

## **The BANK of Greenland's remit concerning the Risk Committee**

### *1. Composition and purpose*

- 1.1. In accordance with Section 80 b of the Danish Financial Activities Act and clause 2.1 of the Board of Directors' rules of procedure, the Board of Directors has appointed a committee under the Board of Directors, called the Risk Committee.
- 1.2. This remit sets out the Risk Committee's tasks and powers.
- 1.3. The Risk Committee prepares the work of the Board of Directors in order to ensure that the Board of Directors is aware of risks when business decisions are made by the Board of Directors.
- 1.4. The Risk Committee may not change the Board of Directors' responsibility or powers. The full Board of Directors is responsible for managing the BANK of Greenland's risks, but the Committee's work is an important aspect of the preparatory work.

### *2. Members of the Risk Committee*

- 2.1 The members of the Committee are nominated from among the members of the BANK of Greenland's Board of Directors.
- 2.2 The Risk Committee comprises the full Board of Directors.
- 2.3 The Chairman of the Board of Directors serves as Chairman of the Risk Committee.

### *3. Meetings*

- 3.1 Meetings are held as often as the Chairman of the Risk Committee deems necessary, but at least twice a year. Any member of the Risk Committee who considers this necessary may request a meeting of the Risk Committee.
- 3.2 The Executive Board may attend the meetings at the request of the Committee. Depending on the specific agenda, at the Committee's request external persons may also take part in the consideration of topics at the meeting. Any attendance by other persons than the members of the Board of Directors will be recorded in the minutes.
- 3.3 The Chairman of the Risk Committee will draw up the agenda. The agenda of each meeting will be sent to the members of the Committee within a reasonable time prior to the meeting. The Chairman of the Risk Committee may reduce this deadline.
- 3.4 The Committee will be legally competent to transact business when more than half of all members, but at least half of the members elected by the general meeting, take part in the decision-making.
- 3.5 Decisions will be made by simple majority vote. In the event of a tied vote, the Chairman of the Committee will hold the casting vote.
- 3.6 Minutes will be taken of the meetings.
- 3.7 When the Committee's meetings are held immediately prior to a meeting of the Board of Directors, the Chairman or the Vice Chairman of the Committee may give "provisional" verbal minutes to the Board of Directors and may also make recommendations/proposals.

### *4. Tasks of the Risk Committee*

*In accordance with the Danish Financial Business Act, the Risk Committee must undertake the following:*

- 4.1 Advise the Board of Directors on the Bank's overall current and future risk profile and strategy.
- 4.2 Assist the Board of Directors with ensuring that the Board of Directors' risk strategy is implemented correctly in the organisation.
- 4.3 Assess whether the financial products and services provided by the BANK of Greenland are in accordance with the Bank's business model and risk profile, including whether the

earnings on the products and services reflect the associated risks, and draw up proposed remedies if the products or services and the earnings thereon are not in accordance with the Bank's business model and risk profile.

- 4.4 Assess whether the incentives in the Bank's remuneration structure take account of the Bank's risks, capital, liquidity and probability, and the time of payment of the remuneration.

## 5. *Resources*

- 5.1. The Risk Committee can use all of the resources deemed necessary by the Committee, including external advisory services.

## 6. *Access to information*

- 6.1. The Risk Committee must have access to all relevant information, including from the BANK of Greenland's risk officer. The risk officer's annual report will be sent to the Risk Committee.
- 6.2. On a continuous basis, the Risk Committee will consider the type, amount and frequency of the information necessary for the Committee's work, and which is therefore required to be submitted to the Committee.

## 7. *Reporting*

- 7.1. The Risk Committee reports and makes recommendations to the Board of Directors concerning the tasks set out in this remit.

## 8. *Disclosure*

- 8.1. The remit of the Risk Committee is published on the Bank's

- website, together with
- the Committee's principal activities during the year and the number of meetings of the Committee, as well as
- the names of the members of the Committee, and
- an overview of the members of the Board of Directors' attendance of the Committee's meetings.

## 9. *Self-evaluation*

- 9.1. The Risk Committee undertakes a self-evaluation of the committee's observance of the matters laid down in this charter once a year.

## 10. *Changes*

- 10.1. Changes to this remit may be adopted by a simple majority of the Board of Directors at any time.

## 11. *Evaluation*

- 11.0. The Committee undertakes an annual evaluation of the effectiveness of its work in order to plan the work during the forthcoming period.

Approved at the meeting of the Board of Directors on 11 May 2021.