

# AGENDA AND FULL PROPOSALS



Ringkjøbing  
**Landbobank**



## Agenda for the annual general meeting at 5:00 p.m. on Wednesday, 1 March 2023:

### 1. Election of chairperson

The board of directors proposes that Allan Østergaard Sørensen, attorney-at-law, chair the meeting.

### 2. The board's report on the bank's activities in the previous year

The board of directors proposes that the board's report be adopted.

### 3. Presentation of the annual report for approval

The board of directors proposes that the annual report be approved.

### 4. Decision on allocation of profit or covering of loss under the approved annual report

The board of directors proposes that the distribution of profit be approved.

### 5. Consultative vote on the remuneration report

The board of directors proposes that the remuneration report be approved.

### 5.a. Remuneration policy

The board of directors proposes that the remuneration policy be approved.

Further reference is made to the full proposals page 6-9.

### 6. Election of members to the shareholders' committee

The following members are retiring: Per Lykkegaard Christensen, Ole Kirkegård Erlandsen, Thomas Sindberg Hansen, Kim Jacobsen, Kasper Lykke Kjeldsen, Poul Kjær Poulsgaard, Jørgen Kolle Sørensen and Lasse Svoldgaard Vesterby.

In addition, Henrik Lintner must retire from the shareholders' committee due to the age rule in the articles of association. Finally, Toke Kjær Juul has advised that he wishes to resign from the shareholders' committee.

The shareholders' committee and the board of directors propose the following for re-election:

- Per Lykkegaard Christensen, farmer, Hjallerup, born 1959
- Ole Kirkegård Erlandsen, butcher, Snejbjerg, born 1962
- Thomas Sindberg Hansen, grocer, Kloster, born 1978
- Kim Jacobsen, manager, Aalborg, born 1969
- Kasper Lykke Kjeldsen, timber merchant, Højbjerg, born 1981
- Poul Kjær Poulsgaard, farmer, Madum, born 1974
- Jørgen Kolle Sørensen, car dealer, Hvide Sande, born 1970
- Lasse Svoldgaard Vesterby, manager, Ringkøbing, born 1978

The shareholders' committee and the board of directors propose the following for election:

- Lotte Littau Kjærgård, manager, Holstebro, born 1969
- Christina Ørskov, manager, Gærum, born 1969

In recruiting and proposing candidates for the shareholders' committee (both election and re-election), the committee and board of directors have focused on ensuring a diverse committee membership in terms of business experience, professional qualifications and expertise, gender, age etc.

### 7. Election of one or more auditors

In accordance with the audit committee's recommendation, the shareholders' committee and the board of directors propose the re-election of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab.

Further reference is made to the full proposals page 5.

## **8. Authorisation for the board of directors to permit the bank to acquire its own shares**

The board of directors proposes that it be granted authorisation to permit the bank to acquire its own shares, in accordance with current legislation, until the next annual general meeting, to a total nominal value of ten per cent (10%) of the share capital, such that the shares can be acquired at current market price plus or minus ten per cent (+/- 10%) at the time of acquisition.

Further reference is made to the full proposals page 5.

## **9. Any proposals from the board of directors, the shareholders' committee or shareholders**

### **9.a. Proposed amendments to the articles of association**

The shareholders' committee and the board of directors propose that the amendments to the articles of association be approved.

Further reference is made to the full proposals page 10-11.

### **9.b. Proposal to reduce the bank's share capital by nom. DKK 888,327 by cancellation of its own shares**

The board of directors proposes a reduction in the bank's share capital from nom. DKK 28,379,666 to nom. DKK 27,491,339 by cancellation of 888,327 nom. DKK 1 shares from the bank's holding of its own shares of a nominal value of DKK 888,327.

Please note that, in accordance with Section 188(1) of the Danish Companies Act, the purpose of the reduction in the bank's share capital is payment to shareholders. The amount of the reduction has been used as payment to shareholders for shares acquired by the bank under the authorisation previously granted to the board of directors by the general meeting.

The share capital will consequently be reduced by nom. DKK 888,327 and the bank's holding of its own shares will be reduced by 888,327 nom. DKK 1 shares. Please note that, in accordance with Section 188(2) of the Danish Companies Act, the shares in question were acquired for a total sum of DKK 737,941,595. This means that, apart from the reduction in nominal capital, DKK 737,053,268 has been paid to shareholders.

The purpose of the board of directors' proposed reduction of the share capital is to maintain flexibility in the bank's capital structure.

If the proposal is adopted, the following changes will be made to articles 2, 2a, 2b and 2c of the articles of association:

Art. 2: The amount of "28,379,666" will be changed to "27,491,339", Art. 2a: The amount of "5,675,933" will be changed to "5,498,267", Art. 2b: The amount of "2,837,966" will be changed to "2,749,133", and Art. 2c: The amount of "5,675,933" will be changed to "5,498,267".

### **9.c. Proposed authorisation for the board of directors or its appointee**

The board of directors proposes that the board of directors, or its appointee, be authorised to report the decisions which have been adopted at the general meeting for registration and to make such changes to the documents submitted to the Danish Business Authority as the Authority may require or find appropriate in connection with registration of the decisions of the general meeting.

**Comments on item 7. of the agenda:**

We advise as follows concerning item 7. of the agenda:

The shareholders' committee and the board of directors propose the re-election of PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab in accordance with the audit committee's recommendation. The audit committee is free from influence by any third parties and has not been subject to any agreement with a third party restricting the general meeting's choice to specific auditors or audit firms.

Following a decision by the Danish Business Authority, we advise that after the merger of Ringkjøbing Landbobank A/S and Nordjyske Bank A/S in June 2018, PricewaterhouseCoopers Statsautoriseret Revisionspartnerselskab is deemed to have been elected auditor of Ringkjøbing Landbobank A/S for the first time on 8 June 2018.

**Comments on item 8. of the agenda:**

The proposal is made under the provisions of the Danish Companies Act since the bank wants to be able to trade in its own shares, including acquiring its own shares and implementing share buy-back programmes.

## **Appendix to item 5.a. of the agenda:**

The bank's board of directors has adopted an update to the bank's remuneration policy. The adopted remuneration policy is shown below and recommended for approval by the general meeting.

The remuneration policy is generally unchanged so that the bank's board of directors and general management continue to be paid fixed remuneration only.

The updates to the policy are wordings regarding sustainability risks and avoidance of conflicts of interest and various other minor changes.

## **"Ringkjøbing Landbobank A/S – Remuneration policy**

### **1. Introduction**

#### **1.1. Object and general principles**

Pursuant to the Danish Financial Business Act, the executive order on remuneration policy and remuneration in banks etc., the CRR regulation and disclosure requirements for remuneration in financial businesses, the bank's board of directors has adopted the following remuneration policy for Ringkjøbing Landbobank A/S. The remuneration policy also covers the requirement for a remuneration policy pursuant to sections 139 and 139a of the Danish Companies Act.

The general object of the remuneration policy is to establish guidelines for remuneration which complies with and facilitates sound and effective risk management and does not encourage excessive risk taking.

A further object is that the remuneration policy complies with the bank's business strategy, objectives, values, long-term interests and a tenable business model.

Remuneration is gender-neutral and the bank pays its employees equal salary for equal work, responsibility and performance irrespective of gender.

Finally, the remuneration policy and the remuneration must comply with the current statutory requirements for the protection of customers and investors and with current legislation in general. The board of directors monitors remuneration, including compliance with the remuneration policy. This monitoring helps to avoid any conflicts of interest in the remuneration of the bank's employees.

The general policy is that a fixed amount of remuneration is paid to the bank's management, which comprises the board of directors and the general management. Remuneration paid to other major risk takers and employees in control functions is also primarily a fixed amount. Only a limited amount of variable remuneration is thus paid to other major risk takers and employees in control functions.

In this way the remuneration policy supports the bank's business strategy of organic growth and long-term interests, as it does not encourage excessive risk taking and remuneration is not linked to short-term goals and operating results. The remuneration policy thus also contributes to sustainability.

The remuneration policy should also be seen in the context of the bank's corporate social responsibility policy, which is based on the bank's position in the local communities in which it operates and on the bank's core values: competent, responsive and proper.

The corporate social responsibility policy specifies that the bank wants to be a responsible and value-creating bank that shows social responsibility. The bank works to create good, long-term results for its shareholders and wishes to contribute to creating a sustainable society, focusing on: customers, employees and society.

The bank uses the following remuneration components:

- Board of directors: Fixed amount in the form of a cash fee
- General management: Fixed amount in the form of a fixed basic pay, pension contribution and employee benefits
- Other major risk takers and employees in control functions: Fixed amount in the form of a fixed basic pay, pension contribution and employee benefits plus variable remuneration in the form of a one-off payment for extra effort. The total variable remuneration of the above-mentioned employees must not exceed 10% of the total remuneration paid to them.

Since the bank pays fixed remuneration only to the board of directors and the general management as stated above, the remuneration has neither fully nor partly been made directly dependent on compliance with sustainability goals. The board of directors has instead instructed the general management to place strong emphasis on sustainability when operating the bank. The remuneration paid to other major risk takers and employees in control functions and other employees has neither fully nor partly been made directly dependent on compliance with sustainability goals and, for these employees, there is no connection between their variable remuneration and the integration of sustainability risks.

Payment of fixed remuneration to the board of directors and general management and the limited use of variable remuneration payments to other major risk-takers and employees in control functions are measures which contribute to preventing conflicts of interest.

The basis of the remuneration policy is that the employees' remuneration and employment conditions must be in line with the market, that their remuneration should reflect their competencies and performance for the bank, and that there is a fair relationship between the remuneration paid to the employees and that paid to the management.

## **2. The board of directors**

The remuneration paid to the board of directors must be a fixed amount without any form of variable component or incentive pay.

The fixed remuneration must be in line with the market and reflect the board's performance for the bank.

Under the bank's articles of association, the remuneration paid to the board of directors must be approved by the bank's shareholders' committee.

The shareholders' committee fixes the remuneration for a minimum of one year at a time, and the proposed remuneration must be submitted to the shareholders' committee before commencement of the remuneration period.

The payment to the individual board members is published in the bank's remuneration report.

## **3. The general management**

The remuneration paid to the general management must be a fixed amount and must not contain any form of variable component.

The fixed remuneration must be in line with the market and reflect the general management's performance for the bank.

Remuneration agreements with the bank's general management are negotiated between the remuneration committee, appointed by the board of directors, and the members of the bank's general management, for final approval by the board of directors. Remuneration agreements can be entered into for several years at a time. The payment to the individual members of general management is published in the bank's remuneration report.

The general management's employment conditions have been agreed at different times and differ in respect of terms and conditions for termination and severance pay.

Members of the general management are generally employed with a mutual right of termination, the period of notice being between 6 and 12 months for the general management members and between 12 and 24 months for the bank. The employment contracts also contain conditions for retirement without any right to compensation.

Members of general management are entitled to severance pay corresponding to 0 to 12 months' remuneration if their employment is terminated before they retire.

In addition, members of general management are entitled to severance pay corresponding to 0 to 24 months' remuneration in the event of changes in the controlling interest in the bank.

The employment contracts with members of the general management may be indefinite (i.e. without a fixed term) and are subject to a maximum period of notice of 24 months.

#### **4. Other major risk takers**

As needed, and at least once a year, the board of directors identifies those employees whose activities influence the bank's risk profile.

In addition to the board of directors and the general management, who are risk takers by definition, the following employees should be identified as other major risk takers: employees with managerial responsibility for the bank's control functions, including the person(s) responsible for the risk management function, compliance function and internal audit, or for significant departments.

Agreements on the remuneration paid to the bank's other major risk takers are generally entered into by the bank's general management and remuneration is paid in accordance with a current workplace agreement etc.

Other major risk takers may be paid variable salary components in the form of a cash payment within the financial framework for payment of personal allowances under a current workplace agreement, below the cap on variable cash components of salary and subject to current legislation, including the provisions in points 7.1 and 7.3 of the remuneration policy. Severance may also be paid unless deemed to be variable salary in the terms of applicable law.

#### **5. Employees in control functions**

Agreements on the remuneration paid to employees in the bank's control functions are generally entered into by the bank's general management and/or HR department and remuneration is paid in accordance with a current workplace agreement etc.

Employees in control functions may be paid variable salary components in the form of a cash payment within the financial framework for payment of personal allowances under a current workplace agreement, below the cap on variable cash components of salary and subject to current legislation, including the provisions in points 7.1 and 7.3 of the remuneration policy. Severance may also be paid unless deemed to be variable salary in the terms of applicable law.

#### **6. Pension policy**

The bank does not offer the above groups of persons any pension schemes comparable to variable salary.

#### **7. Remuneration policy for the bank's other employees**

**7.1.** The following applies to employees other than those mentioned in points 4 and 5 of the remuneration policy:

- The remuneration paid to employees in the bank who provide advice to consumers or grant mortgage credit etc. secured on real property is fixed in compliance with the bank's obligations under the good practice rules of the Financial Business Act. The remuneration paid to such employees may not encourage risk-taking which exceeds the bank's risk profile. The remuneration must also be independent of the number or share of applications granted for home loans or other forms of sales targets relating to home loans.



• The remuneration paid to employees in the bank who arrange insurance and pension products is fixed in compliance with the bank's obligations under the current legislation that has implemented the insurance distribution directive.

• The remuneration paid to employees in the bank engaged in providing services under the Danish Act on Investment Companies and Investment Services and Activities is determined so as not to result in a conflict of interest.

**7.2.** Subject to the above, other employees, i.e. groups of employees other than those listed in points 4 and 5 of the remuneration policy, may be paid variable salary components and severance, and granted pension schemes comparable to variable salary components.

**7.3.** Variable remuneration of the bank's employees must not depend on the individual employee meeting a sales target which acts as an incentive to disregard the principle of giving honest advice or other good practice rules.

## **8. Remuneration committee**

The board of directors has appointed a remuneration committee to handle the tasks indicated in the current brief adopted by the board of directors.

## **9. Approval, annual review and publication of the remuneration policy**

The board of directors and its remuneration committee must review the remuneration policy at least once a year with a view to adjusting it as needed to the bank's development etc.

The remuneration committee must carry out the preparatory work for the board's decisions regarding the remuneration policy.

Changes to the remuneration policy adopted by the board of directors must be submitted to the general meeting for approval.

The remuneration policy must be put to the vote at the bank's annual general meeting at least every four years and on all significant changes to the policy.

The board of directors must arrange for the remuneration policy to be published on the bank's website as quickly as possible after approval by the general meeting together with the date of approval and the result of the vote at the general meeting.

## **10. Compliance with the remuneration policy and monitoring of compliance**

The bank's board of directors is responsible for implementation of the remuneration policy.

Upon recommendation by the remuneration committee, the bank's board of directors establishes guidelines for monitoring of compliance with the remuneration policy to ensure inter alia that the committee checks compliance with the policy at least once a year. The result of the committee's check must be reported to the board of directors.

The board of directors' remuneration committee must also check the remuneration of the general management, risk manager, compliance manager, internal auditing manager and managers of significant departments. The result of the committee's check must be reported to the board of directors.

*Adopted by the board of directors of Ringkjøbing Landbobank A/S on 19 December 2022."*

## Full proposals for amendments to the articles of association

### Regarding item 9.a. of the agenda:

#### Article 2a:

The authorisation is proposed to be extended to 28 February 2028.

#### Existing wording of the article:

*"The general meeting has decided to authorise the board of directors to increase the share capital in one or more rounds by up to nom. DKK 5,675,933 with right of pre-emption for the bank's existing shareholders. The capital increase shall be fully paid up in cash. The capital increase may be below the market price. This authorisation shall apply until 1 March 2027."*

#### Proposed new wording of the article:

*"The general meeting has decided to authorise the board of directors to increase the share capital in one or more rounds by up to nom. DKK 5,675,933 with right of pre-emption for the bank's existing shareholders. The capital increase shall be fully paid up in cash. The capital increase may be below the market price. This authorisation shall apply until 28 February 2028."*

#### Article 2b:

The authorisation is proposed to be extended to 28 February 2028.

#### Existing wording of the article:

*"The general meeting has decided to authorise the board of directors to increase the share capital in one or more rounds by up to nom. DKK 2,837,966 without right of pre-emption for the bank's existing shareholders. The capital increase may be by cash payment or contribution of an existing company or specific asset values corresponding to the value of the shares issued. The capital increase shall be fully paid up at the market price ascertained by the board of directors. This authorisation shall apply until 1 March 2027."*

#### Proposed new wording of the article:

*"The general meeting has decided to authorise the board of directors to increase the share capital in one or more rounds by up to nom. DKK 2,837,966 without right of pre-emption for the bank's existing shareholders. The capital increase may be by cash payment or contribution of an existing company or specific asset values corresponding to the value of the shares issued. The capital increase shall be fully paid up at the market price ascertained by the board of directors. This authorisation shall apply until 28 February 2028."*

#### Articles 2a and 2b:

The reason for the proposal is that the board of directors wants to ensure continued flexibility regarding the authorisations to the board of directors.

**Art. 5, new paragraph 2:**

It is proposed that the possibility of holding all or part of general meetings electronically be incorporated in the bank's articles of association.

If the proposal is approved, a paragraph 2 with the following new wording will be inserted in article 5 *"The board of directors may decide to hold all or part of a general meeting electronically, if the board of directors considers this to be appropriate and provided that proper conduct of the meeting is thereby assured and that other legal requirements for a partly or fully electronic general meeting are fulfilled. At electronic general meetings the shareholders may attend, speak and vote by electronic means. Details regarding registration and procedures for electronic attendance will be made available on the bank's website and in the notice of the relevant general meeting."* and the existing paragraph 2 will be a new paragraph 3.

The reason for the proposal is that the board of directors wants the articles of association to provide a possibility of holding general meetings electronically in future. The board of directors intends to use the authorisation only if the board considers this necessary and appropriate. Physical attendance remains the board's preferred form of holding general meetings.

**Art. 15, paragraph 1:**

It is proposed that the number of members of the board of directors elected by the shareholders' committee be up to 10.

**Existing wording of the article:**

*"The board of directors shall consist of at least six (6) and at most eight (8) members who shall be elected by the shareholders' committee."*

**Proposed new wording of the article:**

*"The board of directors shall consist of at least six (6) and at most ten (10) members elected by the shareholders' committee."*

The reason for the proposal is that the bank wants to strengthen the board's competences and in this respect, the shareholders' committee has today elected Lene Weldum as a new board member with effect from 1 March 2023 subject to the general meeting's approval of the amendment to the articles of association.

**Disclaimer:**

This document is a translation of an original document in Danish. The original Danish text shall be the governing text for all purposes and in case of any discrepancy the Danish wording shall be applicable.

