supervisory Board shall be presided over by its Chairman and in his absence the Deputy Chairman.

The Supervisory Board shall form a quorum where more than half its members participate in discussions. Business transacted shall be determined by a simple majority of votes. In the case of an equality of votes, the Chairman's vote shall be decisive.

To ensure independence and objectivity, members of the Supervisory Board shall not participate in the discussions where questions concerning the member personally are discussed.

According to the Danish Companies Act, the employees of the Jyske Bank Group elect one Group representative and the employees of Jyske Bank A/S elect two representatives. Thus, in total three employee representatives are elected for a period of four years. In addition to electing their members of the Supervisory Board directly, the employees of Jyske Bank A/S will also elect the same number of alternate members for the same period. The members of the Supervisory Board elected by the employees shall have the same rights, duties and responsibilities as the members elected by the shareholders.

The Supervisory Board will hold at least ten physical meetings a year. In addition, the Supervisory Board generally holds teleconferences every second week. In 2021, the Supervisory Board held 48 board meetings.

The Supervisory Board receives a regular cash payment, which is fixed by the Shareholders' Representatives of Jyske Bank. No member of the Supervisory Board is entitled to any kind of remuneration when he or she resigns from the Supervisory Board. The remuneration to the Supervisory Board is determined annually at the General Meeting.

The competencies of each member of the Supervisory Board are stated on Jyske Bank's website.

Committees under the Supervisory Board

The Supervisory Board has established five committees to supervise certain fields or prepare cases to be decided on subsequently by the entire Supervisory Board.

The Nomination Committee shall support the Supervisory Board in solving tasks ensuing from statutory requirements relating to the Supervisory Board's knowledge and experience, including the composition of the Supervisory Board, and the committee shall support the Supervisory Board in connection with nominations of candidates for the Supervisory Board and the Shareholders' Representatives, and the committee shall be responsible for overseeing that the Supervisory Board is evaluated. The Nomination Committee shall be responsible for ensuring that the composition of the Supervisory Board entails sufficient diversity as to qualifications and competences, which also entails that the Supervisory Board holds the relevant competences pursuant to the Bank's business model and risk profile. The Nomination Committee had six meetings in 2021. Kurt Bligaard Pedersen (Chairman), Keld Norup, Anker Laden-Andersen og Bente Overgaard are members of the Committee.

The Remuneration Committee is commissioned, on behalf of the Supervisory Board, to determine the remuneration and pension conditions of the Executive Board and the Head of Internal Audit, and the Committee shall also be responsible for the remuneration of the risk officer and the chief compliance officer. The Remuneration Committee is the only committee to whom the Supervisory Board has delegated decision-making authority. The Remuneration Committee shall prepare the Group's pay policy and submit it for adoption by the Annual General Meeting. The Remuneration Committee had two meetings in 2021. Kurt Bligaard Pedersen (Chairman), Keld Norup and Marianne Lillevang are members of the Committee.

The Audit Committee established under current legislation shall supervise the financial reporting and internal control and risk-management systems; it shall also check the independence of the auditors as well as their qualifications. The Supervisory Board considers Per Schnack the independent member of the committee as he possesses qualifications within accounting. The Audit Committee had eight meetings in 2021. Per Schnack (Chairman), Kurt Bligaard Pedersen, Anker Laden-Andersen and Johnny Christensen are members of the Committee.

The Risk Committee shall carry out the preliminary consideration of risk-related issues before the final consideration by the Supervisory Board. Quarterly meetings shall discuss, among other things, issues relating to regulatory requirements of the capital adequacy statement, the Group's capital base, solvency requirement, as well as capital and liquidity buffers, material changes of the model set-up for risk management, and the annual re-estimate and validation of models. The Risk Committee held eight meetings in 2021. Rina Asmussen (Chairman), Kurt Bligaard Pedersen, Bente Overgaard, Per Schnack and Marianne Lillevang are members of the committee.

The Digitization and Technology Committee shall be in charge of the preparatory work to enable the Group Supervisory Board to decide on the Jyske Bank Group's strategies on digitization and technology, inclusive of related policies, relating to the bank's business activities. The Digitization and Technology Committee had four meetings in 2021. Rina Asmussen (Chairman), Kurt Bligaard Pedersen, Bente Overgaard and Christina Lykke Munk are members of the Committee.

Target figures for the underrepresented gender

With effect from the 2021 annual general meeting, the Group Board has four female members (two elected by the shareholders and two elected by the employees) out of 9 members. This corresponds to an equal distribution according to the Danish Business Authority's guidelines of March 2016.

Members of the Supervisory Board at 31 December 2021

Name	Age	Elected to the Supervisory Board	Expiry of term of office	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee	Digitization & Technology Committee
Chairman, former managing director	62				Chairman	Chairman	Member	Member
Kurt Bligaard Pedersen	years	2014	2023	Member				
Deputy Chairman, Attorney-at-Law	68				Member	Member		
Keld Norup	years	2007	2022				Chairman	Chairman
Consultant	62							
Rina Asmussen	years	2014	2023					
Attorney-at-Law	65							
Anker Laden-Andersen	years	2019	2022	Member	Member			
Programme Director	57							
Bente Overgaard	years	2020	2024		Member		Member	Member
Professor, member	60							
Per Schnack	years	2019	2024	Chairman			Member	
Employee representatives:								
District Chairman	56							
Marianne Lillevang	years	2006	2022			Member	Member	
Portfolio Management Adviser	43							
Christina Lykke Munk	years	2016	2022					Member
Deputy District Chairman	59							
Johnny Christensen	years	2018	2022	Member				

Number of Jyske Bank shares
Participation and number of meetings 2021

Name	Number of Jyske Bank shares		Board meeting	Audit Committee	Nomination Committee	Remuneration Committee	Risk Committee	Digitization & Technology Committee
	End-2021	End-2020						
Chairman, former managing director								
Kurt Bligaard Pedersen	1150	1150	48/48	8/8	6/6	2/2	8/8	4/4
Deputy Chairman, Attorney-at-Law								
Keld Norup	1100	1100	47/48		6/6	2/2		
Consultant								
Rina Asmussen	1715	1715	48/48				8/8	4/4
Attorney-at-Law								
Anker Laden-Andersen	2715	2715	48/48	8/8	5/5			
Programme Director								
Bente Overgaard	3115	1590	48/48		5/5		8/8	4/4
Professor, member								
Per Schnack	3668	3668	46/48	8/8			8/8	
Employee representatives:								
District Chairman								
Marianne Lillevang	2541	2611	45/48			2/2	7/8	
Portfolio Management Adviser								
Christina Lykke Munk	279	279	44/48	3/3				4/4
Deputy District Chairman								
Johnny Christensen	825	620	46/48	5/5				1/1

The board members' participation in meetings appear above.

The Supervisory Board has decided on a remuneration policy and had it adopted most recently at the Annual General Meeting in June 2021. It is the responsibility of the Supervisory Board to adjust and present anew the remuneration policy to the Annual General Meeting. The management receives a fixed remuneration and is not covered by incentive programmes.

Duty to disclose information about remuneration DKKm	2021	2020
Remuneration of the Supervisory Board		
Kurt Bligaard Pedersen	1.6	1.3
Keld Norup	0.9	0.6
Rina Asmussen	0.7	0.7
Bente Overgaard (joined on 16.06.2020)	0.8	0.3
Anker Laden-Andersen	0.7	0.5
Per Schnack	0.7	0.6
Marianne Lillevang	0.6	0.6
Johnny Christensen	0.5	0.4
Christina Lykke Munk	0.4	0.5
Philip Baruch (resigned on 23.03.2021)	0.2	0.8
Jens A. Borup (resigned on 23.03.2021)	0.2	0.8
Sven Buhrkall (resigned on 16.06.2020)	-	0.8
Total	7.3	7.9

In addition to the fixed remuneration, the members of the committees under the Supervisory Board receive a committee remuneration. Of the total remuneration to the Supervisory Board, committee remuneration and Shareholders' Representatives' remuneration totalled DKK 3.0m in 2021 against DKK 3.1m in 2020, which amount is included in the above amounts.

The Supervisory Board does not receive variable remuneration

Directorships held by members of the Supervisory Board in other commercial enterprises at 31 December 2021**Kurt Bligaard Pedersen, Managing Director, London, Chairman**

- CEO of Bligaard Consult

Keld Norup, Vejle, Deputy Chairman

- Chairman of the supervisory board/board member, Holmskov-gruppen, Vejle including
 - Chairman of the supervisory board, Holmskov & Co. A/S
 - Chairman of the supervisory board, Holmskov Finans A/S
 - Chairman of the supervisory board, Holmskov Invest A/S
 - Board member, H & P Frugtimport A/S
- Board member, Solegruppen, Vejle, including
 - Board member, Sole Holding ApS, Vejle, and also on the board of five fully owned subsidiaries
 - Board member, TP Family ApS
 - Board member, Hølggaard Ejendomme ApS and on the board of a fully owned subsidiary
 - Board member, JGP Family ApS
 - Board member, Solbjerg Ejendomme A/S
 - Board member, Vesterby Minkfarm A/S
 - Board member, Sole Invest ApS, Hedensted and also on the board of a fully owned subsidiary
- Managing director, Keld Norup Holding ApS

Rina Asmussen, Consultant, Klampenborg

- Board member, PFA Invest
- Board member and Deputy Chairman, BRFonden, and on the board of a fully owned subsidiary
- Deputy chairman of Fonden for Håndværkskollegier
- Director of RA-Consulting

Anker Laden-Andersen, Attorney-at-Law, Frederikshavn

- Chairman of the supervisory board of Gisselfeld Kloster
- Chairman of the supervisory board of Hirtshals Havn and on the board of a fully-owned subsidiary
- Chairman of the supervisory board of DEN GREVELIGE OBERBECH-CLAUSEN-PEANSKE FAMILIEFOND (Voergaard Slot)
- Chairman of the supervisory board of Hjerl Fonden
- Chairman of of the supervisory board of Grøngas Partner A/S as well as 2 fully owned subsidiaries
- Board member, Thoraso ApS
- Board member, Vanggaard Fonden (Sæby Fiskeindustri)
- Director of ALA Advokatpartner anpartsselskab

Bente Overgaard, Managing director, Hellerup

- Board member, Tømmerhandler Johannes Fogs Fond
- Board member, SP Group A/S
- Committee member of the Danish Nature Fund
- Managing director, Overgaard Advisory ApS

Executive Board

The Executive Board has four members. The number of members is determined by the Supervisory Board.

The Executive Board undertakes the day-to-day management of the Group. The Executive Board strives continuously to ensure that the Group has efficient procedures and a clear organisational structure with a well-defined, transparent and consistent distribution of responsibilities.

Without having the right to vote, the Executive Board attends the meetings of the Shareholders' Representatives and the Supervisory Board. To ensure independence and objectivity, members of the Executive Board shall not participate in the discussions of questions concerning any of the members personally.

Total remuneration of the Executive Board

	Anders Dam	Niels Erik Jakobsen	Peter Schleidt	Per Skovhus	Total
2021					
Remuneration paid	10.3	8.1	8.4	8.3	35.1
Retirement remuneration earned over the year	0.2	0.1	0.7	0.7	1.7
Total	10.5	8.2	9.1	9.0	36.8
2020					
Remuneration paid	10.1	7.9	8.1	8.2	34.3
Retirement remuneration earned over the year	0.2	0.1	0.7	0.7	1.7
Total	10.3	8.0	8.8	8.9	36.0

The holdings of the Members of the Executive Board of Jyske Bank shares (number of shares)

	2021	2020
Anders Dam	31,844	29,601
Niels Erik Jakobsen	26,051	22,672
Peter Schleidt	22,060	17,605
Per Skovhus	23,358	18,619

Directorships held by members of the Executive Board in other commercial enterprises* at 31 December 2021

Anders Dam

- Chairman of the Supervisory Board of Jyske Banks Almennyttige Fond as well as the fully owned subsidiary Jyske Banks Almennyttige Fonds Holdingselskab
- Board member (deputy chairman), Foreningen Bankdata F.m.b.a.
- Board member, FR I af 16. september 2015 A/S

Niels Erik Jakobsen

- Board member (deputy chairman), Letpension A/S
- Board member, BI Holding A/S as well as the fully owned BI Asset Management Fondsmæglerelskab A/S

Peter Schleidt

- Board member (chairman), JN Data

* To this must be added the directorships held by members of the Executive Board in wholly-owned subsidiaries.

Internal control and risk-management systems

The overall responsibility for the Group's internal control and risk-management systems in connection with the financial reporting rests with the Supervisory Board and the Executive Board. The process has been planned with a view to preparing and presenting an annual report in agreement with the regulatory requirements as well as preparing and presenting an annual report that is free from material misstatement, whether due to fraud or error.

Recognition and measurement

Recognition and measurement of certain assets and liabilities require an estimate of the influence of future events on the value of such assets and liabilities at the balance sheet date. Estimates of material importance to the presentation of the accounts are, among other things, based on the impairment of loans and advances, the fair value of unlisted financial instruments and provisions already made.

The estimates are based on assumptions which management finds reasonable, but which are inherently uncertain. It is the assessment of management that assets and liabilities offer a true and fair view of the financial position and that the control environment relating to the assessments made is satisfactory.

Control environment

The most important elements in the control environment are an expedient organisation, including separation of functions, as well as internal policies and business procedures.

The Supervisory Board, the Executive Board and the organisation involved in the presentation of the accounts have been organised in such a way that relevant competencies in respect of risk management and assessment of internal controls in relation to the presentation of the accounts have been established and work independently of each other.

The Supervisory Board has set up an Audit Committee which continuously monitors that the Group's internal controls are sufficient and assesses material risks in connection with the process relating to the presentation of the accounts, including the risk that fraud or error may result in material misstatement in the annual report.

Risk assessment

The details given in the annual report are continuously assessed with respect to risk and with a view to identifying elements associated with heightened risk because they are based on estimates and/or generated through complex or manual processes.

The Audit Committee is continuously informed about the assessment of the Group risks, including risks affecting the process relating to the presentation of the accounts. The Audit Committee and the Executive Board decide at least once a year whether new internal controls are to be initiated to counter identified risks. The Audit Committee examines, also at least once a year, particularly risky fields, including recognition and measurement of material assets and liabilities as well as any changes to accounting policies.

Control activities

Control activities have been set up with the purpose of preventing, detecting and correcting any errors and omissions in the data that form the basis of the accounts' preparation. The activities include, among other things, certification, authorisation, approval, reconciliation, analyses of results, control of separation of functions, general IT controls and controls regarding IT applications.

Monitoring and reporting

The Group employs systems and manual resources for the monitoring of the data that form the basis of the accounts preparation. Any weaknesses and errors are corrected and reported on a continuous basis.

Reporting from subsidiaries is controlled continuously, and procedures have been established to ensure that any errors and omissions in data reported are communicated to and are rectified by the subsidiaries.

In connection with the accounts' preparation further analyses and control activities are carried out to ensure that the presentation of the accounts takes place in compliance with legislation. The Audit Committee will follow up to ensure that established and reported weaknesses in the internal controls as well as material errors and omissions in the Parent's financial statements are rectified.