

SVENSKA HANDELSBANKEN AB

Proposal from the nomination committee (2018) 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

Fees are proposed as follows: SEK 3,300,000 (3,150,000) to the Chairman, SEK 940,000 (900,000) to the vice chairman and SEK 670,000 (640,000) to each of the remaining members. For committee work, the following fees are proposed: SEK 390,000 (375,000) to each member of the credit committee, SEK 135,000 (130,000) to each member of the remuneration committee, SEK 390,000 (375,000) to each member of the risk committee, SEK 250,000 (250,000) to each member of the risk committee for US operations if such is required, SEK 390,000 (375,000) to each member of the audit committee and SEK 470,000 (450,000) to the chairman 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 Mr Jon-Fredrik Baksaas, Mr Pär Boman, Mr Anders Bouvin, Ms Kerstin Hessius, Mr Jan-Erik Höög, Mr Ole Johansson, Ms Lisa Kaae, Mr Fredrik Lundberg, Ms Bente Rathe and Ms Charlotte Skog., Ms Karin Apelman has declined re-election. The nomination committee proposes that the meeting elect Hans Biörck as a new Board member.

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 PricewaterhouseCoopers AB (“PwC”) as auditors for the period until the end of the annual general meeting to be held in 2019. 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 met on 6 occasions during the year.

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 2017 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 assessment of the work of the Board carried out during the second half of 2017 and has interviewed several of the current Board members. Based on this, the nomination committee has found that the work of the Board is functioning very well. In addition, the nomination committee has interviewed the proposed new member. 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 assessment and the composition of its proposal, the nomination committee has taken into consideration the Board of Handelsbanken's policy to promote diversity in the Board 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.

Hans Biörck has a Master's Degree in Economics and Business Administration from the Stockholm School of Economics. Hans Biörck is Chairman of the Board of Skanska and the proposed Chairman of the Board of Trelleborg. He is also a member of the boards of Bure Equity AB, the Henry Dunker Foundation and Crescit Asset Management AB. Hans Biörck has declined re-election to the board of Bure and will decline re-election to the boards of the Henry Dunker Foundation and Crescit Asset Management if he is elected as a member of the Handelsbanken Board. 2001-2011 Hans Biörck was Deputy CEO and CFO of Skanska. Before this, Hans Biörck was CFO of Autoliv and held various positions within finance at Esselte.

The proposed new Board member will add skills and experience to the Board which will strengthen it and its level of knowledge as a whole. Overall, the proposed Board has extensive experience within real estate financing, financial and industrial operations, and the capital markets. The proposed Board comprises 4 women and 7 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. All the proposed members have stated that they will be able to devote sufficient time to carrying out their Board assignments.

The Swedish Code of Corporate Governance stipulates that a majority of the Board members must be independent of the Bank and its management, and at least two of these must also be independent of Handelsbanken's major shareholders. The independence of Board members is set out in the presentation below. The nomination committee's proposal fulfils this requirement.

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. 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 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

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

Position and other assignments

Chairman of Svenska Cellulosa AB SCA and Essity AB
Vice Chairman of AB Industrivärden
Board member 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 since 1991

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

30,000 shares and 23,388 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

55,775,000 shares

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

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

Board member Telefonaktiebolaget LM Ericsson

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 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

Hans Biörck

Graduate in Economics/Business Administration

Year of birth: 1951

Proposed as new Board member

Position and other assignments

Chairman Skanska AB,

Board member Trelleborg AB, Henry Dunkers Stiftelse, Bure Equity AB and Crescit Asset Management AB

Background

2001-2011 Skanska, Deputy CEO and CFO

1998-2011 Autoliv, CFO

1997-1998 Own business

1977-1997 Various positions within Esselte

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

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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

Member since 2017

Position and other assignments

President and Group Chief Executive of Handelsbanken

Vice Chairman Swedish Bankers' Association

Background

2010-2016 Executive Vice President, Head of Handelsbanken UK

2007-2010 EVP, Head of Regional Bank Northern Great Britain

2002-2007 EVP, Head of Handelsbanken Denmark

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

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 45,808 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

Business/economics Upper secondary school, DIHM Diploma in Business Administration (IHM Business School)
Nationality: Swedish
Year of birth: 1969
Member since 2017

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

26,911 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 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
Vice Chairman 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

73,880 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

CEO Heartland A/S
Board Member of Whiteway A/S and various companies within the Heartland 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 Strawberry Invest AS)

Vice Chair, Polaris Media ASA

Background

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

1996-1999 President, 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

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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 25,547 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 Oktogonen Foundation)