

**Corporate Governance Report
2023**

The Nykredit Group

Nykredit's Corporate Governance

The Nykredit Group ("Nykredit") carries on financial business through its wholly-owned subsidiaries Nykredit Realkredit A/S, Totalkredit A/S and Nykredit Bank A/S, the latter's wholly-owned subsidiary Nykredit Portefølje Administration A/S as well as the subsidiary Sparinvest Holdings SE and its subsidiary Sparinvest S.A.

(78.9%), PFA Pension (10.03%), PensionDanmark (2.40%), PKA (2.40%), AP Pension (1.63%), Akademikerpension (0.44%), Østifterne f.m.b.a. (1.63%), Industriens Fond (0.34%) and PRAS A/S (2.25%). The ultimate authority of Forenet Kredit is the Committee of Representatives, which is composed of up to 104 representatives elected among the members of the association and among the bondholders of Nykredit Realkredit A/S. 4 members are elected among the Nykredit Group's staff.

Nykredit's shares are not listed on Nasdaq Copenhagen. Therefore, the Danish Recommendations on Corporate Governance (the "Recommendations"), last updated by the Danish Committee on Corporate Governance in December 2020, are not directly applicable to Nykredit.

However, Nykredit decided already in 2002 that, subject to the adjustments following from the Group's special ownership and corporate structure, it should act as a listed company, operating on sound business terms and continuously taking into consideration the Recommendations.

The managerial code of conduct of the Danish Bankers Association (now Finance Denmark) dated November 2013 (the "Managerial Code of Conduct") integrates and supplements the Recommendations and applies to Nykredit Bank A/S as a bank. Nykredit has furthermore decided that all the financial companies of the Group must address and adhere to the Managerial Code of Conduct where relevant.

This implies that Nykredit's financial companies take into consideration both the Recommendations and the Managerial Code of Conduct. The Recommendations as well as the Managerial Code of Conduct imply that Nykredit must explain how we address the Recommendations and the Managerial Code of Conduct in accordance with the "comply-or-explain" principle, ie Nykredit may either comply with the Recommendations/Managerial Code of Conduct or opt not to comply and instead explain why the company does not comply and which approach the company has chosen instead.

To ensure suitable risk management across the Group and optimum resource utilisation, various overall objectives,

Owing to Nykredit's corporate structure, a number of decision-making and reporting processes etc in Nykredit Bank A/S, Totalkredit A/S, Nykredit Portefølje Administration A/S and Sparinvest S.A. are carried out at group level.

The report below is divided into a section about the Recommendations and a section about the Managerial Code of Conduct. Unless otherwise stated, the report concerns all Nykredit's financial companies.

A. Report concerning Recommendations on Corporate Governance for the financial year 2023

Recommendation

1. Interaction with the company's shareholders, investors and other stakeholders

1.1 Communication with the company's shareholders, investors and other stakeholders

1.1.1. **The Committee recommends** that the management through on-going dialogue and interaction ensures that shareholders, investors and other stakeholders gain the relevant insight into the company's affairs, and that the board of directors obtains the possibility of hearing and including their views in its work.

Nykredit complies with the recommendation.

The small number of shareholders creates a good setting for an active dialogue between the shareholders and Nykredit's Management.

Members of the Board of Directors (excluding staff-elected members) of Nykredit A/S are nominated for election by the Board of Directors following dialogue with the shareholders. The majority shareholder, Forenet Kredit, holds the majority of votes at general meetings, while PRAS is entitled to appoint two members of the Board of Directors, and PFA is entitled to appoint one member in accordance with shareholders' agreements between the parties.

1.1.2. **The Committee recommends** that the company adopts policies on the company's relationships with its shareholders, investors and if relevant other stakeholders in order to ensure that the various interests are included in the company's considerations and that such policies are made available on the company's website.

Nykredit complies with the recommendation.

Nykredit's communication and marketing policy includes guidelines on Nykredit's conduct in relation to its stakeholders both in and outside the Group.

In addition, Nykredit is dedicated to strengthening the Group's relations with its stakeholders, which includes efforts to gain more insight into stakeholder demands, expectations and interaction vis-à-vis Nykredit. Reference is made to Nykredit's non-financial Corporate

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	Responsibility Report, published at nykredit.com at the same time as the Annual Report.
1.1.3. The Committee recommends that the company publishes quarterly reports.	Nykredit complies with the recommendation. Nykredit Realkredit A/S publishes quarterly interim reports, whereas the other financial companies of the Group publish half-year interim and annual reports.
1.2 General meetings	
1.2.1. The Committee recommends that the board of directors organises the company's general meeting in a manner that allows shareholders, who are unable to attend the meeting in person or are represented by proxy at the general meeting, to vote and raise questions to the management prior to or at the general meeting. The Committee recommends that the board of directors ensures that shareholders can observe the general meeting via webcast or other digital transmission.	Nykredit complies with the recommendation. General meetings are planned taking into consideration the generally close dialogue with the narrow group of owners. As for the other financial companies of the Group, which are wholly-owned subsidiaries, the Group Executive Board is represented on the Boards of Directors of such subsidiaries, and the general meetings of such companies are therefore of a more formal nature.
1.2.2. The Committee recommends that proxies and postal votes to be used at the general meeting enable the shareholders to consider each individual item on the agenda.	Nykredit complies with the recommendation.
1.3. Takeover bids	
1.3.1. The Committee recommends that the company has a procedure in place in the event of takeover bids, containing a "road map" covering matters for the board of directors to consider in the event of a takeover bid, or if the board of directors obtains reasonable grounds to suspect that a takeover bid may be submitted. In addition, it is recommended that it appears from the procedure that the board of directors abstains from countering any takeover bids by taking actions that seek to prevent the	The recommendation is not relevant due to Nykredit's current ownership structure.

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shareholders from deciding on the takeover bid, without the approval of the general meeting.

1.4. Corporate Social Responsibility

1.4.1. **The Committee recommends** that the board of directors adopts a policy for the company's corporate social responsibility, including social responsibility and sustainability, and that the policy is available in the management commentary and/or on the company's website. **The Committee recommends** that the board of directors ensures compliance with the policy.

Nykredit complies with the recommendation.
 Nykredit has adopted a corporate responsibility policy.
 Nykredit reports on its corporate responsibility commitment once a year in accordance with the provisions set out in section 135 of the Danish Executive Order on Financial Reports for Credit Institutions and Investment Firms, etc. and the principles laid down in the UN Global Compact, and we report on our contribution to the UN's 17 Sustainable Development Goals.
 The majority of Nykredit's internal and external policies and guidelines contribute to the implementation of the Group's corporate responsibility commitment in a range of different areas.
 For reports and an overview of external policies, please visit nykredit.com

1.4.2. **The Committee recommends** that the board of directors adopts a tax policy to be made available on the company's website.

Nykredit complies with the recommendation.

2. The duties and responsibilities of the board of directors

2.1. Overall tasks and responsibilities

2.1.1. **The Committee recommends** that the board of directors in support of the company's statutory objects according to its articles of association and the long-term value creation considers the company's purpose

Nykredit complies with the recommendation.
 At least once a year, each of Nykredit's financial companies reviews, evaluates and revises (where relevant) the business model of the relevant company, and as part of this exercise, the respective Boards of Directors take a position on the company's strategy.

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and ensures and promotes a good culture and sound values in the company. The company should provide an account thereof in the management commentary and/or on the company's website.

In this connection, the Board of Directors addresses the company's statutory objects according to its articles of association and the long-term value.

Nykredit has also adopted a policy for sound corporate culture.

2.1.2. **The Committee recommends** that the board of directors at least once a year discusses and on a regular basis follows up on the company's overall strategic targets in order to ensure the value creation in the company.

Nykredit complies with the recommendation.

At least once a year, each of Nykredit's financial companies reviews, evaluates and revises (where relevant) the business model of the relevant company, and as part of this exercise, the respective Boards of Directors take a position on the company's strategy.

2.1.3. **The Committee recommends** that the board of directors on a continuously basis takes steps to examine whether the company's share and capital structure supports the strategy and the long-term value creation in the interest of the company as well as the shareholders. **The Committee recommends** that the company gives an account thereof in the management commentary.

Nykredit complies with the recommendation.

Nykredit has arranged its capital structure so as to comply with regulatory requirements at any time and with a view to maintaining lending activities regardless of economic trends, while retaining a competitive rating.

For a description, see the Annual Report and nykredit.com.

2.1.4. **The Committee recommends** that the board of directors prepares and on an annual basis reviews guidelines for the executive management, including requirements in respect of the reporting to the board of directors.

Nykredit complies with the recommendation.

The Boards of Directors' guidelines for the respective Executive Boards are determined primarily through the rules of procedure of the Executive Board, as well as a number of policies with accompanying guidelines.

2.2 Members of the board of directors

2.2.1. **The Committee recommends** that the board of directors, in addition to a chairperson, appoints a vice chairperson, who can step in if the chairperson is absent and who can generally act as the chairperson's close sparring partner.

Nykredit complies with the recommendation.

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2.2.2 **The Committee recommends** that the chairperson in cooperation with the individual members of the board of directors ensures that the members up-date and supplement their knowledge of relevant matters, and that the members' special knowledge and qualifications are applied in the best possible manner.

Nykredit complies with the recommendation.

2.2.3 **The Committee recommends** that if the board of directors, in exceptional cases, requests a member of the board of directors to take on special duties for the company, for instance, for a short period to take part in the daily management of the company, the board of directors should approve this in order to ensure that the board of directors maintains its independent overall management and control function. It is recommended that the company publishes any decision on allowing a member of the board of directors to take part in the daily management, including the expected duration thereof.

Nykredit complies with the recommendation.
Generally, the Boards of Directors of the financial subsidiary companies are composed of Executive Board members and executive staff of Nykredit who perform tasks for several Group companies as part of their jobs.

3. Composition and organisation of the board of directors

3.1 Composition

3.1.1. **The Committee recommends** that the board of directors on an annual basis reviews and in the management commentary and/or on the company's website states

- which qualifications the board of directors should possess, collectively and individually, in order to perform its duties in the best possible manner, and
- the composition of and diversity on the board of directors.

Nykredit complies with the recommendation.
The Boards of Directors are the supreme management bodies of the financial companies, which make decisions of a strategic and fundamental nature. The Boards of Directors should be composed of a group of persons who together will best serve the interests of the respective Group companies with due regard for all stakeholders of the companies.
At least once a year, all Nykredit's financial companies review, evaluate and revise (where relevant) the business model of the

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	<p>company, and as part of this exercise, the respective Boards of Directors decide on the skills the Board must have, the composition of the Board of Directors and the skills of each member.</p> <p>The composition of the Boards of Directors and the special skills of each Board member are outlined at nykredit.com and in the Management Commentary of the Annual Report.</p>
<p>3.1.2. The Committee recommends that the board of directors on an annual basis discusses the company's activities in order to ensure relevant diversity at the different management levels of the company and adopts a diversity policy, which is included in the management commentary and/or available on the company's website.</p>	<p>Nykredit complies with the recommendation.</p> <p>Nykredit has adopted a diversity policy and sets defined targets for under-represented gender on the Board of Directors and at other top management levels.</p> <p>The objectives and progress made are described in the Annual Report and Nykredit's Corporate Responsibility Report, available at nykredit.com.</p>
<p>3.1.3. The Committee recommends that candidates for the board of directors are recruited based on a thorough process approved by the board of directors. The Committee recommends that in assessing candidates for the board of – in addition to individual competencies and qualifications – the need for continuity, renewal and diversity is also considered.</p>	<p>Nykredit complies with the recommendation.</p> <p>In addition to the professional skills mentioned in para 3.1.1, the composition and recruitment of board members take into account personal skills and diversity.</p> <p>The selection and nomination of candidates for the Boards of Directors of Nykredit Bank A/S, Totalkredit A/S and Nykredit Portefølje Administration A/S have been adapted to the fact that the companies are wholly-owned subsidiaries. The selection and nomination of candidates for the Boards of Directors of Sparinvest Holdings SE and Sparinvest S.A. have been adapted to the fact that Nykredit owns 75% of the shares in Sparinvest Holdings SE.</p>
<p>3.1.4. The Committee recommends that the notice convening general meetings, where election of members to the board of directors is on the</p>	<p>Nykredit complies with the recommendation.</p>

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<p>agenda - in addition to the statutory items - also includes a description of the proposed candidates'</p> <ul style="list-style-type: none"> • qualifications, • other managerial duties in other commercial undertakings, including board committees, • demanding organisational assignments and • independence 	
<p>3.1.5. The Committee recommends that members to the board of directors elected by the general meeting stand for election every year at the annual general meeting, and that the members are nominated and elected individually.</p>	<p>Nykredit complies with the recommendation.</p>
3.2. The board of director's independence	
<p>3.2.1. The Committee recommends that at least half of the members of the board of directors elected in general meeting are independent in order for the board of directors to be able to act independently avoiding conflicts of interests.</p> <p>To be considered independent, this person may not:</p> <ul style="list-style-type: none"> • be or within the past five years have been member of the executive board, or senior staff member in the company, a subsidiary undertaking or an associate, • within the past five years have received large emoluments from the company/group, a subsidiary or a group company in another capacity than as member of the board of directors • represent or be associated with a controlling shareholder, • within the past year have had a business relationship (eg personally or indirectly as a partner or an employee, shareholder, customer, supplier or member of a governing body in companies with 	<p>Due to Nykredit's special ownership structure, this recommendation is not relevant.</p> <p>For information about the independence of members of the Boards of Directors, see nykredit.com and the Management Commentary of the Annual Report.</p> <p>The recommendation is not relevant to the other wholly-owned financial subsidiaries whose Boards of Directors are generally, as a natural consequence of the Group structure, composed of members of the Executive Board and executive staff members of Nykredit.</p>

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<p>similar relations) with the company, a subsidiary or a group company, which is significant for the company and/or the business relationship,</p> <ul style="list-style-type: none"> • be or within the past three years have been employed or partner at the same company as the auditor elected by the general meeting, • be a CEO in a company with cross-memberships in the Company's management, • have been member of the board of directors for more than 12 years, or • be closely related to persons, who are not independent, of the above-stated. <p>Even if a member of the board of directors does not fall within the above-stated criteria, the board of directors may for other reasons decide that the member in question is not independent.</p>	
<p>3.2.2. The Committee recommends that members of the executive management are not members of the board of directors and that members retiring from the executive management does not join the board of directors immediately thereafter.</p>	<p>Nykredit complies with the recommendation.</p> <p>The recommendation is not relevant to the other wholly-owned financial subsidiaries whose Boards of Directors are generally, as a natural consequence of the Group structure, composed of members of the Executive Board and executive staff members of Nykredit.</p>
<p>3.3 Members of the board of directors and the number of other managerial duties</p>	
<p>3.3.1. The Committee recommends that the board of directors and each of the members on the board of directors, in connection with the annual evaluation, cf recommendation 3.5.1., assesses how much time is required to perform the board duties. The aim is for the individual member of the board of directors not to take on more managerial duties than the board member in question is able to perform in a satisfactory manner.</p>	<p>Nykredit complies with the recommendation.</p> <p>As a SIFI institution, the Board members of the Group are generally subject to special limitations with regard to the number of executive posts. A Board member may thus hold not more than (i) one Executive Board membership combined with two directorships or (ii) four directorships, unless an exemption is granted by the Danish Financial Supervisory Authority.</p>

Recommendation	
<p>3.3.2. The Committee recommends that the management commentary, in addition to the statutory requirements, contains the following information on the individual members of the board of directors:</p> <ul style="list-style-type: none"> • position, age and gender, • competencies and qualifications relevant to the company, • independence, • year of joining the board of directors, • year of expiry of the current election period, • participation in meetings of the board of directors and committee meetings, • managerial duties in other commercial undertakings, including board committees, and demanding organisational assignments, and • The number of shares, options, warrants etc in the company and group companies owned by the member and changes in the member's holding of said securities occurred in the financial year. 	<p>Nykredit complies with the recommendation.</p>
3.4. Board committees	
<p>3.4.1. The Committee recommends that the management describes in the management commentary:</p> <ul style="list-style-type: none"> • the board committee's most significant activities and number of meetings in the past year, and • the members on the individual board committees, including the chairperson and the independence of the members of the committee in question. <p>In addition, it is recommended that the board committees' terms of reference are published on the company's website.</p>	<p>Nykredit complies with the recommendation.</p> <p>Nykredit has set up a Board Audit Committee, a Board Remuneration Committee, a Board Nomination Committee and a Board Risk Committee.</p> <p>The board committees' terms of reference are published. For detailed information on the boards, see nykredit.com.</p>

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<p>3.4.2. The Committee recommends that board committees solely consist of members of the board of directors and that the majority of the members of the board are independent.</p>	<p>Nykredit partially complies with the recommendation.</p> <p>The board committees solely consist of members of the board of directors.</p> <p>Due to Nykredit's special ownership structure, this recommendation is not relevant, please see recommendation 3.2.1 on independence.</p>
<p>3.4.3. The Committee recommends that the board of directors establishes an audit committee and appoints a chairperson of the audit committee, who is not the chairperson of the board of directors. The Committee recommends that the audit committee, in addition to its statutory duties, assists the board of directors in:</p> <ul style="list-style-type: none"> • supervising the correctness of the published financial information, including accounting practices in significant areas, significant accounting estimates and related party transactions, • reviewing internal control and risk areas in order to ensure management of significant risks, including in relation to the announced financial outlook, • assessing the need for internal audit, • performing the evaluation of the auditor elected by the general meeting, • reviewing the auditor fee for the auditor elected by the general meeting, • supervising the scope of the non-audit services performed by the auditor, and • ensuring regular interaction between the auditor elected by the general meeting, and the board of directors, for instance, that the board 	<p>Nykredit complies with the recommendation.</p> <p>For information about the members and the terms of reference of the Board Audit Committee, see nykredit.com.</p>

Recommendation

of directors and the audit committee at least once a year meet with the auditor without the executive management being present.

If the board of directors, based on a recommendation from the audit committee, decides to set up an internal audit function, the audit committee must:

- prepare terms of reference and recommendations on the nomination, employment and dismissal of the head of the internal audit function and on the budget for the department,
- ensure that the internal audit function has sufficient resources and competencies to perform its role, and
- supervise the executive management's follow-up on the conclusions and recommendations of the internal audit function.

3.4.4. **The Committee recommends** that the board of directors establishes a nomination committee to perform at least the following preparatory tasks:

- describing the required qualifications for a given member of the board of directors and the executive management, the estimated time required for performing the duties of this member of the board of directors and the competencies, knowledge and experience that is or should be represented in the two management bodies,
- on an annual basis evaluating the board of directors and the executive management's structure, size, composition and results and preparing recommendations for the board of directors for any changes,
- in cooperation with the chairperson handling the annual evaluation of the board of directors and assessing the individual management members' competencies, knowledge, experience and succession as well as reporting on it to the board of directors,
- handling the recruitment of new members to the board of directors and the executive management and nominating candidates for the board of directors' approval,

Nykredit complies with the recommendation.

For information about the members and mandate of the Nomination Board, see nykredit.com.

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<ul style="list-style-type: none"> • ensuring that a succession plan for the executive management is in place, • supervising executive managements' policy for the engagement of executive employees, and supervising the preparation of a diversity policy for the board of directors' approval. 	
<p>3.4.5. The Committee recommends that the board of directors establishes a remuneration committee to perform at least the following preparatory tasks:</p> <ul style="list-style-type: none"> • preparing a draft remuneration policy for the board of directors' approval prior to the presentation at the general meeting, • providing a proposal to the board of directors on the remuneration of the members of the executive management, • providing a proposal to the board of directors on the remuneration of the board of directors prior to the presentation at the general meeting, • ensuring that the management's actual remuneration complies with the company's remuneration policy and the evaluation of the individual member's performance, and assisting in the preparation of the annual remuneration report for the board of directors' approval prior to the presentation for the general meeting's advisory vote. 	<p>Nykredit complies with the recommendation.</p> <p>For information about the members and terms of reference of the Board Remuneration Committee, see nykredit.com.</p>
3.5 Evaluation of the board of directors and the executive management	
<p>3.5.1. The Committee recommends that the board of directors once a year evaluates the board of directors and at least every three years engages external assistance in the evaluation. The Committee recommends that the evaluation focuses on the recommendations on the board of directors' work, efficiency, composition and organisation, cf. recommendations 3.1.-3.4. above, and that the evaluation as a minimum always includes the following topics:</p>	<p>Nykredit complies with the recommendation.</p>

Recommendation	
<ul style="list-style-type: none"> • the composition of the board of directors with focus on competencies and diversity • the board of directors and the individual member's contribution and results, • the cooperation on the board of directors and between the board of directors and the executive management, • the chairperson's leadership of the board of directors, • the committee structure and the work in the committees, • the organisation of the work of the board of directors and the quality of the material provided to the board of directors, and • the board members' preparation for and active participation in the meetings of the board of directors. 	
<p>3.5.2. The Committee recommends that the entire board of directors discusses the result of the evaluation of the board of directors and that the procedure for the evaluation and the general conclusions of the evaluation are described in the management commentary, on the company's website and at the company's general meeting.</p>	<p>Nykredit complies with the recommendation.</p>
<p>3.5.3. The Committee recommends that the board of directors at least once a year evaluates the work and results of the executive management according to pre-established criteria, and that the chairperson reviews the evaluation together with the executive management. In addition, the board of directors should on a continuous basis assess the need for changes in the structure and composition of the executive management, including in respect of diversity, succession planning and risks, in light of the company's strategy.</p>	<p>Nykredit complies with the recommendation.</p>
4. Remuneration of management	
4.1. Remuneration of the board of directors and the executive management	

Recommendation

4.1.1. **The Committee recommends** that the remuneration for the directors and the executive management and the other terms of employment/service is considered competitive and consistent with the company's long-term shareholder interests.

Nykredit complies with the recommendation.

4.1.2. **The Committee recommends** that share-based incentive schemes are revolving, i.e. that they are periodically granted, and that they primarily consist of long-term schemes with a vesting or maturity period of at least three years.

Nykredit complies with the recommendation.

4.1.3. **The Committee recommends** that the variable part of the remuneration has a cap at the time of grant, and that there is transparency in respect of the potential value at the time of exercise under pessimistic, expected and optimistic scenarios.

Nykredit complies with the recommendation.

4.1.4. **The Committee recommends** that the overall value of the remuneration for the notice period, including severance payment, in connection with a member of the executive management's departure, does not exceed two years' remuneration including all remuneration elements.

Nykredit complies with the recommendation.

4.1.5. **The Committee recommends** that members of the board of directors are not remunerated with share options and warrants.

Nykredit complies with the recommendation.

4.1.6. **The Committee recommends** that the company has the option to reclaim, in whole or in part, variable remuneration from the board of directors and the executive management if the remuneration granted, earned or paid was based on information, which subsequently proves to be incorrect, or if the recipient acted in bad faith in respect of other matters, which implied payment of a too large variable remuneration.

Nykredit complies with the recommendation.

5. Risk management

Recommendation

5.1 Identification of risks and openness in respect of additional information

5.1.1. **The Committee recommends** that the board of directors based on the company's strategy and business model considers, for instance, the most significant strategic, business, accounting and liquidity risks. The company should in the management commentary give an account of these risks and the company's risk management.

Nykredit complies with the recommendation.

5.1.2. **The Committee recommends** that the board of directors establishes a whistleblower scheme, giving the employees and other stakeholders the opportunity to report serious violations or suspicion thereof in an expedient and confidential manner, and that a procedure is in place for handling such whistleblower cases.

Nykredit complies with the recommendation.

Nykredit has set up a whistleblower scheme to counter violations of legislation and/or internal guidelines. This includes a procedure for handling whistleblower cases.

B. Report concerning the Managerial Code of Conduct of the Danish Bankers Association for the financial year 2022

Recommendation	
General recommendations	
<p>1. The Danish Bankers Association recommends that member companies address all recommendations of the Committee on Corporate Governance.</p>	<p>Nykredit complies with the recommendation.</p> <p>Reference is made to section A with Nykredit's statement with regard to the Recommendations by the Danish Committee on Corporate Governance.</p>
<p>2. The Danish Bankers Association recommends that member companies prepare and publish a code of conduct describing corporate values and the desired conduct in respect of operation and management.</p>	<p>Nykredit complies with the recommendation.</p> <p>All Nykredit's companies operate according to Nykredit's corporate values and Code of Conduct, available at nykredit.com.</p>
Recommendations concerning the composition of the board of directors	
<p>3. The Danish Bankers Association recommends that member companies apply a specified and structured process when recruiting candidates for the board of directors and possibly include external skills and qualifications.</p>	<p>Nykredit A/S and Nykredit Realkredit A/S comply with the recommendation.</p>
<p>4. The Danish Bankers Association recommends that member companies whose articles of association stipulate that members of the board of directors may only be elected among a restricted group of persons account for the basis of such restrictions.</p>	<p>Nykredit complies with the recommendation.</p> <p>The Articles of Association of Nykredit's financial companies contain no such restrictions.</p>

Recommendation

Recommendations concerning training of members of the board of directors

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| <p>5. The Danish Bankers Association recommends that members of the board of directors commence a training programme in banking as soon as possible and not later than six months after joining the board unless they already possess updated and specific banking skills. The programme should reflect the size, business model and complexity of the company.</p> | <p>The recommendation complies with the adjustments in the executive order on basic training for members of the board of directors of banks, mortgage banks and insurance companies.</p> |
| <p>6. The Danish Bankers Association recommends that members of the board of directors regularly participate in skills enhancement of relevance to their directorship. The subjects and scope should be adapted to the size, business model and complexity of the company.</p> | <p>Nykredit complies with the recommendation.</p> |

Recommendations concerning evaluation of the board of directors and board members

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| <p>7. The Danish Bankers Association recommends that each individual board member annually evaluates his or her work on the board of directors. As part of the evaluation, the board members should fill in an evaluation form that contains both managerial and banking-related topics.</p> | <p>Nykredit complies with the recommendation.</p> |
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Recommendation	
Recommendations concerning cooperation with the day-to-day management of the company	
8. The Danish Bankers Association recommends that relevant specialists be involved in the cooperation with the board of directors and that they attend board meetings when particularly complex issues are discussed.	Nykredit complies with the recommendation.
9. The Danish Bankers Association recommends that the cooperation between the executive board and the board of directors be discussed at a meeting of the board of directors at least once a year. The executive board should not be present during such discussions.	Nykredit complies with the recommendation.
Other recommendations	
10. The Danish Bankers Association recommends that member companies publish on their website or in a similar way a list of the attendance of board members at board and committee meetings.	Nykredit A/S and Nykredit Realkredit A/S comply with the recommendation. For information about the attendance of Board members at board and committee meetings of Nykredit A/S and Nykredit Realkredit A/S, see nykredit.com .
11. The Danish Bankers Association recommends that member companies consider the rules on limits to directorships laid down in the Danish Financial Business Act.	Nykredit complies with the recommendation.
	Nykredit complies with the recommendation.

Recommendation

12.The Danish Bankers Association recommends that member companies focus on the role of the external auditors and the quality of their services. Member companies should set forth demands as to the composition of the teams of external auditors to ensure that a team includes at least two experienced auditors with complementary skills. To be an experienced auditor, an auditor must have completed supplementary training in the field of banking and have participated in the auditing of a bank, savings bank or cooperative bank for at least three years.