

## **SVENSKA HANDELSBANKEN AB**

### ***Proposal from the nomination committee (2017) and a report on its work***

#### ***The nomination committee's proposals***

The nomination committee has consisted of Ms Helena Stjernholm (Industrivärden), chair, Mr Christian Dahl (Oktogonen Foundation), Mr Mats Guldbrand (Lundberg ownership group), Mr Bo Selling (Alecta) and the Chairman of the Board Mr Pär Boman.

#### **Election of the chairman of the meeting**

The nomination committee proposes that Mr Sven Unger be elected chairman of the meeting.

#### **Determining the number of members of the Board to be appointed by the meeting**

The nomination committee proposes that the meeting resolve that the Board consist of eleven members.

#### **Determining the number of auditors**

The nomination committee proposes that the meeting resolve that two registered auditing companies be appointed as auditors.

#### **Deciding fees for Board members and auditors**

Unchanged fees are proposed as follows: SEK 3,150,000 (3,150,000) to the Chairman, SEK 900,000 (900,000) to the vice chairman and SEK 640,000 (640,000) to each of the remaining members. For committee work, the following fees are proposed: SEK 375,000 (335,000) to each member of the credit committee, SEK 130,000 (130,000) to each member of the remuneration committee, SEK 375,000 (335,000) to each member of the risk committee, SEK 250,000 (250,000) to each member of the risk committee for US operations and SEK 375,000 (285,000) to each member of the audit committee, and SEK 450,000 (335,000) to the chair of the audit committee. Board members who are employees of Handelsbanken are not to receive a fee.

The nomination committee proposes that the meeting resolve on remuneration to be paid to the auditors 'on approved account.'

#### **Election of the Board members and the Chairman of the Board**

The nomination committee proposes that the meeting re-elect all Board members, with the exception of Mr Tommy Bylund who has declined re-election. The nomination committee proposes that the meeting elect Mr Anders Bouvin, President and Group Chief Executive of Handelsbanken, and Mr Jan-Erik Höög, Chairman of the Oktogonen Foundation, as new members.

The nomination committee also proposes that Mr Pär Boman be re-elected by the meeting as Chairman of the Board.

For a more detailed presentation of the persons proposed for election and re-election, please see the attached information.

**Election of auditors**

The nomination committee proposes that the meeting re-elect Ernst & Young AB and elect PricewaterhouseCoopers AB (“PwC”) as auditors for the period until the end of the annual general meeting to be held in 2018. These two auditing companies have announced that, should they be elected, they will appoint as auditors in charge Mr Jesper Nilsson (authorised public accountant) for Ernst & Young AB and Mr Johan Rippe (authorised public accountant) for PwC.

### ***Mandate of the nomination committee***

The 2010 annual general meeting resolved as follows on the procedure for appointing a nomination committee for the annual general meeting in 2011 and subsequent annual general meetings. The resolution remains in force until changed by a future general meeting.

The nomination committee shall have five members. Four of the members (the “Shareholders’ Representatives”) shall represent the Bank’s four largest shareholders/shareholder groups in terms of votes, according to shareholder information from Euroclear Sweden AB as at 31 August the year before the annual general meeting is held, or which by some other means prove to be among the largest shareholders (the “Largest Shareholders”) on this date; and one of the members shall be the Chairman of the Board. However, the nomination committee must not include representatives of companies which are significant competitors of the Bank in any of its main areas of operations.

The general meeting assigns the Chairman of the Board to contact the Largest Shareholders. These will each appoint one representative who, together with the Chairman, are to constitute the nomination committee for the period until a new nomination committee is appointed by mandate from the next annual general meeting. The members of the nomination committee for the nomination of Board members shall be announced on the Bank’s website six months at the latest before the annual general meeting where election is to be conducted.

The members of the nomination committee are to appoint a chairman among themselves. No fees are to be paid.

Should a shareholder which is represented on the nomination committee cease to be one of the Largest Shareholders as a result of changes in the share ownership of the shareholder or other shareholders, then, if the change is significant and the majority of the members of the nomination committee so decides, the shareholder’s representative must withdraw from the nomination committee, and the shareholder which has been newly added to the four largest shareholders/shareholder groups in terms of votes is to appoint a representative instead. However, changes in the ownership structure which occur less than three months before an annual general meeting will not lead to any change in the composition of the nomination committee.

If a Shareholders’ Representative leaves his/her position with the shareholder, the shareholder is entitled to appoint a new representative for the nomination committee.

If one of the Largest Shareholders no longer wishes to participate in the work of the nomination committee by having a representative on the committee, and the nomination committee considers that there is a need to replace this representative, the shareholder which is next in line among the largest shareholders/shareholder groups in terms of votes is to appoint a representative instead.

Any changes in the composition of the nomination committee must be made public immediately.

This resolution on the procedure for appointing a nomination committee for the annual general meeting in 2011 and subsequent annual general meetings shall apply until it is amended by a future shareholders’ meeting.

The nomination committee is not proposing any amendment to how the nomination committee should be appointed.

## ***Report on the work of the nomination committee and explanation***

The nomination committee has met on four occasions.

It has been stated on the Bank's website under the heading "Annual general meeting," that shareholders may submit proposals to the nomination committee. In order to be processed with due care, the proposals must have reached the nomination committee by 31 December 2016 at the latest. No proposals have been received.

### **Assessment of the Board and proposal for composition of the Board**

The nomination committee has studied the report by the Chairman of the Board on the assessment of the work of the Board carried out during the second half of 2016 and has interviewed the proposed new Board members and several of the current Board members. Based on this, the nomination committee has found that the work of the Board is functioning very well. The nomination committee has also received a report on the Bank's operations from the Bank's management. In its work, both in terms of its evaluation and the construction of its proposal, the nomination committee has taken into consideration the Board of Handelsbanken's diversity policy and also the requirement of the Swedish Corporate Governance Code to aim for diversity, breadth and gender balance on the Board. The Board's diversity policy states that to promote independent opinions and critical questioning, it is desirable that the Board should be characterised by sufficient diversity in terms of age, gender, geographical origin, and educational and professional background. The nomination committee has also studied Handelsbanken's policy regarding suitability assessment of Board members.

Anders Bouvin has been President and Group Chief Executive of Handelsbanken since August 2016 and has worked at Handelsbanken since 1985. Before Anders Bouvin was appointed President and Group Chief Executive, he was Head of Handelsbanken in the UK. His previous positions include Head of Regional Bank Northern Great Britain, Head of Handelsbanken Denmark and Manager of Handelsbanken's branch in New York. Anders Bouvin was born in 1958.

Since January 2017, Jan-Erik Höög has been Chairman of the Oktogonen Foundation, where he has been a board member since 2008 and Vice Chairman since 2013. Jan-Erik Höög was born in 1969 and he has worked at Handelsbanken since 1991. Jan-Erik Höög is Head of Private Banking and Deputy Head of Business Support at Handelsbanken's Regional Bank South East Sweden. He has previously worked in the regional bank operations where his positions included Head of Asset Management and work at branches in and around Norrköping.

The proposed new Board members will add skills to the Board which will strengthen it and its level of knowledge as a whole. Overall, the proposed Board has extensive experience of banking and the financial markets. The proposed Board comprises five women and six men.

In the opinion of the nomination committee, the composition of the proposed Board, taking into consideration the Bank's operations, stage of development and other circumstances, will be appropriate. The nomination committee has found that the members proposed for election and re-election have the requisite breadth and versatility in terms of expertise, experience, insights and background to understand, examine and evaluate the Bank's operations, including the risks. After making the appropriate enquiries, it is also the assessment of the

nomination committee that all the proposed members will be able to devote sufficient time to carrying out their Board assignments.

### **Election of auditors**

Handelsbanken's Board has resolved to assign to the nomination committee the task of making proposals to the annual general meeting regarding the election of auditors and fees for the auditors. Following a tender process, Handelsbanken's audit committee has recommended that two auditing companies be appointed as auditors for Handelsbanken and that the mandate period be one year. The audit committee has also recommended the re-election of Ernst & Young AB and new election of PwC. The recommendation from the audit committee is made without the committee being subject to influence from a third party or by mandatory conditions which limit the annual general meeting's freedom of choice. The audit committee's recommendation is based on reasons reported to the nomination committee. The nomination committee has decided to follow the recommendation of the audit committee.

## ***Proposed Board members***

### **Pär Boman, Chairman**

Engineer and Business/Economics degree  
Nationality: Swedish  
Year of birth: 1961  
Member since 2006

### **Position and other assignments**

Chairman of Svenska Cellulosa AB SCA  
Vice Chairman of AB Industrivärden  
Board member of Skanska AB

### **Background**

2006-2015 President and Group Chief Executive, Handelsbanken  
2002-2005 Executive Vice President, Head of Handelsbanken Markets  
1998-2002 Executive Vice President, Head of Handelsbanken Denmark  
Employed by Handelsbanken in 1991

### **Own holdings of shares and financial instruments, and those of closely associated persons**

22,500 shares and 21,883 shares indirectly via the Oktogonen profit-sharing foundation

Not independent of the Bank and its management (ex-CEO)  
Not independent of major shareholders (Vice Chairman of AB Industrivärden)

### **Fredrik Lundberg, Vice Chairman**

Graduate Engineer and Graduate in Economics/Business Administration  
Honorary Doctor of Economics and Honorary Doctor of Engineering  
Nationality: Swedish  
Year of birth: 1951  
Member since 2002

### **Position and other assignments**

President and CEO of L E Lundbergföretagen AB  
Chairman of Holmen AB, Hufvudstaden AB, AB Industrivärden, Indutrade AB  
Board member of L E Lundbergföretagen AB, Skanska AB

### **Background**

Active at Lundbergs since 1977  
CEO L E Lundbergföretagen AB since 1981

### **Own holdings of shares and financial instruments, and those of closely associated persons**

50,775,000 aktier

Independent of the Bank and its management  
Not independent of major shareholders (Chairman of AB Industrivärden)

### **Karin Apelman**

Graduate in Economics/Business Administration  
Nationality: Swedish  
Year of birth: 1961  
Member since 2016

### **Position and other assignments**

Board member of Bliwa Livförsäkring, ömsesidigt, STINT (the Swedish Foundation for International Co-operation in Research and Higher Education), Swedavia AB

### **Background**

2007-2016 Swedish Export Credits Guarantee Board (EKN), Director General  
2001-2007 LFV Air Navigation Services of Sweden, CFO  
1994-2001 SAAB Aircraft Leasing, Deputy CEO  
1990-1994 SAS, Leasing & Project Finance and Corporate Finance & Assistant Treasurer  
1987-1990 SAAB Aircraft Credit, Vice President  
1986-1987 Sven Hagströmer AB, Corporate Finance

1981-1985 Swedish Export Credits Guarantee Board (EKN)

**Own holdings of shares and financial instruments, and those of closely associated persons**

0

Independent of the Bank, its management and major shareholders

**Jon Fredrik Baksaas**

Graduate in Economics/Business Administration and PED from IMD

Nationality: Norwegian

Year of birth: 1954

Member since 2003

**Position and other assignments**

No other assignments

**Background**

2008-2016 Board member GSM Association, Chairman 2013-2016

2002-2015 Telenor Group, President and Group Chief Executive

1989-2002 Telenor Group, various positions within finance, financial control and general management

1988-1989 Aker AS

1985-1988 Stolt Nielsen Seaway AS

1979-1985 Det Norske Veritas, Norway and Japan

**Own holdings of shares and financial instruments, and those of closely associated persons**

3 800

Independent of the Bank, its management and major shareholders

**Anders Bouvin**

B.A. degree (filosofie kandidat) in Business and Economics

Hon DSc from The London Institute of Banking & Finance

Nationality: Swedish

Year of birth: 1958

Proposed as new Board member

**Position and other assignments**

President and Group Chief Executive of Handelsbanken

Board member of the Swedish Bankers' Association

**Background**

2010-2016 Executive Vice President, Head of Handelsbanken UK

2007-2010 Executive Vice President, Head of Regional Bank Northern Great Britain

2002-2007 Executive Vice President, Head of Handelsbanken Denmark

1999-2002 Manager of Handelsbanken's branch in New York

Over 10 years' experience of the Swedish branch operations

Employed at Handelsbanken since 1985

**Own holdings of shares and financial instruments, and those of closely associated persons**

5,000 shares and 42,862 shares indirectly via the Oktogonen profit-sharing foundation

Nominal value SEK 5,869,254 in Handelsbanken's 2014 convertible bond

Not independent of the Bank and its management (CEO)

Independent of major shareholders

**Kerstin Hessius**

Graduate in Economics/Business Administration

Nationality: Swedish

Year of birth: 1958

Member since 2016

**Position and other assignments**

CEO AP3 Third National Swedish Pension Fund



Board member of Vasakronan AB, Hemsö Fastighets AB, Trenum AB, Svensk-Danska Broförbindelsen SVEDAB AB and Øresundsbro Konsortiet

#### **Background**

2001-2004 Stockholm stock exchange, CEO  
1999-2000, Sveriges Riksbank, Deputy Governor of the central bank  
1998 Danske Bank, CEO Asset Management  
1990-1997 ABN Amro Bank / Alfred Berg  
1989-1990 Finanstidningen  
1986-1989 Swedish National Debt Office  
1985-1986 Sveriges Riksbank  
1984-1985 Swedish Agency for Public Management

#### **Own holdings of shares and financial instruments, and those of closely associated persons**

8,700 shares

Independent of the Bank, its management and major shareholders

#### **Jan-Erik Höög**

Economics Programme at upper secondary school, DIHM Diploma in Business Administration (IHM Business School)

Nationality: Swedish

Year of birth: 1969

Proposed as new Board member

#### **Position and other assignments**

Head of Private Banking and Deputy Head of Business Support, Handelsbanken South East Sweden

Chairman of the Oktogonen Foundation

#### **Background**

Various positions at Handelsbanken. Employed since 1991

#### **Own holdings of shares and financial instruments, and those of closely associated persons**

25,181 shares indirectly via the Oktogonen profit-sharing foundation

Nominal value SEK 1,188,742 in Handelsbanken's 2014 convertible bond

Not independent of the Bank and its management (employee)

Not independent of major shareholders (Chairman of the Oktogonen Foundation)

#### **Ole Johansson**

Diploma in Economics and Business Administration

Nationality: Finnish

Year of birth: 1951

Member since 2012

#### **Position and other assignments**

Chairman of Aker Arctic Technology Inc, Hartwall Capital Oy Ab

Board member of Konecranes Oyj Abp

#### **Background**

1975-2011 Held various positions within the Wärtsilä (Metra) Group with the exception of a period with Valmet

1979-1981. CEO 2000-2011

#### **Own holdings of shares and financial instruments, and those of closely associated persons**

59,750 shares

Independent of the Bank, its management and major shareholders

#### **Lise Kaae**

Authorised Public Accountant

Nationality: Danish

Year of birth: 1969

Member since 2015

**Position and other assignments**

CFO BESTSELLER A/S

Board Member of Normal A/S, Whiteway A/S and various companies within the BESTSELLER Group

**Background**

1992-2008 PricewaterhouseCoopers

**Own holdings of shares and financial instruments, and those of closely associated persons**

2,560 shares

Independent of the Bank, its management and major shareholders

**Bente Rathe**

Graduate in Economics/Business Administration and MBA

Nationality: Norwegian

Year of birth: 1954

Member since 2004

**Position and other assignments**

Chair of Ecohz AS and Cenium AS (both companies are subsidiaries of Home Invest AS)

Board member of Polaris Media ASA, SalMar ASA, Home Invest AS and its subsidiary Nordic Choice Hospitality Group AS

**Background**

1999-2002 Deputy Group Chief Executive, Gjensidige NOR (CEO of life insurance company, chair of Mutual Fund and Asset Management Company)

1996-1999 CEO, Gjensidige Bank AS

1993-1996 CEO, Elcon Finans AS

1991-1993 Deputy CEO, Forenede Forsikring

1989-1991 CFO, Forenede Forsikring

1977-1989 Head of Credits and CFO, E.A. Smith AS

**Own holdings of shares and financial instruments, and those of closely associated persons**

0

Independent of the Bank, its management and major shareholders

**Charlotte Skog**

Economics Programme at upper secondary school

Nationality: Swedish

Year of birth: 1964

Member since 2012

**Position and other assignments**

Bank officer at Handelsbanken

Chair of Finansliv Sverige AB

Board member of the Oktogonen Foundation, the Financial Sector Union of Sweden

**Background**

Various positions at Handelsbanken. Employed since 1989

**Own holdings of shares and financial instruments, and those of closely associated persons**

716 shares and 23,904 shares indirectly via the Oktogonen profit-sharing foundation

Nominal value SEK 251,744 in Handelsbanken's 2014 convertible bond

Not independent of the Bank and its management (employee)

Not independent of major shareholders (Board member of the Oktogonen Foundation)