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SVENSKA HANDELSBANKEN AB

Proposals from the nomination committee (2019) and a report on its work

Proposals from the nomination committee

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.

Determining fees for Board members and auditors

Fees are proposed as follows: SEK 3,400,000 (3,300,000) to the Chairman, SEK 970,000 (940,000) to the vice chairman, and SEK 690,000 (670,000) to each of the remaining members. For committee work, the following fees are proposed: SEK 400,000 (390,000) to each member of the credit committee, SEK 140,000 (135,000) to each member of the remuneration committee, SEK 400,000 (390,000) to each member and 450,000 (390,000) to the chairperson of the risk committee, and SEK 400,000 (390,000) to each member and SEK 500,000 (470,000) to the chairperson 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 re-election of the following members of the Board: Mr Jon Fredrik Baksaas, Mr Hans Biörck, Mr Pär Boman, Ms Kerstin Hessius, Mr Jan-Erik Höög, Mr Ole Johansson, Ms Lise Kaae, Mr Fredrik Lundberg, Ms Bente Rathe and Ms Charlotte Skog. The nomination committee proposes the election of Ms Carina Åkerström.

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 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 2020. 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 5 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 2018 at the latest. No proposals regarding Board members have been received. One proposal to the chairman of the meeting was submitted to the Handelsbanken Board, and was forwarded to the nomination committee. However, the proposal has since been withdrawn by the proposer.

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 in late 2018 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. 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 policy for promoting diversity within 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. In this context, the nomination committee has also discussed succession planning for the Handelsbanken Board. In addition, the nomination committee has studied Handelsbanken's policy regarding suitability assessment of Board members.

The Board of Handelsbanken has appointed Ms Carina Åkerström as the new President and Group Chief Executive. Carina Åkerström takes up her position at the AGM on 27 March 2019, when she succeeds the current President and Group Chief Executive, Anders Bouvin.

Carina Åkerström holds a Bachelor of Laws degree from the University of Lund. Carina Åkerström has been employed at Handelsbanken since 1986 and has held a number of positions at the Bank. In 2008, she was appointed Executive Vice President and since 2016 has also had the role of Deputy Group Chief Executive. Carina Åkerström is a board member of Stockholmsmässan AB and Mässfastigheter i Stockholm AB. The companies are jointly held by the municipality of Stockholm and the Stockholm Chamber of Commerce. She will discontinue her board commitments in the companies as soon as is practically possible.

Overall, the proposed Board has extensive experience of granting credit, property finance, financial and industrial operations, and the capital market. The proposed Board comprises 5 women and 6 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 proposed members 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. The proposed members are also deemed to have integrity and independence of mind. 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 nomination committee's proposal fulfils this requirement. The nomination committee has also considered whether long periods of service by Board members who are independent under the Swedish Corporate Governance Code could affect the independence of these members. The nomination committee's assessment is that this is not the case. The members' independence under the Swedish Corporate Governance Code is set out in the presentation below.

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 members of the Board

Pär Boman, Chairman

Engineering and Business/Economics degree
Nationality: Swedish
Born in 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

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

100,000 shares and 25,077 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,
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

61,775,000 shares

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

Jon Fredrik Baksas

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 and Statnett SF

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 shares

Independent of the Bank, its management and major shareholders

Hans Biörck

Graduate in Economics/Business Administration
Born 1951
Member since 2018

Position and other assignments

Chairman, Skanska AB and Trelleborg AB

Background

2001-2011 Skanska, Deputy CEO and CFO
1998-2001 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

5,000 shares

Independent of the Bank, its management and major shareholders

Kerstin Hessius

Graduate in Economics/Business Administration
Nationality: Swedish
Born in 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

28,855 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 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

93,545 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)

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, Forenade 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
Member, Financial Sector Union of Sweden and the Oktogonen Foundation.

Background

Various positions at Handelsbanken Employed since 1989

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

716 shares and 27,847 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)

Carina Åkerström

Bachelor of Laws
Nationality: Swedish
Born 1962
Proposed as new Board member

Position and other assignments

New President and Group Chief Executive of Svenska Handelsbanken AB
Board member, Mässfastigheter Stockholm AB
Board member, Stockholmsmässan AB (Stockholmsmässan
and Mässfastigheter i Stockholm are parts of the same Group)

Background

Various positions at Handelsbanken
2016 Deputy Group Chief Executive of Handelsbanken
2010 – 2019 Head of Regional Bank Stockholm
2008 – 2010 Head of Regional Bank Eastern Sweden
2008 Executive Vice President
Employed by Handelsbanken since 1986

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

28,820 shares indirectly via the Oktogonen profit-sharing foundation
Nominal value SEK 5,617,510 in Handelsbanken's 2014 convertible bond

Not independent of the Bank and its management (employee)
Independent of major shareholders