

# SVENSKA HANDELSBANKEN AB

## ***Proposal from the nomination committee (2015) and a report on its work***

The nomination committee has consisted of Mr Anders Nyberg (Industrivärden), chairman, Mr Jan-Erik Höög (Oktogonen Foundation), Mr Mats Guldbrand (Lundberg ownership group), Mr Bo Selling (Alecta)<sup>1</sup> and the Chairman of the Board Mr Anders Nyrén.

### **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 ten 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 3,150,000 (unchanged) to the Chairman, SEK 900,000 (unchanged) to vice chairmen and SEK 640,000 (625,000) to each of the remaining members. For committee work, the following fees are proposed: SEK 335,000 (325,000) to each member of the credit committee, SEK 130,000 (125,000) to each member of the remuneration committee, SEK 335,000 (250,000) to each member of the risk committee and SEK 150,000 (unchanged) to each member of the audit committee and SEK 200,000 (unchanged) 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 all Board members with the exception of Mr Sverker Martin-Löf and Mr Jan Johansson, who have declined re-election. The nomination committee proposes that the meeting elect Ms Lise Kaae and Mr Frank Vang-Jensen as new Board members.

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

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

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<sup>1</sup>As at 29 August 2014, 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.

### **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 annual general meeting to be held in 2016. These two auditing companies have announced that, should they be elected, they will appoint Mr George Pettersson (authorised public accountant) as auditor in charge for KPMG AB, while Mr Jesper Nilsson (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, 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***

The nomination committee has met on seven 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 by 31 December 2014 at the latest.

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

In recruiting Lise Kaae, the nomination committee has collaborated with an external recruitment company with the main purpose of finding a person with in-depth expertise and long experience in finance, commerce and e-commerce, and also with international experience. In its work, the nomination committee has also paid regard to a proposal concerning the composition of the Board that has been submitted by a Handelsbanken shareholder. In the recruitment process, efforts have also been made to take a broad approach and in particular to take account of the opportunity of finding female candidates. To this end, the nomination committee has considered both female and male candidates with the clear goal of finding the most competent candidate with the most adequate experience. The committee's nomination of Lise Kaae is made against the above background.

Lise Kaae has worked as CFO of the Danish company Bestseller A/S since 2008. In addition to the normal tasks of a CFO, her area of responsibility includes mergers and acquisitions, e-commerce, and other senior management functions, as well as legal affairs and compliance. Before taking up this position, Ms Kaae was an auditor at PwC in Denmark for 16 years, the last five of which she was a partner. She has a degree in Business Administration and Accounting from the Aarhus School of Business. Since 2014, Lise Kaae has been a member of the Board of the Danish Financial Supervisory Authority – a position she will, however, be vacating if she is elected as a member of the Handelsbanken Board. She is also a member of the board of for example Normal A/S and Whiteway A/S, and some companies which are partly or wholly owned by Bestseller.

According to the Swedish Code of Corporate Governance, in the event of a proposal of a previous chief executive being elected as chairman of the board, a special justification is required. Anders Nyrén has informed the nomination committee that he will not be available for re-election as Chairman of the Handelsbanken Board, as he is expected to be proposed as Chairman of Industrivärden. In this regard, Industrivärden's representative on the nomination committee has expressed the wish of Industrivärden and its main owners that Pär Boman should replace Anders Nyrén as Chairman of Handelsbanken. The nomination committee considers that Pär Boman's considerable experience of the Bank's operations, as well as

board work, makes him very well suited to be Chairman of Handelsbanken. It can be noted that Pär Boman will continue to be employed by the Bank but he will not be a member of Handelsbanken's senior management.

Frank Vang-Jensen will succeed Pär Boman as Group Chief Executive of Handelsbanken, and is therefore also proposed as a board member. Frank Vang-Jensen will assume the position of Group Chief Executive in conjunction with the Handelsbanken annual general meeting.

Frank Vang-Jensen is 47 years old and has worked for Handelsbanken since 1998. Until the annual general meeting 2015 Frank Vang-Jensen is Head of Handelsbanken Sweden. His previous positions include being Manager of Handelsbanken's Copenhagen City branch, Chief Executive of Stadshypotek, and Head of Handelsbanken Denmark.

The Chairman of the Board, Mr Anders Nyrén, has reported on the assessment of the work of the Board carried out during autumn 2014. In the opinion of the nomination committee, the work of the Board is functioning very well. In evaluating the Board assessment and the proposed Board, the nomination committee has made assessments in terms of both diversity and gender distribution. The nomination committee has considered and discussed the matter of age, geographical origin, and professional and educational background. In this respect, the nomination committee has found that the members proposed for re-election and election have the requisite breadth and versatility in terms of expertise, experience and background to understand the Bank's operations, including the risks.

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, with the requisite breadth and versatility in terms of the members' expertise and experience. In addition, it is the opinion of the nomination committee that the proposed Board members will be able to constructively and effectively examine the Bank's operations. 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 the Board assignment.

The nomination committee has aimed to increase the number of Board members to eleven. However, as both Mr Sverker Martin-Löf and Mr Jan Johansson have declined re-election at a late stage, this aim has not been possible to achieve for the 2015 annual general meeting.

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

#### *Independence of the Board*

Two members of the Board have declined re-election at such a late stage that there was not sufficient time to take the requisite action to recruit an additional new member ahead of the 2015 annual general meeting; this means that a majority of the proposed members are not independent of the Bank and its management. Therefore, the proposed Board does not fulfil the requirement of the Swedish Code of Corporate Governance in this respect. However, the proposed Board does fulfil the requirement that at least two of the members who are independent of the Bank and its management are also independent of the Bank's major shareholders.

## Proposed Board members

### **Pär Boman, Chairman**

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

### **Other assignments**

Board member of Svenska Cellulosa AB SCA, AB Industrivärden  
Proposed as Chairman of the Board of Svenska Cellulosa AB SCA  
and as member of the Board of Skanska AB

### **Background**

2006-2015 CEO, 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 immediate family**

13,835 shares of which 6,335 held indirectly via the Oktogonen profit-sharing foundation

Not independent (employee and ex-CEO)

### **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  
Year of birth: 1951  
Member since 2002

### **Other assignments**

Chairman of Holmen AB, Hufvudstaden AB, Indutrade AB  
Board member of L E Lundbergföretagen AB, AB Industrivärden, Skanska AB  
Proposed as Vice Chairman of AB Industrivärden

### **Background**

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

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

2,525,000 and 12,500,000 via L E Lundbergföretagen AB

Independent of the Bank and its management

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

### **Jon Fredrik Baksaa**

Graduate in Business Administration and MBA  
President and CEO of Telenor ASA  
Sandvika, Norway  
Nationality: Norwegian  
Year of birth: 1954  
Member since 2003

### **Other assignments**

Chairman of GSM Association  
Board member of Doorstep AS  
Member of Det Norske Veritas (Council)

### **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**

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Independent of the Bank, its management and major shareholders

**Tommy Bylund**

Upper Secondary School  
Bank Vice President  
Ljusdal  
Nationality: Swedish  
Year of birth: 1959  
Member since 2000

**Other assignments**

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

**Background**

Employed by Handelsbanken since 1980  
Branch manager at Handelsbanken since 1992

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

19,492 shares indirectly via the Oktogonen profit-sharing foundation  
Nominal value SEK 1,131,799 in Handelsbanken's 2011 convertible bond and SEK 1,188,742 in Handelsbanken's 2014 convertible bond

Not independent (employee)

**Ole Johansson**

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

**Other assignments**

Chairman of EQ Oyj Abp, Aker Arctic Technology Inc.  
Vice Chairman of Hartwall Capital Oy Ab

**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**

13,435

Independent of the Bank, its management and major shareholders

**Lise Kaae**

Authorised Public Accountant  
CFO BESTSELLER A/S  
Vejle, Denmark  
Nationality: Danish  
Year of birth: 1969  
Proposed as new Board member

**Other assignments**

Board member of Normal A/S, Whiteway A/S, J.Lindeberg AB and various companies within the BESTSELLER Group. Lise Kaae will ahead of the annual general meeting take the necessary steps to ensure compliance with the regulations regarding the maximum number of board assignments allowed  
Board member of the Danish Financial Supervisory Authority (vacating if elected)

**Background**

1992-2008 PricewaterhouseCoopers

**Own holdings of shares and financial instruments, and those of immediate family**

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Independent of the Bank, its management and major shareholders

**Anders Nyrén**

Graduate in Business Administration and MBA  
Honorary Doctor of Economics  
President and CEO of AB Industrivärden  
Bromma  
Nationality: Swedish  
Year of birth: 1954  
Member since 2001

**Other assignments**

Chairman of Sandvik AB  
Board member of Stockholm School of Economics and Stockholm School of Economics Association, AB Industrivärden, Svenska Cellulosa AB SCA, AB Volvo  
Vice preses of Swedish Academy of Engineering Sciences (IVA)  
Proposed as Chairman of AB Industrivärden

**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

Not independent

**Bente Rathe**

Graduate in Business Administration and MBA  
Director  
Trondheim, Norway  
Nationality: Norwegian  
Year of birth: 1954  
Member since 2004

**Other assignments**

Chair of Ecohz AS and Cenium AS (both companies are subsidiaries of Home Invest AS)  
Board member of Polaris Media ASA, Home Invest AS and its subsidiary Nordic Choice Hospitality Group AS, Aker Kvaerner Holding 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, 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

**Other assignments**

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

Deputy board member of Finansliv Sverige AB

**Background**

Employed by Handelsbanken since 1989

**Own holdings of shares and financial instruments, and those of immediate family**

6,781 shares indirectly via the Oktogonen profit-sharing foundation

Nominal value SEK 242,722 in Handelsbanken's 2011 convertible bond and SEK 251,744 in Handelsbanken's 2014 convertible bond

Not independent (employee)

**Frank Vang-Jensen**

HD Financing and Credit, Copenhagen Business School

HD Organisation & Management, Copenhagen Business School

Management Program INSEAD

President and CEO Elect of Handelsbanken

Stockholm

Nationality: Danish

Year of birth: 1967

Proposed as new Board member

**Other assignments**

None if elected

**Background**

2014-2015 Executive Vice President, Head of Handelsbanken Sweden

2007-2014 Executive Vice President, Head of Handelsbanken Denmark

2006-2007 CEO of Stadshypotek AB

Employed by Handelsbanken since 1998

**Own holdings of shares and financial instruments, and those of immediate family**

1,780 shares of which 1,780 held indirectly via the Oktogonen profit-sharing foundation

Nominal value SEK 4,000,000 in Handelsbanken's 2011 convertible bond and SEK 5,000,000 in Handelsbanken's 2014 convertible bond

Not independent (employee and CEO Elect)