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SVENSKA HANDELSBANKEN AB

Proposals from the nomination committee (2024) and a report on its work

Proposals from the nomination committee

The nomination committee has consisted of Ms Helena Stjernholm (Industrivärden), chair, Ms Maria Sjöstedt (Oktogonen Foundation), Mr Claes Boustedt (Lundberg ownership group), Mr Anders Algotsson (AFA Försäkring) and the Chairman of the Board Mr Pär Boman. The decisions to present the following proposals have been taken unanimously.

Election of the chair of the meeting

The nomination committee proposes that Mr Patrik Marcellius be elected chair 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 to appoint nine Board members. In addition, it is noted that employee representatives have been appointed to the Board.

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 by the nomination committee as follows: SEK 3,900,000 (3,750,000), to the chair, SEK 1,110,000 (1,070,000) to the deputy chair, and SEK 795,000 (765,000) to each of the remaining members. For committee work, the following fees are proposed: SEK 140,000 (140,000) to each member and 140,000 (140,000) to the chair of the remuneration committee, SEK 475,000 (450,000) to each member and SEK 540,000 (510,000) to the chair of the credit committee, SEK 450,000 (450,000) to each member and SEK 510,000 (510,000) to the chair of the UK committee, SEK 475,000 (450,000) to each member and 600,000 (560,000) to the chair of the risk committee, and SEK 475,000 (450,000) to each member and SEK 600,000 (560,000) 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 re-election of the following members of the Board: Mr Jon Fredrik Baksaas, Ms Hélène Barnekow, Ms Stina Bergfors, Mr Hans Biörck, Mr Pär Boman, Ms Kerstin Hessius, Mr Fredrik Lundberg and Mr Ulf Riese. The nomination committee proposes new election of Ms Louise Lindh. Ms Arja Taaveniku has declined re-election.

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 individuals proposed, please see the attached information.

Election of auditors

The nomination committee proposes that the meeting re-elect PricewaterhouseCoopers AB and Deloitte AB as auditors for the period until the end of the annual general meeting to be held in 2025. Should these two auditing companies be elected, they have informed that they will appoint as auditors in charge Mr Magnus Svensson Henryson (authorised public accountant) for PricewaterhouseCoopers AB and Ms Malin Luning (authorised public accountant) for Deloitte AB.

Mandate of the nomination committee

The 2022 annual general meeting resolved on the following instructions for the work of the nomination committee and on the procedure for appointing a nomination committee for the annual general meeting in 2023 and subsequent annual general meetings. The resolution remains in force until changed by a future general meeting.

In advance of the AGM, the nomination committee must evaluate the work of the Board and submit proposals for:

- the chair of the AGM
- the Chairman and other members of the Board
- fees to the Chairman and other members, and remuneration for committee work
- election of auditors
- fees to auditors

Shareholders may submit proposals to the nomination committee. In order to be processed with due care, such proposals must reach the nomination committee by 31 December of the year before the annual general meeting is held.

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 recorded in the register of shareholders/shareholder groups held by Euroclear Sweden AB on 31 August the year before the annual general meeting is held (the "Largest Shareholders"); one of the members is to 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 with the task of contacting the Largest Shareholders. These will each appoint one representative who, together with the Chairman, will constitute the nomination committee for the period until a new nomination committee is appointed by mandate from the next annual general meeting. The composition of the nomination committee for the nomination of Board members shall be announced on the Bank's website no later than six months before the annual general meeting where election is to be conducted.

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

Should it become known that a shareholder represented on the nomination committee ceases to be one of the Largest Shareholders as a result of changes in the share holdings of the said shareholder or of 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 shall be entitled to appoint their own 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 their position with the shareholder, the shareholder shall be 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 shall be entitled 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 2023 and subsequent annual general meetings shall apply until it is amended by a future shareholders' meeting.

Report on the work of the nomination committee and explanation

The nomination committee met on 6 occasions.

It has been stated on the Bank's website under the heading "Nomination Committee" 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 2023 at the latest.

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 the summer and fall of 2023 and has interviewed the 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 executive 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 requirements of the Swedish Corporate Governance Code that the Board shall have an appropriate composition characterised by diversity and breadth in terms of the Board members' competence, experience and background, and to strive for 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, educational and professional background, etc. 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.

Proposed new Board member

Ms Louise Lindh holds a M. Sc. in Economics from the Stockholm School of Economics. She is a board member of, among others, L E Lundbergföretagen AB, Hufvudstaden AB, and Holmen AB, and chair of the board of Fastighets AB L E Lundberg. Ms Louise Lindh has been President and CEO of Fastighets AB L E Lundberg since 2017, a position she held until February 2024 when she instead took office as chair of the board of the company. Before Ms Louise Lindh became the President and CEO of Fastighets AB L E Lundberg, she held various management positions within the company, such as Executive Vice President and Regional Manager. She is also a board member of the Swedish Corporate Governance Board and the Research Institute of Industrial Economics.

For a detailed presentation, please refer to the attached information.

The overall expertise of the Board

It is proposed that the 2024 annual general meeting elect nine board members – four women and five 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. Overall, the proposed Board has extensive experience of banking and finance, real estate, industrial and consumer-related operations, digitalisation and the capital market. 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.

Fees to Board members

Given the amount of work and the responsibility that rests upon the Board members, the nomination committee considers it justified to raise both the Board fees and the committee fees. To be able to attract competent individuals to the Bank's Board and retain them, the fees should be on market terms and be in proportion to the responsibility and the work that is required of a Board member.

Election of auditors

Handelsbanken's nomination committee has the task of submitting 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 PricewaterhouseCoopers AB and Deloitte AB. 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
Deputy Chairman of AB Industrivärden
Board member Skanska AB

Background

2006 – 2015 President and CEO, Handelsbanken

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

115,000 class A shares and 32,482 class A shares indirectly via the Oktogonen profit-sharing foundation

Independent of the Bank and its management

Not independent of major shareholders (Deputy Chairman of AB Industrivärden)

Fredrik Lundberg, Vice Chairman

Graduate Engineer and Graduate in Economics/Business Administration
Dr.h.c. mult.
Nationality: Swedish
Born in: 1951
Member since 2002

Position and other assignments

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

82,275,000 class A 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

Born in: 1954

Member since 2003

Position and other assignments

Chairman of DNV

Board member Telefonaktiebolaget LM Ericsson and Scale Leap Capital AS

Background

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

2002 – 2015 Telenor Group, President and CEO

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 class A shares

Independent of the Bank, its management and major shareholders

Hélène Barnekow

Graduate in Economics/Business Administration

Nationality: Swedish

Born in: 1964

Member since 2022

Position and other assignments

Chairman Mindler AB

Board member GN Store Nord and Voyado

Background

2018 – 2022 CEO, Microsoft Sweden

2014 – 2018 CEO and other executive management roles, Telia Sweden

2009 – 2014 Various market leader roles within the EMC Corporation (UK and USA)

2001 – 2009 Various market leader roles, etc. within Sony Ericsson Mobile Communications (USA, UK, Sweden)

1999 – 2001 Market leader, Novo Nordisk (Denmark)

1995 – 1999 Various managerial roles, Ericsson

1993 – 1995 Market leader, Microsoft Corporation (Malta)

1991 – 1993 Project manager/consultant at the DLF Sweden trade association

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

1,000 class A shares

Independent of the Bank, its management and major shareholders

Stina Bergfors

Graduate in Economics/Business Administration
Honorary Doctor of Philosophy
Nationality: Swedish
Born in: 1972
Member since 2021

Position and other assignments

Board member H&M Hennes & Mauritz and Tele2

Background

2013 – 2018 Co-founder, CEO and other roles, United Screens
2008 – 2013 Country Director, Google and YouTube
2004 – 2007 CEO and other roles, Carat
2000 – 2004 Director and other roles, OMD Worldwide
1999 – 1999 Account Manager, TV3 Sweden, Modern Times Group

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

0 shares

Independent of the Bank, its management and major shareholders

Hans Biörck

Graduate in Economics/Business Administration
Nationality: Swedish
Born in: 1951
Member since 2018

Position and other assignments

Chairman Skanska AB

Background

2001 – 2011 Skanska, Executive Vice President and CFO
1998 – 2001 Autoliv, CFO
1997 – 1998 Self-employed
1977 – 1997 Various positions within Esselte

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

7,000 class A 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

Chairman Hemsö Fastighets AB
Board member Lumera AB and Monterro Fund Management AB

Background

2004 – 2022 AP3, the Third Swedish National Pension Fund, CEO
2001 – 2004 Stockholmsbörsen (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 (Swedish central bank)
1984 – 1985 Swedish Agency for Public Management

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

47,213 class A shares

Independent of the Bank, its management and major shareholders

Louise Lindh

M. Sc. in Economics
Nationality: Swedish
Born in: 1979
Proposed new member

Position and other assignments

Chairman J2L Holding and Fastighets AB LE Lundberg
Board member LE Lundbergföretagen AB, Hufvudstaden AB and Holmen AB

Background

2017 – 2024 President and CEO, Fastighets AB L E Lundberg
2005 – 2017 Various positions, including assistant to the CEO, Executive Vice President and Regional Manager, Fastighets AB L E Lundberg
2003 – 2005 Assistant Auditor, KPMG

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

2,706,000 class A shares

Independent of the Bank, its management and major shareholders

Ulf Riese

Graduate in Economics/Business Administration

Nationality: Swedish

Born in: 1959

Member since 2020

Position and other assignments

No other positions or assignments

Background

Various positions at Handelsbanken

2016 – 2018 Senior advisor

2007 – 2016 CFO Handelsbanken

2004 – 2007 Head of Handelsbanken Asset Management

2004 – 2018 Executive Vice President, Handelsbanken

Employed by Handelsbanken since 1983

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

180,000 class A shares

Independent of the Bank, its management and major shareholders