

Mandate of the Board Audit Committee of Nykredit A/S and Nykredit Realkredit A/S

1. Purpose

- 1.1 Pursuant to section 31 of the Danish Act on Approved Auditors and Audit Firms, the Board of Directors of Nykredit Realkredit A/S ("Nykredit") has set up a Board Audit Committee. The Committee also serves as the Board Audit Committee of Nykredit A/S, which has endorsed this Mandate.
- 1.2 The purpose of the Board Audit Committee is to currently monitor and assess whether Nykredit's financial reporting, internal control systems, risk management and statutory audit are organised in an appropriate manner. Furthermore, the Board Audit Committee must verify and monitor the independence of the auditors and be responsible for the procedure for selecting and submitting a recommendation for the appointment of auditors.

2. Composition and skills

- 2.1 The Board Audit Committee is composed of three or four members who are members of Nykredit's Board of Directors or appointed by Nykredit's General Meeting.
- 2.2 The members of the Board Audit Committee, including its Chair, are, as far as possible, appointed at the first meeting of the Board of Directors after the annual general meeting of the Company.
- 2.3 The members of the Board Audit Committee are appointed for a term of one year, but may be discharged by the Board of Directors at any time.
- 2.4 Most of the members of the Board Audit Committee, including its Chair, must be independent of Nykredit unless the Committee is made up exclusively of members of Nykredit's Board of Directors. At least one member of the Board Audit Committee must have accounting or audit qualifications. Overall, the members of the Committee must have skills of relevance to the financial sector. The members of the Board Audit Committee are appointed on the basis of the skills that are, in the opinion of the Board of Directors, necessary for the Board Audit Committee to operate efficiently and meet its purpose.

3. Frequency and convening of meetings

- 3.1 Meetings of the Board Audit Committee are held at the frequency deemed necessary by its Chair and not less than four times a year.
- 3.2 Any member of the Board Audit Committee, the external auditors and Nykredit's internal Chief Audit Executive may require that the Board Audit Committee holds a meeting whenever this is deemed necessary.
- 3.3 The meetings of the Board Audit Committee are preferably held prior to the meetings of the

Board of Directors at which the Board of Directors is to consider/approve matters within the remit of the Committee.

3.4 The meetings of the Board Audit Committee are convened by the Chair or, at the Chair's discretion, the Secretariat to Nykredit's Board of Directors, which provides the secretariat function for the Committee. Urgent matters may be decided by written procedure. The deadline for comments by the individual members must be at least 24 hours.

3.5 In consultation with the Chair, the Secretariat to Nykredit's Board of Directors prepares an agenda which is distributed prior to each committee meeting. Any written material will, if possible, be attached to the agenda.

4. Structure and conduct of meetings

4.1 The meetings of the Board Audit Committee are attended by the members of the Committee and, upon request, Nykredit's Group Chief Executive and other Group Managing Directors, external and internal audit representatives as well as the committee secretary.

4.2 The Board Audit Committee holds at least one annual meeting with the external and internal auditors, respectively, without the attendance of representatives from Nykredit's management.

4.3 At the Chair's discretion, other persons may attend the committee meetings, including members of the Board of Directors and the Executive Board, executive staff members and specialists at Nykredit as well as external advisers.

4.4 The Chair presides over the meetings of the Board Audit Committee.

4.5 Where relevant, matters to be presented to the Board Audit Committee may be presented at a joint meeting with the Board Risk Committee, but will remain the sole responsibility of the Board Audit Committee.

4.6 The committee secretary takes and keeps minutes of each meeting of the Board Audit Committee. The minutes are signed by all members present. The minutes state the business that has been transacted and any resulting recommendations to the Board of Directors. Any committee member who disagrees with a recommendation to the Board of Directors is entitled to have its opinion included in the minutes.

4.7 Draft minutes are sent to the members of the Committee after each committee meeting. The committee members must submit any comments on the minutes to the committee secretary as soon as possible with a view to sending the final minutes to the Board of Directors prior to the next or second next meeting of the Board of Directors.

4.8 The Board Audit Committee is subject to the same confidentiality rules as the Board of Directors.

5. Decision-making powers and authority

5.1 The Board Audit Committee forms a quorum when not less than half its members are present.

5.2 The Board Audit Committee reports to and may recommend proposals for adoption by the Board of Directors. The Board Audit Committee has no independent decision-making powers and may therefore only make decisions regarding recommendations to the Board of Directors.

Such decisions are made by a simple majority. In case of an equality of votes, the Chair of the Committee has the casting vote.

5.3 The Board Audit Committee is authorised to examine all matters within the framework of this Mandate and to obtain any required information and assistance from members of the Executive Board and staff of the Nykredit Group in this respect.

5.4 The Board Audit Committee must be provided with the means and facilities that it may reasonably deem necessary for the performance of its tasks, including the requisite secretarial assistance.

6. Tasks

6.1 The tasks of the Board Audit Committee are:

- to inform the Board of Directors of the results of the statutory audit, including the financial reporting process,
- to monitor the financial reporting process and submit recommendations or proposals to ensure integrity,
- to monitor whether Nykredit's internal control, internal audit and risk management systems operate efficiently in relation to the financial reporting of Nykredit A/S and Nykredit Realkredit A/S without violating its independence,
- to supervise the statutory audit of financial statements etc, taking into account the results of the latest quality assurance review of the audit firm,
- to verify and supervise the independence of the auditors in accordance with sections 24-24c of the Danish State-Authorised Public Accountants Act and Article 6 of Regulation (EU) No 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and to approve the auditors' provision of non-audit services, cf Article 5 of the Regulation,
- to be responsible for the procedure for selecting and submitting a recommendation for the appointment of auditors in accordance with Article 16 of Regulation (EU) No 537/2014 of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities, and
- to perform any other tasks delegated by Nykredit's Board of Directors.

6.2 The Board Audit Committee prepares a work schedule to be approved by the Board of Directors of Nykredit Realkredit A/S and endorsed by the Board of Directors of Nykredit A/S. The work schedule that applies at the time of approval of this Mandate is enclosed as **Appendix 1**.

6.3 The Board Audit Committee may independently (or jointly with the Board Risk Committee) set up temporary ad-hoc committees focusing on selected topics within the remit of the Committee. Such ad-hoc committees will report to the Board Audit Committee (and in case of joint committees also to the Board Risk Committee) and has no independent decision-making powers. Rules governing the work of the committees will be laid down in a mandate.

7. Reporting to the Board of Directors etc

- 7.1 At the first or second meetings of the Boards of Directors of Nykredit A/S and Nykredit Realkredit A/S after a meeting of the Board Audit Committee, the Boards of Directors are informed of the business transacted by the Board Audit Committee, and any recommendations from the Board Audit Committee are submitted for approval.
- 7.2 Upon approval by the members of the Board Audit Committee, minutes of its meetings will be available to the Board of Directors on the Board Portal.
- 7.3 A brief description of the activities of the Committee in the past year is included in the Annual Reports of Nykredit A/S and Nykredit Realkredit A/S.

8. Evaluation

- 8.1 The Board Audit Committee reviews and evaluates this Mandate at least once a year to ensure that it continues to comply with legal requirements, corporate governance etc.
- 8.2 This evaluation as well as any proposed changes are submitted for approval by the Boards of Directors of Nykredit and Nykredit A/S.

Adopted at the meeting of the Board of Directors of Nykredit Realkredit A/S and approved by the Board of Directors of Nykredit A/S on 16 August 2022.