

# **SVENSKA HANDELSBANKEN AB**

## ***Proposal from the nomination committee (2016) and a report on its work***

The nomination committee has consisted of Ms Helena Stjernholm (Industrivärden), chair, Mr Jan-Erik Höög (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**

Unchanged fees are proposed as follows: SEK 3,150,000 (3,150,000) to the Chairman, SEK 900,000 (900,000) to the vice chairman and SEK 640,000 (640,000) to each of the remaining members. For committee work, the following unchanged fees are proposed: SEK 335,000 (335,000) to each member of the credit committee, SEK 130,000 (130,000) to each member of the remuneration committee, SEK 335,000 (335,000) to each member of the risk committee. In view of future regulatory changes and increased workload, an increased fee of SEK 285,000 (150,000) is proposed for each member of the audit committee and SEK 335,000 (200,000) to the chairman of the audit committee. If, due to US regulations, Handelsbanken is obliged to form a separate risk committee for its US operations, the nomination committee proposes a fee of SEK 250,000 for each member of that 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. The nomination committee proposes that the meeting elect Karin Apelman and Kerstin Hessius as new members.

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 KPMG AB and Ernst & Young AB as auditors for the period until the end of the annual general meeting to be held in 2017. These two auditing companies have announced that, should they be elected, they will appoint Mr Anders Bäckström (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 and explanation***

The nomination committee has met on ten 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. In order to be processed with due care, the proposals must have reached the nomination committee by 31 December 2015 at the latest. No proposals have been received.

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

The nomination committee has received a report by the Chairman of the Board on the assessment of the work of the Board carried out during the second half of 2015. 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 through meeting the Bank's management. In its work, the nomination committee has taken into consideration the Board of Handelsbanken's diversity policy, the requirement of the Swedish Corporate Governance Code to aim for diversity, breadth and gender balance on the Board, and also the requirements in the European Banking Authority's (EBA) guidelines regarding suitability assessments of board members.

To achieve a broad selection of candidates with experience from different relevant operations, the nomination committee has worked with an external recruitment company with the aim of finding two people with the requisite experience and knowledge. In the recruitment process, efforts have been made to take a broad approach and in particular to take account of the opportunity to find female candidates. To this end, the nomination committee has considered both female and male candidates with the clear goal of finding the most competent candidates with the most adequate experience. The committee's nomination of Karin Apelman and Kerstin Hessius is made in the light of the above.

Karin Apelman has a degree in Economics/Business Administration from the Stockholm School of Economics and since 2007, has been Director General of EKN, the Swedish Export Credits Guarantee Board, a position she will leave in spring 2016. Previous positions held by Karin Apelman include CFO of LFV Air Navigation Services of Sweden. Karin Apelman has a good reputation and relevant experience through her work where she has acquired knowledge and experience of financing, payment risk, and global financial markets, in terms of both economic and political developments. In addition, Karin Apelman is a member of the boards of Bliwa, Kåpan Pensioner and Swedavia, where she is also chair of the audit committee. Karin Apelman is also a member of the Delegation for Financing at the Swedish Radiation Safety Authority and also holds other assignments. In order not to hold more than the permitted number of assignments, after consultation with the Bank and other principals, Karin Apelman will leave some of her assignments. In the light of this, the assessment of the nomination committee is that Karin Apelman will be able to spend sufficient time on her assignment as a Board member at Handelsbanken. Karin Apelman is independent of the Bank, its management, and major shareholders.

Kerstin Hessius has a degree in Economics/Business Administration from Stockholm University and since 2004 has been CEO of AP3, the Third Swedish National Pension Fund. Previously she was CEO of the Stockholm stock exchange and she has also been Deputy Governor of the Riksbank, the Swedish central bank. Kerstin Hessius has a good reputation and relevant knowledge and experience. Kerstin Hessius is a member of the boards of Björn

Borg AB, Hemsö Fastighets AB and Vasakronan AB, and she also has other assignments. In order not to hold more than the permitted number of assignments, after consultation with the Bank and other principals, Kerstin Hessius will leave some of her assignments. In the light of this, the assessment of the nomination committee is that Kerstin Hessius will be able to spend sufficient time on her assignment as a Board member at Handelsbanken. Kerstin Hessius is independent of the Bank, its management, and major shareholders.

The proposed new Board members will add skills to the Board which will strengthen it and its level of knowledge as a whole. Overall, the proposed Board has extensive experience of banking and also of relevant fields outside the financial sector which will contribute to knowledge of markets and conditions which are important for Handelsbanken's customers.

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. 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 their Board assignments.

## 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  
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**

22,500 shares and 20,795 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 Fastighets AB L E Lundberg, 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**

242,010,037 shares of which 193,985,037 shares are owned by AB Industrivärden

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

### **Karin Apelman**

Graduate in Economics/Business Administration  
Nationality: Swedish  
Year of birth: 1961  
Proposed as new Board member

### **Position and other assignments**

Outgoing Director General of EKN (Swedish Export Credits Guarantee Board)  
Board Member of Bliwa Livförsäkring, ömsesidigt, Kåpan Pensioner, Swedavia AB and the Delegation for Financing at the Swedish Radiation Safety Authority, and other assignments. Ahead of the AGM, Karin Apelman will take the necessary measures to meet the current rules regarding the permitted number of assignments

### **Background**

2001-2007 LFFV Air Navigation Services of Sweden, CFO  
1994-2001 SAAB Aircraft Leasing, Deputy CEO  
1990-1994 SAS, Leasing & Project Finance and Corporate Finance & Assistant Treasurer  
1987-1990 SAAB Aircraft Credit, Vice President

1986-1987 Sven Hagströmer AB, Corporate Finance  
1981-1985 EKN (Swedish Export Credits Guarantee Board)

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

0

Independent of the Bank, its management and major shareholders

**Jon Fredrik Baksaa**

Graduate in Economics/Business Administration and PED from IMD  
Nationality: Norwegian  
Year of birth: 1954  
Member since 2003

**Position and other assignments**

Chairman of GSM Association

**Background**

1989-2015 Held various positions within the Telenor Group. CEO 2002-2015  
1988-1989 Aker AS  
1985-1988 Stolt Nielsen Seaway AS  
1979-1985 Det Norske Veritas

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

0

Independent of the Bank, its management and major shareholders

**Tommy Bylund**

Upper Secondary School  
Nationality: Swedish  
Year of birth: 1959  
Member since 2000

**Position and other assignments**

Vice President and Branch Manager at Handelsbanken  
Chairman of the Oktogonen Foundation  
Member of Ljusdal municipality's economic foundation (Närlijus)

**Background**

Branch manager at Handelsbanken since 1992  
Employed by Handelsbanken since 1980

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

63,209 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 of the Bank and its management (employee)  
Not independent of major shareholders (Chairman of the Oktogonen Foundation)

**Kerstin Hessius**

Graduate in Economics/Business Administration  
Nationality: Swedish  
Year of birth: 1958  
Proposed as new Board member

**Position and other assignments**

CEO AP3, the Third Swedish National Pension Fund  
Board Member of Øresundsbro Konsortiet, Björn Borg AB, Hemsö Fastighets AB, Vasakronan AB, Svedab, Arlandabanan Infrastructure AB and other assignments. Ahead of the AGM, Kerstin Hessius will take the necessary measures to meet the current rules regarding the permitted number of assignments

**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 (Swedish central bank)  
1984-1985 Swedish Agency for Public Management

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

0

Independent of the Bank, its management and major shareholders

**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**

45,955

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**

CFO BESTSELLER A/S  
Board Member of Normal A/S, Whiteway A/S and various companies within the BESTSELLER Group

**Background**

1992-2008 PricewaterhouseCoopers

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

0

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 Home Invest AS)  
Board member of Polaris Media ASA, SalMar ASA, Home Invest AS and its subsidiary Nordic Choice Hospitality Group 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 holdings of shares and financial instruments, and those of closely associated persons**

3,990

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  
Board member of the Oktogonen Foundation, Financial Sector Union of Sweden, Finansliv Sverige AB

**Background**

Employed by Handelsbanken since 1989

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

22,232 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 of the Bank and its management (employee)  
Not independent of major shareholders (Board Member of the Oktogonen Foundation)

**Frank Vang-Jensen**

HD Financing & Credit, HD Organisation & Management  
Nationality: Danish  
Year of birth: 1967  
Member since 2015

**Position and other assignments**

President and Group Chief Executive of Handelsbanken  
No other assignments

**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 closely associated persons**

22,000 shares and 6,530 shares indirectly via the Oktogonen profit-sharing foundation  
Nominal value SEK 5,000,000 in Handelsbanken's 2014 convertible bond

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