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SVENSKA HANDELSBANKEN AB

Proposals from the nomination committee (2020) 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. The decision to make the below proposals has been made unanimously.

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 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 as follows: SEK 3,450,000 (3,400,000) to the Chair, SEK 985,000 (970,000) to the Deputy Chair, and SEK 700,000 (690,000) to each of the remaining members.

For committee work, the following fees are proposed: SEK 410,000 (400,000) to each member of the credit committee, SEK 145,000 (140,000) to each member of the remuneration committee, SEK 410,000 (400,000) to each member and 460,000 (450,000) to the chair of the risk committee, and SEK 410,000 (400,000) to each member and SEK 510,000 (500,000) 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 Baksas, Mr Hans Biörck, Mr Pär Boman, Ms Kerstin Hessius, Ms Lise Kaae, Mr Fredrik Lundberg, and Ms Carina Åkerström. The nomination committee proposes the election of Mr Ulf Riese and Ms Arja Taaveniku. It is noted that Mr Jan-Erik Höög, Mr Ole Johansson, Ms Bente Rathe and Ms Charlotte Skog have 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 persons proposed, 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 2021. 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 7 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 2019 at the latest. No proposals have been received.

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 2019 and has interviewed 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.

Proposed new Board members

Ulf Riese has a Master's Degree in Economics and Business Administration from the Stockholm School of Economics, and has also been educated at New York University and Harvard University. Until 2018, Ulf Riese was a Senior Advisor at Handelsbanken, and from 2007 to 2016 he was the Bank's CFO. Prior to this, Ulf Riese held other senior positions within Handelsbanken.

Arja Taaveniku has an Executive MBA Degree from the Stockholm School of Economics. Arja Taaveniku is a member of the board of Mekonomen AB and has been proposed as a member of the board of Nobia AB. During the period 2015-2019, Arja Taaveniku was the Chief Executive of a subsidiary of, and a member of the senior management team of, Kingfisher plc. From 2012 to 2015, Arja Taaveniku was President and Group Chief Executive of the Ikano Group. Prior to this, Arja Taaveniku held various senior positions within IKEA.

For a more detailed presentation, please see the attached information.

The overall expertise of the Board

The proposed new Board members will add expertise and experience to the Board which will strengthen it and its level of knowledge as a whole. Overall, the proposed Board has extensive experience of granting credit, property finance, financial and industrial operations, and the capital market. It is proposed that the 2020 annual general meeting elect 9 board members – 4 women and 5 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 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. 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 26,045 shares indirectly via the Oktagonen profit-sharing foundation

Independent of the Bank and its management (starting from 25 March 2020)

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 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

67,275,000 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

Year of birth: 1954

Member since 2003

Position and other assignments

Chairman of Statnett SF

Board member, Telefonaktiebolaget LM Ericsson and DnVGL

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

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

Ulf Riese

Graduate in Economics/Business Administration

Nationality: Swedish

Year of birth: 1959

Proposed as new Board member

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

124,100 shares

Not independent of the Bank and its management (former employee)

Independent of major shareholders

Arja Taaveniku

Economist

Nationality: Swedish

Born 1968

Proposed as new Board member

Position and other assignments

Member of the board, Mekonomen AB

Background

2015 – 2019 Chief Offer and Supply Chain Officer, Kingfisher plc, Chief Executive of subsidiary of Kingfisher plc

2012 – 2015 President and Group Chief Executive, Ikano Group

2005 – 2012 Global Business Area Director, IKEA Group

1989 – 2005 Various positions within the IKEA Group

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

0 shares

Independent of the Bank and its management

Independent of major shareholders

Carina Åkerström

Bachelor of Laws

Nationality: Swedish

Born 1962

Member since 2019

Position and other assignments

President and Group Chief Executive of Svenska Handelsbanken AB

Vice Chairman Swedish Bankers' Association

Background

Various positions at Handelsbanken

2016 – 2019 Deputy Group Chief Executive of Handelsbanken

2010 – 2019 Head of Regional Bank Stockholm

2008 – 2010 Head of regional bank Eastern Sweden

2008 - 2019 Executive Vice President, Handelsbanken

Employed by Handelsbanken since 1986

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

10,500 shares and 30,427 shares indirectly via the Oktogonen profit-sharing foundation

Not independent of the Bank and its management (employee)

Independent of major shareholders

Press release

Stockholm, 24 March 2020

The Nomination Committee proposes unchanged Board fees

As a consequence of the ongoing coronavirus pandemic, Handelsbanken's Nomination Committee has made the decision to recall its proposal that the annual general meeting on 25 March 2020 approve an increase of the Board fees (item 16 on the agenda). Instead, the Nomination Committee proposes no change to the Board fees compared to 2019.

All other proposals from the Nomination Committee to the annual general meeting remain as presented.

For further information, please contact: Helena Stjernholm, Chair of the Nomination Committee, +46 8 666 64 00 Mats Olsson, Acting Head of Global Media Relations, +46 8 701 35 47, +46 70 688 07 99

For more information about Handelsbanken, visit www.handelsbanken.com