

# SVENSKA HANDELSBANKEN AB

## ***Proposal from the nomination committee (2013) and a report on its work***

The nomination committee has consisted of Mr Carl-Olof By (Industrivärden), chairman, Mr Henrik Forssén (Oktogonen Foundation), Mr Mats Guldbrand (Lundberg ownership group), Mr Bo Selling (Alecta),<sup>1</sup> and Mr Hans Larsson, Chairman of the Board of Handelsbanken.

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

The nomination committee proposes that Mr Sven Unger be elected chairman of the annual general meeting (AGM).

### **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 (previously twelve) 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: unchanged SEK 3,150,000 (3,150,000) to the Chairman, SEK 875,000 (850,000) to Vice Chairman, and SEK 600,000 (575,000) to each of the remaining members. For committee work, the following fees are proposed: SEK 325,000 (300,000) to each member of the credit committee, unchanged SEK 125,000 (125,000) to each member of the remuneration committee, unchanged SEK 200,000 (200,000) to the chairman of the audit committee, and unchanged SEK 150,000 (150,000) to the remaining members of the audit committee.

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 Hans Larsson who has declined re-election.

The nomination committee also proposes that the current Vice Chairman of the Board, Mr Anders Nyrén, be elected as Chairman.

The proposed composition of the Board fulfils the requirements of the Swedish Corporate Governance Code with regard to the majority of the members being independent of the company and the company’s management (8 out of 11), and also with regard to at least two of the independent members also being independent of major owners (5 out of 8).

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<sup>1</sup>As at 31 August 2012, AMF – Insurance and funds, was the fourth largest shareholder in Handelsbanken. AMF has declined to participate on the nomination committee and Alecta has therefore taken its place.

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 KPMG AB and Ernst & Young AB as auditors for the period until the end of the AGM to be held in 2014. These two auditing companies have announced that, should they be elected, they will appoint the same auditors to be auditors in charge as in 2012: Mr Stefan Holmström (authorised public accountant) will be appointed as auditor in charge for KPMG AB, while Mr Erik Åström (authorised public accountant) will be appointed as auditor in charge for Ernst & Young AB.

### **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; one of these members is to chair the committee. 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 annual 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 ownership structure, 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.

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

The nomination committee has held 6 meetings.

It has been stated on the Bank's website under the heading "Annual General Meeting", that shareholders may submit proposals to the nomination committee by 31 December 2012 at the latest. No proposals have been received.

#### *Assessment of the Board and proposal for re-election and election of new Chairman*

The Chairman of the Board, Mr Hans Larsson, has reported on the assessment of the work of the Board carried out during the second half of 2012. The nomination committee has also had a meeting with an additional Board member and the Bank's Group Chief Executive, in order to obtain further information regarding the work of the Board. In the opinion of the nomination committee, the work of the Board is functioning well.

Since the Chairman of the Board, Mr Hans Larsson has declined re-election, the nomination committee has had to consider whether a new member should be elected. The nomination committee considers that eleven members (previously twelve) is satisfactory for the coming year. Eleven members are sufficient for the Board to perform its tasks, including the tasks which are the responsibility of the Board's remuneration committee, audit committee and credit committee.

The nomination committee proposes Mr Anders Nyrén as the new Chairman to succeed Mr Hans Larsson. Anders Nyrén is President and Group Chief Executive of AB Industrivärden which is one of Handelsbanken's main owners. Mr Nyrén has been a member of Handelsbanken's Board since 2001 and has extensive experience of board work from a large number of listed companies.

The persons proposed for re-election are presented below. In the opinion of the nomination committee, the composition of the proposed Board, given the Bank's operations, stage of development and other circumstances, will be appropriate, with the requisite breadth and versatility in terms of background, expertise and experience. In its work, the nomination committee has considered and discussed the matter of diversity including gender distribution on the Board.

Among the nominated persons, Mr Tommy Bylund and Ms Charlotte Skog represent the Oktogonen Foundation, in which context it may be noted that there are no separate employee representatives on the Bank's Board.

### *Board fees*

The nomination committee proposes raising the fees to the Board members, with the exception of the Chairman of the Board, as well as to the members of the credit committee. The fees for remuneration and audit committee work are proposed to remain unchanged. Since the number of members of the Board is proposed to decline, the combined Board fee will also decline according to the proposal.

## **Board members**

### **Anders Nyrén, Vice Chairman and proposed Chairman**

Graduate in Business Administration and MBA  
President and CEO of AB Industrivärden  
Bromma  
Nationality: Swedish  
Born in 1954  
Member since 2001  
Member of the Board's credit committee

### **Other assignments**

Chairman of Sandvik AB  
Board member, Telefonaktiebolaget L M Ericsson, Ernströmgruppen AB, AB Industrivärden, Svenska Cellulosa AB SCA, SSAB AB, AB Volvo  
Board member, Stockholm School of Economics and the Stockholm School of Economics Association

### **Background**

1997-2001 Skanska, Deputy CEO, CFO  
1996-1997 Nordbanken, Director with responsibility for Markets and Corporate Finance  
1992-1996 Securum, Deputy CEO, CFO  
1987-1992 OM International AB, CEO  
1986-1987 STC Venture AB, CEO  
1982-1987 STC, Deputy CEO, CFO  
1979-1982 AB Wilhelm Becker, Director

### **Own shareholdings and those of immediate family**

2,000

Independent of the Bank and its management

Not independent of major shareholders (President and CEO of AB Industrivärden)

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

Graduate Engineer and Graduate in Business Administration  
Honorary Doctor of Economics and Honorary Doctor of Engineering  
President and CEO of L E Lundbergföretagen AB  
Djursholm  
Nationality: Swedish  
Born in 1951  
Member since 2002  
Member of the Board's credit committee

### **Other assignments**

Chairman of Holmen AB, Hufvudstaden AB  
Board member, L E Lundbergföretagen AB, AB Industrivärden, Sandvik AB, Skanska AB

### **Background**

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

**Own shareholdings and those of immediate family**

2,525,000

Independent of the Bank and its management

Not independent of major shareholders (Board member, AB Industrivärden)

**Jon Fredrik Baksaas**

Graduate in Business Administration and MBA

President and CEO of Telenor ASA

Sandvika, Norway

Nationality: Norwegian

Born in 1954

Member since 2003

**Other assignments**

Vice Chairman GSMA

Board member Det norske Veritas (council), Doorstep AS, VimpelCom Ltd

**Background**

1994-2002 Telenor ASA, Chief Financial Officer/Executive Vice President/Senior Executive Vice President

1997-1998 Telenor Bedrift AS, Managing Director

1989-1994 TBK AS, Chief Finance Officer/Chief Executive Officer

1988-1989 Aker AS, Chief Finance Director

1985-1988 Stolt Nielsen Seaway AS, Oslo and Haugesund, Chief Finance Director

1979-1985 Det Norske Veritas, System consultant/Controller/Contract Co-ordinator

**Own shareholdings and those of immediate family**

0

Independent of the Bank, its management and major shareholders

**Pär Boman**

Engineering and Business/Economics degree

President and Group Chief Executive of Handelsbanken

Stockholm

Nationality: Swedish

Born in 1961

Member since 2006

Member of the Board's credit committee

**Other assignments**

Board member Svenska Cellulosa AB SCA, Swedish Bankers' Association

**Background**

2002-2005 Executive Vice President, Head of Handelsbanken Markets

1998-2002 Executive Vice President, Head of Regional Bank Denmark, Handelsbanken

Employed by Handelsbanken since 1991

**Holdings of shares and financial instruments, own and those of immediate family**

7,620 shares of which 5,370 held indirectly via the Oktogonen profit-sharing foundation

Nominal value SEK 5,638,000 in Handelsbanken's 2008 convertible bond and SEK 8,318,142 in

Handelsbanken's 2011 convertible bond

Not independent (President and Group Chief Executive)

**Tommy Bylund**

Upper Secondary School

Bank Vice President

Ljusdal

Nationality: Swedish

Born in 1959

Member since 2000

Member of the Board's credit committee

**Other assignments**

Chairman of the Oktogonen Foundation  
Member of Ljusdal municipality's economic foundation (Närlijus)

**Background**

Employed by Handelsbanken since 1980  
Branch manager at Handelsbanken since 1992

**Holdings of shares and financial instruments, own and those of immediate family**

17,399 shares indirectly via the Oktogonen profit-sharing foundation  
Nominal value SEK 454,500 in Handelsbanken's 2008 convertible bond and SEK 1,131,799 in Handelsbanken's 2011 convertible bond

Not independent (employee)

**Lone Fønss Schrøder**

Graduate in Business Administration and Bachelor of Laws  
Director  
Copenhagen, Denmark  
Nationality: Danish  
Born in 1960  
Member since 2009  
Member of the Board's credit committee  
Member of the Board's audit committee

**Other assignments**

Board member, Vattenfall (audit committee), Aker ASA (audit committee), Aker Solutions ASA, NKT A/S, Volvo Personvagnar AB (chair audit committee)  
Partner in Norfalck AS

**Background**

2005-2010 CEO Walleniusrederierna AB  
1982-2004 Leading managerial positions within AP Møller/Maersk A/S

**Own shareholdings and those of immediate family**

0

Independent of the Bank, its management and major shareholders

**Jan Johansson**

Bachelor of Laws  
President and CEO of Svenska Cellulosa AB SCA  
Stockholm  
Nationality: Swedish  
Born in 1954  
Member since 2009  
Member of the Board's remuneration committee  
Deputy member of the Board's credit committee

**Other assignments**

Board member SSAB AB, Svenska Cellulosa AB SCA

**Background**

2001-2007 President and CEO Boliden AB  
2001 Head of network operations, Telia AB  
1994-2001 Deputy CEO Vattenfall  
1990-1994 Head of Division at Svenska Shell  
1985-1990 Corporate lawyer within Shell  
1984-1985 Trainee lawyer  
1981-1983 District court clerk

**Own shareholdings and those of immediate family**

5,000

Independent of the Bank, its management and major shareholders

#### **Ole Johansson**

Diploma in Economics and Business Administration  
Director  
Grankulla, Finland  
Nationality: Finnish  
Born in 1951  
Member since 2012

#### **Other assignments**

Chairman of Outokumpu Oyj, EQ Oyj Abp  
Board member of East Office of Finnish Industries

#### **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 shareholdings and those of immediate family**

5,100

Independent of the Bank, its management and major shareholders

#### **Sverker Martin-Löf**

Lic. Tech  
Ph D (h.c.)  
Director  
Stockholm  
Nationality: Swedish  
Born in 1943  
Member since 2002  
Chairman of the Board's audit committee  
Member of the Board's credit committee

#### **Other assignments**

Chairman of AB Industrivärden, Svenska Cellulosa AB SCA, SSAB AB  
Vice chairman of Telefonaktiebolaget LM Ericsson  
Board member Skanska AB

#### **Background**

1977-2002 Active at Svenska Cellulosa AB SCA in various management positions

#### **Own shareholdings and those of immediate family**

4,000

Independent of the Bank and its management

Not independent of major shareholders (Board member, AB Industrivärden)

#### **Bente Rathe**

Graduate in Business Administration and MBA  
Director  
Trondheim, Norway  
Nationality: Norwegian  
Born in 1954  
Member since 2004  
Member of the Board's credit committee  
Member of the Board's remuneration committee

#### **Other assignments**

Chair, Ecohz AS, Cenium AS, Hovedhuset AS and its subsidiary Eplehuset AS  
Vice Chair, Powel AS  
Board member, Polaris Media ASA, Nordic Choice Hospitality Group AS, Home Invest AS, Aker Kvaerner Holding AS, Ethics Committee for Norwegian Government Pension Fund Global

**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 shareholdings and those of immediate family**

1,330

Independent of the Bank, its management and major shareholders

**Charlotte Skog**

Economics Programme at upper secondary school  
Bank employee  
Österskär  
Nationality: Swedish  
Born in 1964  
Member since 2012  
Deputy member of the Board's credit committee

**Other assignments**

Vice Chair of the Financial Sector Union Club at Handelsbanken  
Board member of the Oktogonen Foundation, the Financial Sector Union

**Background**

Employed by Handelsbanken since 1989

**Holdings of shares and financial instruments, own and those of immediate family**

5,777 shares indirectly via the Oktogonen profit-sharing foundation  
Nominal value SEK 226,000 in Handelsbanken's 2008 convertible bond and SEK 242,722 in Handelsbanken's 2011 convertible bond

Not independent (employee)