PROXY PAPER
DANSKE BANK A/S

GLASS LEWIS

NASDAQ OMX Copenhagen: **DANSKE**

ISIN: **DK0010274414**

MEETING DATE:	16 MARCH 2017
RECORD DATE:	09 MARCH 2017
PUBLISH DATE:	27 FEBRUARY 2017

COMPANY DESCRIPTION

Danske Bank A/S offers banking products and services to various customers. The company's Personal Banking segment provides advisory, property financing, leasing, insurance, and pension services to personal and private banking customers.

INDEX MEMBERSHIP:	S&P EUROPE 350; OMX COPENHAGEN 20; FTSE4GOOD GLOBAL INDEX; OMX NORDIC 40; OMX NORDIC ALL-SHARE
SECTOR:	FINANCIALS
INDUSTRY:	BANKS
COUNTRY OF TRADE:	DENMARK
COUNTRY OF INCORPORATION:	DENMARK
VOTING IMPEDIMENT:	NONE
DISCLOSURES:	NONE

OWNERSHIP | REMUNERATION | PREVIOUS BOARD | **VOTE RESULTS** | **APPENDIX** | COMPANY PROFILE

2017 ANNUAL MEETING

PROPOSAL	ISSUE	BOARD	GLASS LEWIS	CONCERNS
1.00	Report of the Board of Directors	NON-VOTING	**NON-VOTING**	
2.00	Accounts and Reports	FOR	**FOR**	
3.00	Allocation of Profits/Dividends	FOR	**FOR**	
4.00	Election of Directors	FOR	**SPLIT**	
4.01	Elect Ole Andersen	FOR	**FOR**	
4.02	Elect Lars-Erik Brenøe	FOR	**FOR**	
4.03	Elect Urban Bäckström	FOR	**FOR**	
4.04	Elect Jørn P. Jensen	FOR	**AGAINST**	• **Affiliate/Insider on a committee**
4.05	Elect Rolv E. Ryssdal	FOR	**FOR**	
4.06	Elect Carol Sergeant	FOR	**FOR**	
4.07	Elect Hilde Merete Tonne	FOR	**FOR**	
4.08	Elect Martin Folke Tivéus	FOR	**FOR**	
5.00	Appointment of Auditor	FOR	**FOR**	
6.01	Authority to Reduce Share Capital	FOR	**FOR**	
6.02	Authority to Issue Shares or Convertible Debt Instruments w/o Preemptive Rights	FOR	**FOR**	
7.00	Authority to Repurchase Shares	FOR	**FOR**	
8.00	Directors' Fees	FOR	**FOR**	
9.00	Amendments to Remuneration Guidelines	FOR	**FOR**	
10.00	Shareholder Proposal Regarding Cheques	AGAINST	**AGAINST**	
11.00	Shareholder Proposals by Nanna Bonde Ottosen	AGAINST	**AGAINST**	
11.01	Shareholder Proposal Regarding Gender-Specific Remuneration Statistics	AGAINST	**AGAINST**	

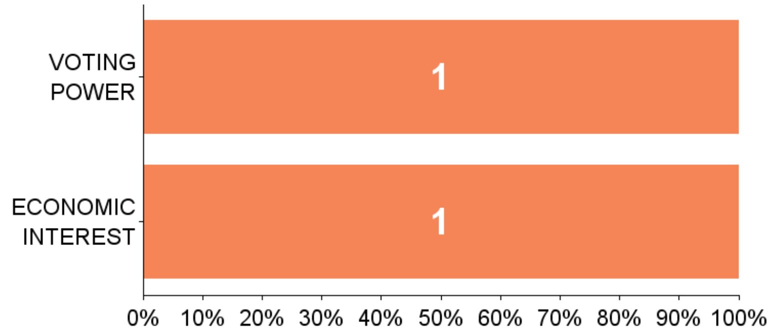
11.02	Shareholder Proposal Regarding Employee Share Options	AGAINST	**AGAINST**	
11.03	Shareholder Proposal Regarding Green Technology	AGAINST	**AGAINST**	
12.00	Shareholder Proposal Regarding Climate Target Report	AGAINST	**FOR**	• **Increased disclosure would benefit shareholders**
13.00	Transaction of Other Business	FOR	**AGAINST**	• **Unfettered discretion**

SHARE OWNERSHIP PROFILE

SHARE BREAKDOWN

	1
SHARE CLASS	Share Capital
SHARES OUTSTANDING	841.3 M
VOTES PER SHARE	1
INSIDE OWNERSHIP	0.00%
STRATEGIC OWNERS**	23.50%
FREE FLOAT	76.50%

SOURCE CAPITAL IQ AND GLASS LEWIS. AS OF 19-FEB-2017



TOP 20 SHAREHOLDERS

	HOLDER	OWNED*	COUNTRY	INVESTOR TYPE
1.	A.P. Møller - Mærsk A/S	23.39%	Denmark	Public Company
2.	BlackRock, Inc.	2.72%	United States	Traditional Investment Manager
3.	Norges Bank Investment Management	2.39%	Norway	Government Pension Plan Sponsor
4.	The Vanguard Group, Inc.	1.87%	United States	Traditional Investment Manager
5.	Didner & Gerge Fonder	1.67%	Sweden	Traditional Investment Manager
6.	Standard Life Investments Limited	1.62%	United Kingdom	Traditional Investment Manager
7.	Nordea Investment Management AB	1.49%	Sweden	Traditional Investment Manager
8.	J.P. Morgan Asset Management, Inc.	0.97%	United States	Traditional Investment Manager
9.	Invesco Ltd.	0.70%	United States	Traditional Investment Manager
10.	LD Pensions	0.64%	Denmark	Traditional Investment Manager
11.	Caixabank Asset Management SGIIC, S.A	0.61%	Spain	Traditional Investment Manager
12.	UBS Asset Management	0.60%	Switzerland	Traditional Investment Manager
13.	Handelsbanken Asset Management	0.45%	Sweden	Traditional Investment Manager
14.	T. Rowe Price Group, Inc.	0.39%	United States	Traditional Investment Manager
15.	Unigestion SA	0.37%	Switzerland	Traditional Investment Manager
16.	AllianceBernstein L.P.	0.35%	United States	Traditional Investment Manager
17.	Odey Asset Management LLP	0.34%	United Kingdom	Hedge Fund Manager/CTA
18.	Teachers Insurance and Annuity Association of America - College Retirement Equities Fund	0.32%	United States	Traditional Investment Manager
19.	Principal Global Investors, LLC	0.32%	United States	Traditional Investment Manager
20.	Manulife Asset Management	0.30%	Canada	Traditional Investment Manager

**COMMON STOCK EQUIVALENTS (AGGREGATE ECONOMIC INTEREST) SOURCE: CAPITAL IQ. AS OF 19-FEB-2017*
***CAPITAL IQ DEFINES STRATEGIC SHAREHOLDER AS A PUBLIC OR PRIVATE CORPORATION, INDIVIDUAL/INSIDER, COMPANY CONTROLLED FOUNDATION, ESOP OR STATE OWNED SHARES OR ANY HEDGE FUND MANAGERS, VC/PE FIRMS OR SOVEREIGN WEALTH FUNDS WITH A STAKE GREATER THAN 5%.*

SHAREHOLDER RIGHTS

	MARKET THRESHOLD	COMPANY THRESHOLD[1]
VOTING POWER REQUIRED TO CALL A SPECIAL MEETING	5.0%	5.0%
VOTING POWER REQUIRED TO ADD AGENDA ITEM	1.0%	1.0%

[1]N/A INDICATES THAT THE COMPANY DOES NOT PROVIDE THE CORRESPONDING SHAREHOLDER RIGHT.

1.00: REPORT OF THE BOARD OF DIRECTORS

NON-VOTING

PROPOSAL REQUEST:	Approve the receipt of the report presented by the board of directors.	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**NON-VOTING-**	No material concerns
BINDING/ADVISORY:	Non-voting		
REQUIRED TO APPROVE:	Non-voting		

GLASS LEWIS ANALYSIS

As is customary in Denmark, the board of directors will present, at the annual meeting of shareholders, a report on the Company's activities during the past fiscal year. We believe that requesting shareholders to approve the receipt of the board of directors' report is a routine matter that will not negatively affect the interests of shareholders. Shareholders are voting to approve receipt of the report, not to approve its substance and content.

This is a non-voting proposal.

2.00: ACCOUNTS AND REPORTS

FOR

PROPOSAL REQUEST:	Approve the Company's financial statements, consolidated financial statements and annual report for the past fiscal year.	**RECOMMENDATIONS & CONCERNS:**
PRIOR YEAR VOTE RESULT (FOR):	99.8%	**FOR-** No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	Majority	

PROPOSAL SUMMARY

As a routine matter, Danish company law requires that shareholders approve both the parent company's financial statements, as well as the financial statements of the entire group.

GLASS LEWIS ANALYSIS

We believe that all of the necessary financial statements and reports are present in the Company's annual report. We note that in the opinion of Deloitte, the Company's independent auditor, the financial statements have been properly prepared in accordance with International Financial Reporting Standards and accounting regulations for companies listed on Nasdaq Copenhagen.

We recommend that shareholders vote **FOR** this proposal.

3.00: ALLOCATION OF PROFITS/DIVIDENDS

FOR

PROPOSAL REQUEST:	Approve the allocation of profits for the past fiscal year.	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	100%	**FOR-** No material concerns	
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority		

PROPOSAL SUMMARY

If approved, the Company will distribute a dividend. Further, the Company proposes that DKK 2,331 million will be transferred from the "Equity method reserve", DKK 663 million will be transferred to "Additional tier 1 capital holders", and DKK 12,396 million to "Retained earnings".

in DKK	FY 2016	FY 2015
Proposed Dividend per Share	9.00	8.00
Interim Dividend	0.00	0.00
TOTAL DIVIDENDS PER SHARE	**9.00**	**8.00**
Earnings per Share	20.20	12.80
DIVIDEND PAYOUT RATIO	**44.6%**	**62.5%**

GLASS LEWIS ANALYSIS

With limited exceptions, Glass Lewis will generally support the dividend policy proposed by a company. Here, we find that the dividend payout is reasonable and we do not see any cause for concern in terms of the board's process in making this determination.

We recommend that shareholders vote **FOR** this proposal.

4.00: ELECTION OF DIRECTORS

SPLIT

PROPOSAL REQUEST: Election of eight directors

ELECTION METHOD: Majority

RECOMMENDATIONS & CONCERNS:

AGAINST- **Jensen J.** Affiliate/Insider on audit committee

FOR- **Andersen O.**
Bäckström U.
Brenøe L.
Ryssdal R.
Sergeant C.
Tivéus M.
Tonne H.

NOT UP- **Brich K.**
Eilertsen C.
Hoffmann C.
Olsen S.

PROPOSAL SUMMARY

Eight candidates are up for election as directors to serve a one-year term each. If elected, their terms would expire at the Company's 2018 annual meeting of shareholders.

BOARD OF DIRECTORS

	UP	NAME	AGE	GENDER	GLASS LEWIS CLASSIFICATION	COMPANY CLASSIFICATION	OWNERSHIP**	COMMITTEES				TERM START	TERM END	YEARS ON BOARD
								AUDIT	REM	NOM	RISK			
	✔	Lars-Erik Brenøe*	56	M	Affiliated [1]	Independent	20%	✔				2016	2017	1
⊖	✔	Jørn P. Jensen	53	M	Affiliated [2]	Independent	Yes	C				2012	2017	5
	✔	Ole Andersen ·Chair	61	M	Independent [3]	Independent	Yes		C	C	✔	2010	2017	7
	✔	Urban Bäckström	63	M	Independent	Independent	Yes			✔	✔	2012	2017	5
	✔	Rolv E. Ryssdal*	55	M	Independent	Independent	Yes		✔			2014	2017	3
	✔	Carol Sergeant	65	F	Independent	Independent	Yes	✔			C	2013	2017	4
	✔	Martin Folke Tivéus	47	M	Independent	Independent	N/D					2017	2017	0
	✔	Hilde Merete Tonne	52	F	Independent	Independent	No		✔			2016	2017	1
		Kirsten Ebbe Brich	44	F	Employee Rep	Employee Rep	Yes					2014	2018	3
		Carsten Eilertsen	68	M	Employee Rep	Employee Rep	Yes					2010	2018	7
		Charlotte Hoffmann	51	F	Employee Rep	Employee Rep	Yes		✔			2006	2018	11
		Steen Lund Olsen	45	M	Employee Rep	Employee Rep	Yes					2014	2018	3

C = Chair, * = Public Company Executive, ⊖ = Withhold or Against Recommendation

1. Executive of A.P.Møller, part of the A.P.Møller Holding Group, which beneficially owns 20% of the Company's share capital and voting rights.
2. Former deputy CEO and CFO of Carlsberg A/S (until September 2015). Director of Carlsberg Byen P/S and six subsidiaries. Carlsberg Byen P/S is 25% owned by Carlsberg A/S, which has significant financing arrangements with the Company.
3. Chair.

***Direct, indirect or representational ownership of voting rights. Below 5% displays as Yes.*

NAME	ATTENDED AT LEAST 75% OF MEETINGS	PUBLIC COMPANY EXECUTIVE	ADDITIONAL PUBLIC COMPANY DIRECTORSHIPS
Lars-Erik Brenøe	N/A	Yes	None
Jørn P. Jensen	N/A	No	(1) VimpelCom Ltd.
Ole Andersen	N/A	No	(2) Chr.Hansen Holding A/S; Bang & Olufsen A/S
Urban Bäckström	N/A	No	None
Rolv E. Ryssdal	N/A	Yes	None

Carol Sergeant	N/A	No	(1) Tullett Prebon plc
Martin Folke Tivéus	N/A	No	None
Hilde Merete Tonne	N/A	No	None
Kirsten Ebbe Brich	N/A	No	None
Carsten Eilertsen	N/A	No	None
Charlotte Hoffmann	N/A	No	None
Steen Lund Olsen	N/A	No	None

MARKET PRACTICE

INDEPENDENCE AND COMPOSITION	DANSKE*	REQUIREMENT	BEST PRACTICE
Independent Chair	Yes	Chairman may not serve as CEO[1]	Chairman may not serve as chairman of audit committee[2]
Board Independence**	75%	>50% non-executive directors if one-tier board structure, no executives if two-tier structure[1]	50%[2]
Audit Committee Independence	33%	N/A	>50%[3]
Remuneration Committee Independence**	100% ; Independent Chair	N/A	>50%[3]
Nominating Committee Independence	100% ; Independent Chair	N/A	>50%
Percentage of women on board	33%	N/A	N/A
Directors' biographies	Biographical details for current directors can be found on the Company's website and in the Annual Report.		

** Based on Glass Lewis Classification*
*** Excludes Employee Reps*

1. *Danish Companies Act*
2. *Danish Corporate Governance Recommendations*
3. *Danish Corporate Governance Recommendations.*

Danish companies are generally governed by a two-tiered board structure, with a board of directors that appoints the members of the management board. In companies with more than 35 employees, employees have the right to appoint at least two representatives to serve on the board of directors.

The Committee on Corporate Governance's Recommendations for corporate governance recommend that at least half of shareholder-elected members of the board of directors be independent of the Company and its major shareholders, and that no members of the management board should serve as members of the board of directors. Major shareholders are defined as those who control 10% or more of the Company's share capital or voting rights.

Ownership in Danish listed companies is often concentrated in single or small groups of shareholders, who generally play an active ownership role through engagement with the company or through representation on its board of directors. In many cases, corporate control is dependent upon a dual-class share system where one class of shares typically has ten times the number of votes of the other class. One particular feature of Danish corporate governance is the prominent role played by foundations, often set up by the founders with the primary purpose of exercising a controlling ownership of the company.

GLASS LEWIS ANALYSIS

We believe shareholders should be mindful of the following:

MEETING ATTENDANCE

We note that the Company has not disclosed information regarding the directors' meeting attendance. While this information is rarely disclosed in Denmark, we believe that this information is essential for shareholders in determining whether a director has fulfilled his/her duty to shareholders, by attending at least 75% of the meetings held by the board and the committees on which he/she served.

NOMINATION COMMITTEE SIZE

We note that following the resignation of director Westlie, the nomination committee will consist of only two members. We believe that a committee with responsibilities as crucial as those of the nomination committee should have a minimum of three members to perform its function to shareholder satisfaction. We urge the board to nominate at least one additional director to this committee as soon as practicable following the annual meeting. We will monitor this issue going forward.

AUDIT COMMITTEE

Nominee Jensen is the chair of the audit committee, which we believe should consist of a majority of directors who are independent of the Company and its management. In addition, nominee Brenøe, who represents a major shareholder, also serves as a member of the audit committee. Two out of three shareholder-elected directors of the audit committee are therefore affiliated to the Company and its major shareholders. We generally believe that this raises concerns about the objectivity and independence of the committee and its ability to perform its proper oversight role. We believe that the audit committee should be majority independent of the Company and its management, in accordance with local best practice. As such, we prefer committees with a lower percentage of affiliates and insiders.

OVERBOARDING

Nominee Andersen serves as chair on two public company boards, in addition to the Company. We believe that the time commitment required by this number of board memberships may preclude this director from dedicating the time necessary to fulfill the responsibilities required of a director. We would normally recommend shareholders to vote against nominee Andersen on this basis, however due to his position as chair of the Company's board, we would rather expect him to reduce his outside commitments.

RELATED PARTY TRANSACTIONS

Nominee Jensen was the CFO (until 2015) of Carlsberg A/S, which has a revolving credit facility of EUR 2.51 billion with the Company and 18 other banks. This facility is due to mature in February 2019 with an option to extend maturity to 2020/2021. The Company serves as facility agent for this credit line and has a history of serving as the principle advisor and source of financing for previous transactions with Carlsberg A/S. The current arrangement succeeds the previous facilities agreed in 2010 and 2011. These arrangements are indicative of an ongoing material business relationship between the Company and Carlsberg A/S.

We view such relationships as potentially creating conflicts for directors, as they may be forced to weigh their own interests in relation to shareholder interests when making board decisions. In addition, the Company's decision regarding where to turn for the best professional services may be compromised when doing business with one of the Company's directors.

While we recognize that Mr. Jensen's resignation from his executive position at the Carlsberg group mitigates some concern regarding the potential for ongoing conflicts of interest, we believe that his position as CFO of Carlsberg when these financing arrangements were agreed and the relatively recent nature of this relationship continues to raise questions as to whether Mr. Jensen can be considered truly independent in the context of audit oversight.

RECOMMENDATIONS

We recommend voting against the following nominee up for election this year based on the following issue:

Nominee **JENSEN** serves as an affiliated member of the audit committee, which we believe should consist of a majority of members who are independent of the Company and its major shareholders, as described in detail above.

We recommend that shareholders vote:

AGAINST: Jensen

FOR: Andersen; Brenøe; Bäckström; Ryssdal; Sergeant; Tivéus; Tonne

The Company discloses the following biographical information for director Martin Folke Tivéus, a new nominee to the board:
Martin Folke Tivéus is CEO of Evidensia Djursjukvård AB, Evidensia Djursjukvård Holding AB, Evidensia Acquisition AB and Evidensia Holding AB. He has extensive executive management experience from large international companies, significant board experiencein-depth knowledge of digital banking, the consumer market, customer needs and change management and a strong grasp of IT and digitalisation.

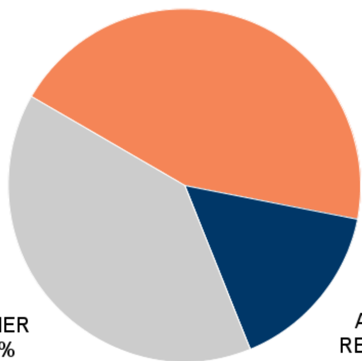
5.00: APPOINTMENT OF AUDITOR

FOR

PROPOSAL REQUEST:	Ratification of Deloitte
PRIOR YEAR VOTE RESULT (FOR):	98.9%
BINDING/ADVISORY:	Binding
REQUIRED TO APPROVE:	Majority
AUDITOR OPINION:	Unqualified

RECOMMENDATIONS & CONCERNS:

FOR- No material concerns



AUDITOR FEES

	2016	2015	2014
Audit Fees:	Dkr17,000,000	Dkr16,000,000	Dkr4,000,000
Audit-Related Fees:	Dkr6,000,000	Dkr4,000,000	Dkr1,000,000
Tax Fees:	Dkr 0	Dkr1,000,000	Dkr3,000,000
All Other Fees:	Dkr15,000,000	Dkr14,000,000	Dkr1,000,000
Total Fees:	Dkr38,000,000	Dkr35,000,000	Dkr9,000,000
Auditor:	Deloitte	Deloitte	KPMG

Years Serving Company:	2
Restatement in Past 12 Months:	No

GLASS LEWIS ANALYSIS

We believe that the fees paid for non-audit-related services are reasonable and that the Company has a track record of disclosing the appropriate information about these services in its filings. Given that fees were reasonable during the past year, we see no cause for shareholder concern.

We recommend that shareholders vote **FOR** this proposal.

6.01: AUTHORITY TO REDUCE SHARE CAPITAL

FOR

PROPOSAL REQUEST:	Authorise the board to reduce the share capital.	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	100%	**FOR-**	No material concerns
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	67%		

PROPOSAL SUMMARY

If approved, the share capital will be reduced by means of a cancellation of 46,885,113 shares of DKK 10 each, representing 4.8% of the Company's outstanding shares, acquired through the buyback program. Article 4.1 of the Company's articles of association will be amended accordingly.

GLASS LEWIS ANALYSIS

As a general rule, we believe that buyback programs and associated share cancellation programs are in shareholders' best interests, so long as the Company is left with a sufficiently strong balance sheet in light of its capital requirements. We believe that, in this case, the terms under which the Company is considering a cancellation of its repurchased shares are reasonable.

We recommend that shareholders vote **FOR** this proposal.

6.02: AUTHORITY TO ISSUE SHARES OR CONVERTIBLE DEBT INSTRUMENTS W/O PREEMPTIVE RIGHTS

FOR

PROPOSAL REQUEST:	Authorize the board to increase the Company's share capital without first offering the securities to existing shareholders on a pro rata basis.	**RECOMMENDATIONS & CONCERNS:**
PRIOR YEAR VOTE RESULT (FOR):	N/A	**FOR-** No material concerns
BINDING/ADVISORY:	Binding	
REQUIRED TO APPROVE:	67%	

PROPOSAL SUMMARY

This proposal seeks shareholder approval to extend the board's authority to increase the Company's share capital by up to a maximum nominal value of DKK 1,000,000,000 through the issuance of shares, without first offering the securities to existing shareholders on a pro rata basis. This authority may also be used to issue convertible securities.

Proposed share issue authorities:

Potential Dilution	10.2% of issued capital
Authority Length	5 years (until March 1, 2022)
Takeover Defense	No
Purpose	General corporate purpose

Articles 6.5 and 6.6 of the Company's articles of association will be amended accordingly.

GLASS LEWIS ANALYSIS

Glass Lewis believes that access to adequate capital is important to ensure that a Company has the flexibility to finance its operations and business opportunities, as well as to optimize its capital structure, within reasonable limits. In general, we recommend that authorities to issue shares without preemptive rights not exceed 20%, and with preemptive rights 100%, of a company's share capital.

In this case, the board will be authorized to issue up to 10.2% of the Company's current issued share capital without preemptive rights. As such, we believe that dilution to current shareholders will be reasonable.

We recommend that shareholders vote **FOR** this proposal.

7.00: AUTHORITY TO REPURCHASE SHARES

FOR

PROPOSAL REQUEST:	Authorise the Company to repurchase its own shares.	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	99.4%	**FOR-**	No material concerns
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority		

PROPOSAL SUMMARY

If approved, the board of directors will be authorised to repurchase the Company's own shares.

Repurchase Amount	10.0% of share capital
Maximum Repurchase Price	110% of market price
Minimum Repurchase Price	90% of market price
Authority Length	Five years (until March 1, 2022)
Takeover Defense	No
Purpose	General corporate purpose

GLASS LEWIS ANALYSIS

As a general rule, we believe that buyback programs are in shareholders' best interests, so long as the Company is left with a sufficiently strong balance sheet in light of its capital requirements. Typically, a repurchase is used to return surplus capital to shareholders, increase earnings per share, or provide shares for equity compensation plans.

We believe that the terms under which the Company is considering a repurchase of its shares are reasonable.

We recommend that shareholders vote **FOR** this proposal.

8.00: DIRECTORS' FEES

FOR

PROPOSAL REQUEST:	Approve directors' fees.	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	100%	**FOR-**	No material concerns
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority		

PROPOSAL SUMMARY

The board proposes that the fees paid to directors will be as follows:

Fees in DKK	FY 2017	FY 2016	Change
Chair of the board	1,837,500	1,545,000	18.9%
Vice chair	787,500	772,500	1.9%
Members of the board	525,000	515,000	1.9%
Remuneration committe chair	170,000	170,000	-
Remuneration committee member	120,000	120,000	-
Nomination committee chair	170,000	170,000	-
Nomination committee member	120,000	120,000	-
Audit committee chair	270,000	270,000	-
Audit committee member	180,000	180,000	-
Risk committee chair	270,000	270,000	-
Risk committee member	180,000	180,000	-

MARKET PRACTICE

According to the Danish Corporate Governance Recommendations ("the Recommendations"), the compensation to the members of the Company's supreme governing body, the board of directors, should not consist of elements containing the Company's shares, stock options or warrants.

GLASS LEWIS ANALYSIS

Glass Lewis believes that the proposed increase in directors’ fees is appropriate given the time commitment involved in serving as a board member of this Company.

We find that the fees paid to the board of directors have been reasonable in the past.

We recommend that shareholders vote **FOR** this proposal.

9.00: AMENDMENTS TO REMUNERATION GUIDELINES

FOR

PROPOSAL REQUEST:	Amendments to Remuneration Guidelines	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	99.3%	**FOR-**	No material concerns
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority		

EXECUTIVE SUMMARY

KEY AREAS OF FOCUS	**GLASS LEWIS RECOMMENDATION: FOR**
• Salary: Frozen • STI: Payouts of 10.4% of salary	No material concerns

MATERIAL CHANGES

The committee proposes the following changes:

- The CEO is obligated to own shares worth at least DKK 2,000,000 in the Company.
- Cancellation of the condition that the total upper limit in a single year for performance-based remuneration for the executive board and other material risk takers is 3% of group net profit for the year before loan impairment charges.

REMUNERATION OVERVIEW

NAME AND TITLE	SALARY*	PENSION	variable cash payment	variable share-based payment**	TOTAL^***
Thomas F. Borgen *CEO*	11,500,000	2,200,000	1,200,000	3,100,000	18,000,000
Jacob Aarup-Andersen *CFO*	4,900,000	-	500,000	900,000	6,300,000
Tonny Thierry Andersen Head of Wealth Management	7,000,000	1,300,000	700,000	1,800,000	10,800,000
James Ditmore Head of Group Services & Group IT (COO)	7,600,000	-	600,000	1,700,000	9,900,000
Gilbert Kohnke Head of Group Risk	7,000,000	-	500,000	1,300,000	8,800,000
Lars Mørch Head of Business Banking	6,400,000	1,100,000	600,000	1,600,000	9,700,000
Jesper Nielsen Head of Personal Banking	1,300,000	200,000	100,000	200,000	1,800,000
Glenn Söderholm Head of Corporates & Institutions	6,600,000	1,400,000	500,000	1,500,000	10,000,000

^ All figures expressed in DKK unless otherwise stated.
* Fixed salary includes fixed cash salary, fixed salary shares (part of the fixed base salary of the executive board is paid as shares) and other benefits.
** Includes deferred variable share-based payments to be paid in later financial years according to EBA regulations and provisions for the Long-Term Incentive Plan.
*** Total paid remuneration comprises fixed salary, 2016 payments to pension plans, variable cash payments for 2015, pay-out of deferred cash payment for previous financial years and exercised rights to conditional shares for previous financial years.

REMUNERATION FRAMEWORK

FIXED

Base salaries did not increase significantly during the year under review.

SHORT-TERM INCENTIVES

	SHORT-TERM INCENTIVE PROGRAMME
AWARD TYPE	*Cash and deferred shares*

MAXIMUM PAYOUT	*Variable remuneration cannot exceed 50%of the fixed salary (including long-term incentives).*
ACTUAL PAYOUT	*10.4%of base salary*
DEFERRAL PROVISIONS	*40-60% of bonus awards are deferred into shares for 4 years*
RECOVERY PROVISIONS	*All variable payments are subject to claw back provisions if granted on the basis of data which is subsequently proven to be manifestly misstated or inaccurate.*
FINANCIAL ELEMENT	*Return on equity, cost/income ratio, other cost related measures, expected loss or similar risk measures*
NON-FINANCIAL ELEMENT	*Customer satisfaction, compliance with regulation and/or internal business procedures, innovation, risk management environment, observance of the Group's core values and delivery on the Essence of Danske Bank Group*
DISCLOSURE OF TARGETS	*Financial targets have not been disclosed and the committee has not provided an indication that they will be disclosed on a retrospective basis*
NOTES	*No material changes have been announced regarding the bonus structure.* *The Company does not disclose the mix of KPIs and weightings applicable to executive management*

LONG-TERM INCENTIVES

	LONG-TERM INCENTIVE PROGRAMME
AWARD TYPE	*Performance shares*
GRANT LEVELS	*Variable remuneration cannot exceed 50% of the fixed salary (including short-term incentives).*
PERFORMANCE PERIOD	*3 years*
ADDITIONAL HOLDING	*Part of the shares are deferred for four years.*
RECOVERY PROVISIONS	*All variable payments are subject to claw back provisions if granted on the basis of data which is subsequently proven to be manifestly misstated or inaccurate.*
PEER GROUP	*Not disclosed*

METRICS

TOTAL SHAREHOLDER RETURN RELATIVE TO PEERS		
	Relative	Measured
Weighting	100%	Total over period
Target Performance	N/D	

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OTHER FEATURES

SEVERANCE	*The Company's policy limits severance payable to the CEO and other executive managers to one and a half years of fixed salary.*
EXECUTIVE SHAREHOLDING GUIDELINES	*No*
NON-COMPETITION AGREEMENT	*Two years for the CEO and one year for other executives*
PEER GROUP	*The Company discloses that it did consider a peer group when formulating its pay program during the past year, but has not disclosed the companies that comprise this group.*

GLASS LEWIS ANALYSIS

Glass Lewis expects firms to fully disclose and explain all aspects of their executives' remuneration in such a way that shareholders can comprehend and analyse the company's policies and procedures. In completing our assessment, we consider, among other factors, the appropriateness of performance targets and metrics, how such goals and metrics are used to improve Company performance, the peer group against which the Company believes it is competing, whether incentive schemes encourage prudent risk management and the board's adherence to market best practices. Furthermore, we also emphasize and evaluate the extent to which the Company links executive pay with performance.

In completing our assessment of a Company's remuneration principles, we consider (among other factors): (i) the appropriateness of the overall remuneration structure with regard to strategy and risk; (ii) the implementation of remuneration principles and pay outcomes during the year under review; and (iii) the quality and transparency of a committee's disclosure.

In this case, we believe shareholders should be mindful of the following:

CRDIV

The Basel Committee on Banking Supervision established minimum standards regarding bank capital adequacy under Basel III which apply to all "internationally active banks" in G20 countries. Basel III is most broadly intended to mitigate risk and improve transparency in the financial sector. Consistent and timely compliance with Basel III is under the supervision of the Regulatory Consistency Assessment Programme.

In Europe, the European Commission incorporates Basel III recommendations into binding EU law through amendments to the Capital Rights Directive 2013/36/EU and its associated Regulation ("CRD IV"), which entered into force on July 17, 2013 and went into effect on January 1, 2014. The European Banking Authority ("EBA") is tasked with implementing CRD IV and has provided two recommendations, in December 2011 and July 2013. The latest EBA Recommendation on the Preservation of Core Tier 1 Capital issued on July 22, 2013 replaces its initial recommendation and focuses on maintaining capital buffers of the highest quality.

Pursuant to the CRD IV companies may seek shareholder approval to increase the maximum ratio of the variable component of compensation to the fixed component for "Identified Staff" to 2:1. CRD IV stipulates that the variable component for the categories of staff whose professional activities have a material impact on an institution's risk profile ("Identified Staff") shall not exceed 100% of the fixed component, but allows a company to raise this cap to 200% upon approval by shareholders. Identified staff include senior managers, risk takers, staff engaged in control functions and employees receiving total remuneration that takes them into the same remuneration bracket as senior managers and risk takers, whose professional activities have a material impact on the institution's risk profile.

The Company currently fixes the variable to fixed components of compensation for "Identified Staff" (excluding executive management who are subject to the limits described above) at a ratio of 2:1 as part of the incentive guidelines.

CHANGES

Changes to the Upper Limit of Performance-based Pay
The board of directors proposes a change to the calculation basis for the maximum proportion of performance-based pay to members of the executive board and other material risk takers. Currently, the maximum level of performance-based pay in a single year is limited to 3% of the Company's net profit for the year before loan imnpairment charges. The Company states that this revision is intended to accomodate Regulation (EU) No. 2013/36/EU of the European Parliament and of the Council of April 26, 2013. Glass Lewis generally supports changes made to the remuneration guidelines that do not act contrary to shareholders' interests, and we do not believe this revision is particularly contentious.

CEO Share Ownership Guidelines
The board of directors proposes to introduce an obligation of the CEO to own at least DKK 2,000,000 worth of shares in the Company. We generally prefer that the remuneration committee sets share ownership goals for executive directors to achieve (generally between 100% and 250% of base salary) within a set time frame. Therefore, we view this amendment as a positive change, complying with the aforementioned EU regulations.

OTHER STRUCTURAL

Performance Metrics Poorly Disclosed
The Company does not fully disclose the performance metrics used to evaluate performance for its short-term incentive payouts. Instead, it discloses these broad metric categories: Individual performance and Financial and non-financial KPIs.

Moreover, while the Company does provide a list of KPIs, it does not specify the mix of metrics used to evaluate any individual executives' performance.

EQUITY-BASED SCHEMES

Single Metric
We are concerned that the performance targets attached to awards made under the Company’s long-term incentive plan are based upon a single metric. We believe measuring a company's performance with multiple metrics serves to provide a more complete picture of the Company's performance than a single metric and that this remuneration strategy may focus too much management attention on a single target.

DISCLOSURE

Description of Targets Not Disclosed
The Company has failed to disclose a clear description of the performance targets under the plan. We believe clearly defined performance targets are essential for shareholders to fully understand and evaluate an incentive plan. Without such disclosure, shareholders are unable to evaluate the extent to which the Company strives to align long-term executive remuneration with performance.

Description of Hurdles and Vesting Schedule
The remuneration report has failed to disclose a clear description of the performance hurdles and the vesting schedules in relation to these hurdles for one or more of its long-term incentive schemes. We believe clearly defined performance hurdles and vesting schedules are essential for shareholders to fully understand and evaluate an incentive plan.

Comparator Group
The remuneration report fails to disclose the identity of the comparative group of companies used in one or more of the long-term incentive plans.

RECOMMENDATION

The Company maintains a remuneration program that generally appears to satisfy best practice guidelines and practices in Denmark. However, we also note that the Company is a leading global financial institution of systemic importance, far surpassing its national peers in size and scope. We believe that it should be held to a higher standard of transparency and disclosure than other Danish companies; therefore, we are troubled by the lack of disclosure regarding the mix of metrics used to quantify individual annual bonus payouts for the Company's executives. Additionally, we are concerned by the lack of risk-adjusted metrics in the calculation of the Company's long-term incentives, as the inclusion of one or more metrics which temper financial performance with an evaluation of risk has become best practice in banks the Company's size in other major European markets.

While we believe the Company's long-term incentive structure could be improved, our concerns are somewhat mitigated by the inclusion of KPIs that account for risk in the Company's remuneration guidelines and the relatively low cap placed on performance-related pay by Danish legislation. Ultimately, the proposed policy gives the Company the flexibility to address our structural concerns in its implementation.

Finally, shareholders will note that they are being asked to approve the Company's amendended remuneration policy and that, as discussed above, we believe the proposed changes to the policy are an improvement and intended to align with regulatory changes. As such, we believe this proposal merits shareholder support.

We recommend that shareholders vote **FOR** this proposal.

10.00: SHAREHOLDER PROPOSAL REGARDING CHEQUES

AGAINST

PROPOSAL REQUEST:	Shareholder proposal regarding cheques.	**SHAREHOLDER PROPONENT:**	Olav Willadsen
BINDING/ADVISORY:	Binding		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

GLASS LEWIS REASONING

- We do not find a clear showing by the proponent that shareholders should, in this instance, supplant the judgment of the board and management team regarding the use of cheques or that adoption of this proposal will clearly lead to an increase in shareholder value.

PROPOSAL SUMMARY

Text of Resolution: *Danske Bank does not abolish domestic cheques for its Danish personal and business customers.*

PROPONENT'S PERSPECTIVE

- Cheques are a convenient means of payment that are not dependent on whether the Internet is working or on knowing the recipient's bank account, if one exists. In contrast to bank transfers, cheques do not require you to disclose your bank account and thus expose yourself to possible abuse in order to receive a payment.
- With the participation in the abolition of cheques, but not foreign cheques, there is discrimination against those who use domestic cheques that poses a risk of giving both Company and the persons who have participated in the decision criminal liability, which will not be in the interest of either the Company or the employees and managers in question.
- Cheques also have the advantage that you can exchange the payment physically at the same time as the goods are received. Cheques also make it possible to send a payment by letter. If an old or handicapped fellow citizen needs to send someone out to withdraw money and gives the person a cheque, you do not run a risk of losing more than the amount of the cheque.

BOARD'S PERSPECTIVE

- The banks' joint agreement on cheque cashing has been terminated and the joint infrastructure and clearing of cheques was abolished at the end of 2016. The Danish Act on Cheques does not require banks to issue cheques or recognise and cash cheques issued by another bank. Banks are not prevented from stopping the collaboration on cheques.
- The use of cheques has declined sharply as new, efficient electronic alternatives to cheques have appeared. Combined with the relatively high, fixed cost of processing cheques, this has caused a sharply rising unit price.
- The abolition of cheque cashing was announced well in advance so that users of cheques had time to implement alternative solutions. The abolition occurred after a dialogue between the Danish Bankers Association and a number of stakeholders regarding alternatives to the use of cheques. On the basis of this dialogue, the Danish Bankers Association assessed that there were no societal or political hindrances to cancellation of the collaboration on cheques.
- There are a number of good alternatives to cheques.

GLASS LEWIS ANALYSIS

Glass Lewis believes that shareholders should strongly assert their prerogatives with respect to the division of power between directors and shareholders. This proposal, however, does not concern that division of power; rather, it requests that shareholders assert their business judgment in place of that of the directors.

On proposals such as the present one, asking shareholders to assert their judgment in place of the judgment of the board, we believe the burden is on the shareholder proponents to clearly demonstrate that the directors' judgment is incorrect and that the proposal, despite management opposition, will yield an increase in shareholder value. This showing is easier in an instance where the board has a pattern of bad decision making on the topic in question, is under suspicion of illegal or unethical conduct or otherwise has provided a precedent for shareholders to have real concerns. However, in this instance, we do not find a clear showing by the proponent that shareholders should supplant the judgment of the board and management team regarding the use of cheques.

We recommend that shareholders vote **AGAINST** this proposal.

11.01: SHAREHOLDER PROPOSAL REGARDING GENDER-SPECIFIC REMUNERATION STATISTICS

AGAINST

PROPOSAL REQUEST:	The Company should release gender-specific remuneration statistics for its employees	**SHAREHOLDER PROPONENT:**	Nanna Bonde Ottosen
BINDING/ADVISORY:	Binding		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

GLASS LEWIS REASONING

- We find the Company's response to this proposal to be sufficiently compelling and thus do not believe that shareholders should support this resolution at this time.

PROPOSAL SUMMARY

Text of Resolution- *Danske Bank should release gender-specific remuneration statistics for its employees.*

Proponent's Perspective

- In many places, there are large differences in remuneration between men and women; and
- In order to ensure that discrimination does not take place at the Company, it should release gender-specific remuneration statistics.

Board's Perspective

- The Company has a function-based remuneration system in which the basic salary for an individual position is set on the basis of an evaluation of the position's responsibilities and management role and the complexity of the duties;
- On the basis of the Company's evaluation, each position is placed on a basic salary level from 1 to 10;
- The Company ensures that those who have the same job earn the same salary, whoever they are;
- The Company's remuneration model is structured in such a way as to prevent discrimination.
- Employees who perform the same duties, as described in the job profile, have the same basic salary, thus there is generally equal pay for equal work for the employees covered by the collective agreement;
- For employees on temporary contracts, a position evaluation system is used so that positions across the organisation where there are the same responsibilities, management role and complexity of duties have the same salary level;
- Equal pay statistics are presented to the Group's Works Council, which receives remuneration statistics that are prepared by the Financial Sector's Employer Association; and
- The Works Council has concluded that there is generally a good balance between men's and women's remuneration.

GLASS LEWIS ANALYSIS

Glass Lewis believes that shareholders should strongly assert their prerogatives with respect to the division of power between directors and shareholders. This proposal, however, does not concern that division of power; rather, it requests that shareholders assert their business judgment in place of that of the directors.

On proposals such as the present one, asking shareholders to assert their judgment in place of the judgment of the board, we believe the burden is on the shareholder proponents to clearly demonstrate that the directors' judgment is incorrect and that the proposal, despite management opposition, will yield an increase in shareholder value. This showing is easier in an instance where the board has a pattern of bad decision making on the topic in question, is under suspicion of illegal or unethical conduct or otherwise has provided a precedent for shareholders to have real concerns. However, in this instance, we do not find a clear showing by the proponent that shareholders should supplant the judgment of the board and management team in the Company's remuneration processes.

REGULATIONS CONCERNING GENDER PAY EQUITY

Denmark has been a leader in gender equality and was most recently named the best country for women by *U.S. News*.

However, Denmark still lags behind its most of Nordic neighbors in regards to gender pay equity. A 2016 World Economic Forum's Global Gender Gap Report ranked Denmark 29th of 144 countries for "wage equality for similar work." According to the report, in 2016 Danish men earned, on average, $18,203 more annually than Danish women (p.158). However, according to Eurostat, the statistical office of the European Union, Danish men earn 16% more than Danish women, lower than the European average of 16.7%.

The European Union and government of Denmark are actively addressing gender equality and pay through a number of initiatives and legislation. For example, in 2015 the European Commission adopted a strategic engagement for gender equality initiative, through which the EU has set gender-equality policy on thematic priority areas. As a part of this initiative, the Commission has prioritized five key areas for action, one of which is "equal pay for work of equal value" (p.6). In addition, Denmark has binding legislation that focuses on gender equality and addresses the gender pay gap. For example, the Gender Equality Act (2002) and the Act on Equal Pay (2006, first introduced in 1973) (Katarina Blomqvist. " Danish Equal Pay Legislation." Danish Centre for Research and Information on Gender Equality and Diversity. 2006). Under the Gender Equality Act, the largest private companies are required to inform about their work towards increasing the number of women in top management and executive boards and in 2014 the Equal Pay Act was amended to extend its scope to companies with a minimum of ten employees and requires them to report gender disaggregated pay information (European Parliament. " The Policy on Gender Equality in Denmark- Update." 2015).

GENDER PAY EQUITY IN THE FINANCE SECTOR

Like many EU countries, the gender pay gap in Denmark is more significant in the financial and insurance industries. According to the European Commission, women working in these industries in Sweden, Norway, Denmark, Finland, and Iceland make approximately one-third less than men in the same roles and in no other industry is the pay discrepancy as large. However, according to Eurostat, Danish employees have a relatively lower pay gap than other Nordic countries; Danish women in these industries make 20.6% less than their male counterparts. According to a representative of the Company, this pay gap reflects different levels of expertise rather than gender (Frances Schwartzkopff. "Banker Pay is Where Nordic Sex Equality Ends as Women Trail." *Bloomberg*. November 25, 2014).

COMPANY DISCLOSURE

The Company provides significant information concerning its diversity and inclusion initiatives on its website and in its most recent Corporate Responsibility Report, though the Company does not appear to address the issue of gender pay equity in either of these areas. However, in response to this proposal, the Company states:

> *Danske Bank has a function-based remuneration system in which the basic salary for an individual position is set on the basis of an evaluation of the position's responsibilities and management role and the complexity of the duties. On the basis of this evaluation, each position is placed on a basic salary level from 1 to 10. In this way, the Group ensures that those who have the same job earn the same salary, whoever they are. Employees who perform the same duties, as described in the job profile, have the same basic salary. There is thus generally equal pay for equal work for the Group's employees covered by the collective agreement. For employees on temporary contracts, a position evaluation system is used so that positions across the organisation where there are the same responsibilities, management role and complexity of duties have the same salary level...Equal pay statistics are presented to the Group's Works Council. The Works Council receives remuneration statistics that are prepared by the Financial Sector's Employer Association. The Works Council has concluded that there is generally a good balance between men's and women's remuneration.*

RECOMMENDATION

The Company has produced information concerning its diversity initiatives and the steps it takes to ensure that it is hiring and promoting women throughout the organization on its website and Corporate Responsibility Report. However, this information does not include any information on the steps the Company is taking to ensure that, once these women are hired and promoted, they are receiving equitable compensation. Moreover, the issues of ensuring a diverse workforce and of ensuring that there is not a pay disparity for that diverse workforce are separate and should not be confused. According to a recent study by Council of Economic Advisors, there does not appear to be a strong relationship between the size of the gender pay gap and either the percentage of women in that occupation or its median weekly wage. As such, efforts to simply increase diversity at an organization likely will not affect the pay gap at the organization.

Although the Company does not appear to address this information on its website or in its Corporate Responsibility Report, we find the Company's response to this proposal to be sufficiently compelling and thus do not believe that shareholders should support this resolution. Although we would encourage the Company to provide more information on this matter in sources other than its response to this proposal, we believe that the Company has considered and is addressing this issue. As such, we will refrain from offering our support for this resolution at this time.

We recommend that shareholders vote **AGAINST** this proposal.

11.02: SHAREHOLDER PROPOSAL REGARDING EMPLOYEE SHARE OPTIONS

AGAINST

PROPOSAL REQUEST:	That the Company sets a ceiling for employee share options at DKK 50,000	**SHAREHOLDER PROPONENT:**	Nanna Bonde Ottosen
BINDING/ADVISORY:	Binding		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

GLASS LEWIS REASONING

- We do not find a clear showing by the proponent that shareholders should supplant the judgment of the board and management team in determining the Company's remuneration policies.

PROPOSAL SUMMARY

Text of Resolution- *Danske Bank sets a ceiling for employee share options at DKK 50,000, and no employees in management or with decision-making capacity regarding a sale or exchange listing may have employee share options.*

PROPONENT'S PERSPECTIVE

- Incentive programmes and share options can pose large questions about management's freedom from conflicts of interest when it comes to exchange listing or a sale.

BOARD'S PERSPECTIVE

- The Company does not use employee share options today, but wants to reserve the right to use this financial instrument one day if it proves to be an attractive financial instrument in an incentive programme.

GLASS LEWIS ANALYSIS

Glass Lewis believes that shareholders should strongly assert their prerogatives with respect to the division of power between directors and shareholders. This proposal, however, does not concern that division of power; rather, it requests that shareholders assert their business judgment in place of that of the directors.

On proposals such as the present one, asking shareholders to assert their judgment in place of the judgment of the board, we believe the burden is on the shareholder proponents to clearly demonstrate that the directors' judgment is incorrect and that the proposal, despite management opposition, will yield an increase in shareholder value. This showing is easier in an instance where the board has a pattern of bad decision making on the topic in question, is under suspicion of illegal or unethical conduct or otherwise has provided a precedent for shareholders to have real concerns. However, in this instance, we do not find a clear showing by the proponent that shareholders should supplant the judgment of the board and management team in the Company's remuneration policies.

We recommend that shareholders vote **AGAINST** this proposal.

11.03: SHAREHOLDER PROPOSAL REGARDING GREEN TECHNOLOGY

AGAINST

PROPOSAL REQUEST:	That the Company invest 5% of its profits in green technology	**SHAREHOLDER PROPONENT:**	Nanna Bonde Ottosen, national chair of the Socialist People's Party youth organisation
BINDING/ADVISORY:	Binding		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:
AGAINST - Not in the best interests of shareholders

GLASS LEWIS REASONING

- We do not find a clear showing by the proponents that shareholders should, in this instance, supplant the judgment of the board and management team or that adoption of this proposal will clearly lead to an increase in shareholder value.

PROPOSAL SUMMARY

Text of Resolution- *Danske Bank must invest 5% of its net profit in green technology.*

Proponent's Perspective

- The Company has just reported a net profit of DKK 20 billion; and
- As a socially responsible bank, the Company should invest part of its profit in green technology that is crucial for Denmark and that will become even more so in the future.

Board's Perspective

- The Company has been part of the UN's Global Compact since 2007 and reports annually on corporate responsibility in its Corporate Responsibility report;
- The Company has published a Statement of Carbon Neutrality on its website, where it states that it invests in certificates of green electricity, among other things;
- The Company recognizes that the financial sector plays an important role in the transition to a more carbon-limiting economy;
- Since December 2014, Danske Bank Treasury, which is responsible for the Company's own bond holdings, has invested about DKK 1 billion in green bonds;
- Green bonds are issued to finance projects that have a positive effect on the environment, for example, large projects in sustainable energy, including wind turbines and urban development projects with sustainable transport and infrastructure; and
- The board does not want to have an obligation to invest a fixed percentage of Danske Bank's profit in green technology

GLASS LEWIS ANALYSIS

Glass Lewis believes that shareholders should strongly assert their prerogatives with respect to the division of power between directors and shareholders. This proposal, however, does not concern that division of power; rather, it requests that shareholders assert their business judgment in place of that of the directors.

On proposals such as the present one, which asks shareholders to assert their judgment in place of the judgment of the board, we believe the burden is on the shareholder proponents to clearly demonstrate that the directors' judgment is incorrect and that the proposals, despite management opposition, will yield an increase in shareholder value. As discussed further in Proposal 12, the Company provides significant disclosure on its environmental initiatives and investments. For example, the Companystates that it is currently the largest private owner of solar cell parks and that since December of 2014, it has invested approximately DKK 1 billion in green bonds. Further, the proponent has not provided any evidence of negligence or malfeasance with respect to management of this issue on behalf of management and the board.

This proposal requests the Company invest 5% of its net profit in green technology. We do not find a clear showing by the proponents that shareholders should, in this instance, supplant the judgment of the board and management team or that adoption of this proposal will clearly lead to an increase in shareholder value. While we believe it is prudent for investors to monitor the Company’s business practices, we believe that management and the board typically have more and better information about this issue and therefore in the best position to determine what actions should be taken, if any, with regard to the nature of the Company's business operations and investment strategy.

We recommend that shareholders vote **AGAINST** this proposal.

12.00: SHAREHOLDER PROPOSAL REGARDING CLIMATE TARGET REPORT

FOR

PROPOSAL REQUEST:	That the Company report on how it will live up to the 2 degree target in its lending policy and its customer portfolio of investments	**SHAREHOLDER PROPONENT:**	Ole Schultz
BINDING/ADVISORY:	Binding		
PRIOR YEAR VOTE RESULT (FOR):	N/A	**REQUIRED TO APPROVE:**	Majority

RECOMMENDATIONS, CONCERNS & SUMMARY OF REASONING:

FOR - • Increased disclosure would benefit shareholders

GLASS LEWIS REASONING

- We believe that adoption of this resolution would allow shareholders to better understand the risks facing the Company and how the Company is monitoring and managing the risks associated with its investments;
- We believe that this proposal is reasonably constructed and that its adoption would allow clarity for shareholders on how the Company will manage climate change-related risks in its lending policy, customer portfolio of investments and its investment advisory services; and
- Given the Company's clear commitment to environmental sustainability and ESG issues more broadly, we believe that adoption of this resolution would strengthen the Company's position as a sustainable company.

PROPOSAL SUMMARY

Text of Resolution- *The general meeting recognises the UN's climate targets of a maximum of a 2 degree rise in global temperature as adopted in Paris 2015. The general meeting requires and secondarily recommends that Danske Bank's Board of Directors report on how Danske Bank will live up to the 2 degree target in its lending policy and its customer portfolio of investments as well as its investment advisory services before next year's annual general meeting.*

Proponent's Perspective

- The proponent has an interest in the Company's responsible management of funds in relation to the decisions adopted by the United Nations;
- The Company's timely diligence can contribute to citizens' enjoying a good life without climatic disasters, of which there have already been a
number of examples in recent years; and
- The Company has significant influence on society's transition from the use of fossil fuels to sustainable energy sources through its deposit and lending policies and will therefore be able to affect the future markedly so that customers and not least Danish society have opportunities for a
comfortable and secure future.

Board's Perspective

- The Company recognises that the financial sector plays an important role in the transition to a more carbon limiting economy – both directly in its own business activities and indirectly in its collaboration with customers, portfolio companies and business partners;
- The Company already takes into account international principles on the environment, human rights, labour rights and anti-corruption in relation to lending;
- The Company analyzes environmental, social and governance risks in its credit assessment of business customers;
- The Company considers it important to ensure that the money that is managed for customers is not placed in companies that violate a number of international principles;
- The Company screens its investment portfolios according to a number
of internationally recognised standards and guidelines for human rights, arms production, employee rights, environmental protection and anti-corruption; and
- Since 2016, the Company has developed five industry-specific position statements that cover its positions about climate change, fossil fuels, mining and metals, forestry, arms and defense.

GLASS LEWIS ANALYSIS

Glass Lewis recommends that shareholders take a close look at proposals such as this one to determine whether the actions requested of the Company will clearly lead to the protection or enhancement of long-term shareholder value. We believe it is prudent for management to assess its potential exposure to all risks, including environmental and social concerns and regulations pertaining thereto and incorporate this information into its overall business risk profile. When there is no evidence of egregious or illegal conduct that might threaten shareholder value, Glass Lewis believes that management of environmental and social issues associated with business operations are generally best left to management and directors, who can be held accountable for failure to address relevant risks on these issues when they face re-election.

RISKS TO FINANCIAL FIRMS FROM FINANCING COMPANIES WITH SIGNIFICANT EMISSIONS

In 2009, world leaders established the Copenhagen Accord with the goal of limiting an increase global temperature as a result of climate change to two degrees Celsius. The agreement is non-binding and did not establish definitive plans on how this goal would be met. However, the International Energy Agency, an autonomous organization with the goal of promoting global energy security, has stated that the international community is falling short of the goals established by the Copenhagen Accord. The agency concluded in 2012 that, unless carbon capture technology is widely deployed, no more than one-third of the world's fossil fuel reserves can be consumed prior to 2050 if nations are to achieve the two-degree goal (p.3). Analysts believe that fossil fuel industries in the world's economies are at risk, as markets have not adequately prepared for future limitations that will render many carbon-emitting fossil fuels unusable (James Leaton. "Carbon Bubble Growing, but Markets Aren't Listening." *Reuters*. July 15, 2011).Although service-based companies, including those that operate within the financial sector, do not often have a large environmental footprint as a result of their own operations, they nonetheless may be exposed to risks from climate change depending on their financing transactions. For those companies in the financial sector, associated risks mainly stem from the companies and industries to which they lend money. Given current and proposed regulations on environmental matters, including those related to greenhouse gas emissions, the Company should ensure that it is mitigating any potential direct, regulatory and legal risks stemming from environmental concerns that directly impact the companies the Company finances.

Although service-based companies, including those that operate within the financial sector, do not often have a large environmental footprint as a result of their own operations, they nonetheless may be exposed to risks from climate change depending on their financing transactions. For those companies in the financial sector, associated risks mainly stem from the companies and industries to which they lend money. Given current and proposed regulations on environmental matters, including those related to greenhouse gas emissions, the Company should ensure that it is mitigating any potential direct, regulatory and legal risks stemming from environmental concerns that directly impact the companies the Company finances.

For example, a 2013 report found that the top 200 companies spent US$674 billion (or 1% of global GDP) to find and exploit new resources which could end up as "stranded" or valueless assets (Damian Carrington. "Carbon Bubble Will Plunge the World into Another Financial Crisis." *The Guardian*. April 18, 2013). Moreover, HSBC found that fossil fuel companies could lose 40-60% of their value on account of greenhouse gas regulations and Citi has also found major risks to Australian fossil fuel companies ("Climate Proofing Your Investments: Moving Funds Out of Fossil Fuels." The Australia Institute. March 2014).

In recent years, a number of financial institutions, including HSBC, Citi, Standard and Poors and the Bank of England have recognized that a collapse in the value of oil, gas and coal assets as a result of climate change regulation could pose potential systematic risks to the economy (Damian Carrington. " Carbon Bubble Will Plunge the World into Another Financial Crisis." *The Guardian*. April 18, 2013). In fact, in March 2014, the British parliament stated that financial stability "could be threatened if shares in fossil fuel companies turn out to be over-valued because the bulk of their oil, coal and gas reserves cannot be burnt without further destabilising the climate," and recommended that the Bank of England's Financial Policy Committee "seek advice from the independent Committee on Climate Change to help it monitor the systematic risk to financial stability associated with a carbon bubble."

COMPANY DISCLOSURE

In 2015, the Company updated its climate strategy, which was originally adopted in 2007. This strategy has a number of elements, including having carbon-neutral operations (which it achieved in 2009), a commitment to giving priority to developing new products and services that support innovation and the reduction of emissions, and the engagement of stakeholders to share knowledge about how to meet the challenge of climate change.

In April 2016, the Company published a position statement on climate change. In this statement, the Company states that it acknowledges the role that the financial sector plays in supporting the transition to a low-carbon economy and that it will "work systematically to minimise the negative environmental impact of [its] business operations." The Company states that it assess the environmental impacts of its business activities on the basis of internationally recognised standards and that it provides sustainable opportunities for investors through selected products. The Company states that, in order to transition to a low-carbon economy, it has implemented a number of measures, including:

- Its business conduct is guided by a number of international agreements related to environmental issues that it encourages its customers, business partners, and portfolio companies to adhere to as well;
- The consideration of environmental, social and governance risks in its investment, lending and procurement

practices;
- Providing opportunities for investors to allocate capital to sustainable products by making it possible to include emissions data and measuring the climate footprint and carbon intensity for selected investment funds;
- Collaborating with the investment community as a member of the Investors Group on Climate Change, which is committed to promoting low-carbon and climate-resilient investments;
- Significant investments in green bonds and energy efficiency.

In addition, the Company states that its business conduct is guided by a number of international agreements and conventions, including the UN Global Compact, OECD Guidelines for Multinational Enterprise, the UN Principles for Responsible Investment, UN Environment Program Finance Initiative, the UN Framework Convention on Climate Change, and the Montreal Protocol on Substances that Deplete the Ozone Layer, among others. However, we do not believe that the Company has offered clear disclosure on how it is managing the climate change-related risks associated with its lending policy, customer portfolio of investments as well as its investment advisory services.

Further, according to Bankrolling Climate Change, a 2011 report produced by the German environment organisation urgewald, the South African social and environmental justice organisations groundWork and Earthlife Africa Johannesburg and the international network BankTrack, the Company had provided €165.67 million in total financing of coal mining and coal-fired electricity between 2005-2011. Overall, the Company was not identified as a top financier of such operations, ranking 73rd out of 93 banks with respect to its financing of coal mining and coal-fired electricity.

RECOMMENDATION

The Company has demonstrated a clear commitment to mitigating the effects of climate change in its operations. However, we believe that the Company could reasonably improve its disclosure regarding the steps it is taking to ensure that its investments uphold the same standards. We do not believe that the Company has neglected these issues; however, we believe that increased disclosure on this topic would allow shareholders to better understand the risks facing the Company and how the Company is monitoring and managing the risks associated with its investments. While binding, this proposal gives the board appropriate latitude in how the board will report on these issues and requires that the Company provide disclosure--not take specific action. As such, we believe that this proposal is reasonably constructed and that its adoption would allow clarity for shareholders on this important issue. Given the Company's clear commitment to environmental sustainability and ESG issues more broadly, we also believe that adoption of this resolution would strengthen the Company's position as a sustainable company.

We recommend that shareholders vote **FOR** this proposal.

13.00: TRANSACTION OF OTHER BUSINESS

AGAINST

PROPOSAL REQUEST:	Transact any and all other business properly brought before the meeting.	**RECOMMENDATIONS & CONCERNS:**	
PRIOR YEAR VOTE RESULT (FOR):	N/A	**AGAINST-**	Granting unfettered discretion is unwise
BINDING/ADVISORY:	Binding		
REQUIRED TO APPROVE:	Majority		

GLASS LEWIS ANALYSIS

This is a routine agenda item. However, we recommend that shareholders not give their proxy to management to vote on any other business items that may properly come before the annual meeting. In our opinion, granting unfettered discretion is unwise.

We recommend that shareholders vote **AGAINST** this proposal.

VOTE RESULTS FROM LAST ANNUAL MEETING MARCH 17, 2016

RESULTS

NO.	PROPOSAL	FOR	AGAINST	ABSTAIN	OTHER/ WITHHELD	GLC REC
2.0	Accounts and Reports	99.83%	0.15%	0.02%	0.00%	For
3.0	Allocation of Profits/Dividends	99.98%	0.00%	0.02%	0.00%	For
4.1	Elect Ole Andersen	95.39%	4.39%	0.22%	0.00%	For
4.2	Elect Urban Bäckström	99.67%	0.27%	0.06%	0.00%	For
4.3	Elect Jørn P. Jensen	97.59%	2.31%	0.10%	0.00%	Against
4.4	Elect Rolv E. Ryssdal	99.57%	0.31%	0.12%	0.00%	For
4.5	Elect Carol Sergeant	99.63%	0.31%	0.06%	0.00%	For
4.6	Elect Trond Ø Westlie	98.67%	1.18%	0.15%	0.00%	For
4.7	Elect Lars-Erik Brenøe	99.41%	0.44%	0.15%	0.00%	For
4.8	Elect Hilde Merete Tonne	99.96%	0.02%	0.02%	0.00%	For
5.0	Appointment of Auditor	98.94%	0.87%	0.19%	0.00%	For
6.1	Authority to Reduce Share Capital	100.00%	0.00%	0.00%	0.00%	For
6.2	Amendments to Articles Regarding Bearer Shares	99.98%	0.00%	0.02%	0.00%	For
6.3	Amendments to Articles Regarding Meeting Notice	99.98%	0.00%	0.02%	0.00%	For
6.4	Amendments to Articles Regarding Interim Dividend	99.98%	0.00%	0.02%	0.00%	For
7.0	Authority to Repurchase Shares	99.44%	0.56%	0.00%	0.00%	For
8.0	Directors' Fees	99.95%	0.02%	0.03%	0.00%	For
9.0	Amended Remuneration Policy	99.28%	0.49%	0.23%	0.00%	For

SHAREHOLDER PROPOSALS

NO.	PROPOSAL	FOR	AGAINST	ABSTAIN	GLC REC
10.1	Shareholder Proposal Regarding Stopping Investments in Non-Renewable Energy	0.36%	97.80%	1.84%	Against
10.2	Shareholder Proposal Regarding Executive Board Remuneration	98.48%	1.23%	0.29%	For
10.3	Shareholder Proposal Regarding Introduction of an FTT Tax	0.09%	98.37%	1.54%	Against
10.4	Shareholder Proposal Regarding Traineeships	2.43%	97.47%	0.10%	Against
11.0	Shareholder Proposal Regarding Hiring Policy	2.01%	97.83%	0.16%	Against

APPENDIX

Questions or comments about this report, GL policies, methodologies or data? Contact your client service representative or go to www.glasslewis.com/issuer/ for information and contact directions.

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LEAD ANALYSTS

Governance:	Environmental & Social:	Governance & Remuneration:
Malin Walterson	Courteney Keatinge	Jakob Nordmark