

# SVENSKA HANDELSBANKEN AB

## *The proposals of the Board for the 2015 annual general meeting (AGM)*

### ***Item 9: Resolution on the allocation of the Bank's profits in accordance with the adopted balance sheet and also concerning the record day***

The Board proposes a dividend of SEK 17.50 per share, including an ordinary dividend of SEK 12.50 per share, and that the remaining profits be carried forward to next year. In addition, the Board proposes that Friday, 27 March 2015 be the record day for receiving dividends. If the meeting resolves in accordance with the proposal, Euroclear Sweden AB expects to distribute the dividend on Wednesday, 1 April 2015.

With reference to Chapter 18, Section 4 of the Swedish Companies Act, the following statement from the Board is noted: When assessing the amount of the company's proposed dividend, totalling SEK 11,124 million, (or a higher amount which may result if more shares are added as a result of the conversion of Handelsbanken's outstanding 2008 convertible loan, but a maximum of SEK 11,125 million), account has been taken of the nature of operations, their scope, consolidation requirement, risk-taking, liquidity, and the general situation in both the Bank and the rest of the Group. The Board's assessment is that the above appropriation of profits is prudent and well-adapted to the operations as a going concern. Unrealised changes in the value of assets and liabilities at fair value have had a net impact on equity of SEK 12,365 million. The Bank's total capital according to the consolidated situation at the year-end, minus the proposed dividend based on completed conversions and other material changes since the year-end, exceeded the statutory minimum capital requirement by SEK 34,555 million, common equity tier 1 capital exceeded the minimum requirement and the buffer requirement by SEK 50,045 million, and the tier 1 capital by SEK 50,882 million. For the parent company, the total capital exceeded the statutory minimum capital requirement by SEK 62,461 million, common equity tier 1 capital exceeded the minimum requirement and the buffer requirement by SEK 52,914 million, and the tier 1 capital by SEK 54,051 million.

### ***Item 11. The Board's proposal for authorisation for the Board to resolve on acquisition and divestment of shares in the Bank***

The earning capacity of the Bank remains good, and a stable capital situation can be foreseen. Depending on the continuing growth in volumes, a strengthened capital situation may arise. In such a situation, it could be appropriate to adjust the Bank's capital structure, which may inter alia be carried out by repurchasing the Bank's own shares. A new authorisation by the meeting for the Board to resolve on the repurchase of the Bank's own shares is therefore justified. The Board also notes that if the Bank were to acquire a company or operations, such a transaction could be facilitated if its own repurchased shares were available to finance an acquisition.

Thus the Board proposes that the meeting shall authorise the Board to resolve on the purchase of Handelsbanken's own class A and/or B shares until the AGM in 2016 on the following conditions:

- The purchases shall be made on NASDAQ OMX Stockholm AB.
- The Bank may purchase a total of no more than 40,000,000 class A and/or B shares.
- When they are purchased, the shares shall be paid for at a price within the registered price range at any time, or at a price in compliance with NASDAQ OMX Stockholm AB's rules regarding volume-weighted average prices.
- The aggregated holding of the Bank's own shares, including shares in the trading book, shall not at any time exceed one-tenth of the total number of shares in the Bank.

The Board also proposes that the meeting authorise the Board a) to resolve on divestment of the Bank's own shares, deviating from the shareholders' preferential rights, as payment in connection with an acquisition of a company or business, and b) to resolve on divestment of the Bank's own shares on NASDAQ OMX Stockholm AB at a price within the registered price range at any time, or in some other way than through NASDAQ OMX Stockholm AB, in order to finance acquisition of a company or business, with or without preferential rights for the shareholders, and with or without provisions on payment in kind or through a set-off. In this case, if divestment deviates from the shareholders' preferential rights, the remuneration for shares sold must correspond to an estimated market value and can be payable in forms other than cash. In other respects, the following terms shall apply:

- The authorisations can be utilised on one or more occasions until the next ordinary general meeting.
- The authorisation on divestment covers all class A or B shares in Handelsbanken held by the Bank at the time of the Board's resolution.

With reference to Chapter 19, Section 22 of the Swedish Companies Act, the Board has made the following statement:

The Board finds that the proposed authorisation on acquisition of the Bank's own shares is justifiable, in view of the requirements made by the operations in terms of their nature, scope, consolidation requirements, risk-taking, liquidity and situation in other respects, in both the Bank and the Group. Unrealised changes in the value of assets and liabilities at fair value have had a net impact on equity of SEK 12,365 million. The Bank's total capital according to the consolidated situation at the year-end, minus the proposed dividend based on completed conversions and other material changes since the year-end, exceeded the statutory minimum capital requirement by SEK 34,555 million, common equity tier 1 capital exceeded the minimum requirement and the buffer requirement by SEK 50,045 million, and the tier 1 capital by SEK 50,882 million. For the parent company, the total capital exceeded the statutory minimum capital requirement by SEK 62,461 million, common equity tier 1 capital exceeded the minimum requirement and the buffer requirement by SEK 52,914 million, and the tier 1 capital by SEK 54,051 million.

**Item 12. The Board's proposal for acquisition of shares in the Bank for the Bank's trading book pursuant to Chapter 7, Section 6 of the Swedish Securities Market Act**

The Board proposes that the meeting make the following resolution:

In order to facilitate its securities operations, and until the AGM in 2016, the Bank shall have the right to acquire its own ordinary class A and/or B shares for the Bank's trading book pursuant to Chapter 7, Section 6 of the Swedish Securities Market Act (2007:528), on condition that the Bank's own shares in the trading book at no time exceed two per cent of all shares in the Bank. The shares shall be acquired at the market price applicable at the time of purchase.

Pursuant to the provisions of Chapter 19, Section 22 of the Swedish Companies Act, the Board refers to the statement made under item 11 above.

**Item 13. The Board's proposal for a stock split and change to the articles of association**

With the purpose of facilitating trade in the Bank's shares on NASDAQ OMX Stockholm AB, the Board proposes that the meeting resolves:

1. that each share, irrespective of class, be split into three shares (3:1 split) of the same class
2. to authorise the Board to determine a record date for the split, which must not, however, be before the date the decision is registered with the Swedish Companies Registration Office
3. that, with the purpose of adapting the limits for the number of shares and share capital, section 4, paragraphs 1-3 of the articles of association be changed as follows

“The Bank's share capital shall be at least two billion three hundred and twenty five million (2,325,000,000) Swedish kronor and at most nine billion three hundred million (9,300,000,000) Swedish kronor.

The number of shares shall be at least 1,500,000,000 and at most 6,000,000,000.

Two classes of shares may be issued: class A and class B. The maximum number of class A shares which may be issued is 6,000,000,000 and the maximum number of class B shares is 150,000,000”

following which the articles of association will be worded as enclosed Appendix A

4. to authorise the Chairman of the Board to make any adjustments needed in the decision which are required for registration at the Swedish Companies Registration Office or in Euroclear Sweden AB's processing.

### **Item 19. The Board's proposal concerning guidelines for remuneration to executive officers**

The Board proposes that the meeting decide on the following guidelines for remuneration and other terms of employment for executive officers of Handelsbanken. The guidelines shall not affect any remuneration previously decided for executive officers.

- The aggregated total remuneration shall be on market terms.
- Remuneration is paid only in the form of a fixed salary, pension provision and customary benefits. By special decision of the Board, the Bank can provide housing. Variable remuneration benefits such as bonus and percentage of profits are not paid.
- The executive officers in question are included in the Oktogonen profit-sharing system on the same terms as all employees of the Bank.
- The retirement age is normally 65. Retirement benefits are defined benefit or defined contribution, or a combination of the two.
- The period of notice on the part of the officer is six (6) months, and on the part of Handelsbanken a maximum of twelve (12) months. If the Bank terminates the employment contract later than five (5) years after the person becomes one of the Bank's executive officers, the period of notice is a maximum of twenty-four (24) months. No other termination benefits are paid.
- The Board shall have the right in exceptional circumstances to deviate from the established guidelines if there are special reasons in an individual case.

These guidelines shall apply to the Group Chief Executive, Executive Vice Presidents, other Executive Directors and members of the Central Board of Handelsbanken who are also employees of the Bank.

### **Item 20. The Board's proposal concerning the appointment of auditors in foundations without own management**

The Board proposes that the registered public auditing firm KPMG AB be appointed as auditing company to the following foundations, which are newly associated with Svenska Handelsbanken AB:

- The Elly Berggren Foundation (*Elly Berggrens Stiftelse*)
- The Gustaf & Agnes Ahrenius Foundation (*Gustaf & Agnes Ahrenius Stiftelse*)
- The Frida and Isse Suchowski Foundation (*Frida och Isse Suchowskis Stiftelse*)
- The Musical activities in Lidingö Foundation (*Musikliv i Lidingö*)
- The Solha Foundation (*Solhastiftelsen*)
- The Vendela Kaijser Pension and Scholarship Fund (*Vendela Kaijsers Pensions- och Stipendiefond*)
- The Capital in the Property left by Ulf Gahn (*Kapitalet Ulf Gahns kvarlåtenskap*)
- The Nils Erik Holmsten Research Foundation (*Nils Erik Holmstens Forskningsstiftelse*)
- The Ingrid Andersson Fund for the Visually Impaired Foundation (*Stiftelsen Ingrid Anderssons fond för synskadade*)
- The Hellman Family's Marine Environment Foundation (*Familjen Hellmans stiftelse för havsmiljö*)

## APPENDIX A

# ARTICLES OF ASSOCIATION for Svenska Handelsbanken

### **Section 1 NAME OF BANK**

The name of the Bank is Svenska Handelsbanken AB. The Bank is a public limited liability banking company (publ).

### **Section 2 REGISTERED OFFICE**

The Board of the Bank shall have its registered office in Stockholm.

### **Section 3 OPERATIONS**

The Bank's operations shall comprise banking business. These operations include provision of payment services via general payments systems and receipt of funds which, following a period of notice, are available to the creditor within no more than 30 days.

The Bank may also perform other financial operations and operations which have a natural link to these. The Bank's operations may include, but are not limited to, the following:

1. raising funds, for example by issuing bonds or equivalent instruments,
2. issuing covered bonds in accordance with the Swedish Act on the Issuance of Covered Bonds (2003:1223), after permission has been granted by the Swedish Financial Supervisory Authority,
3. granting and negotiating credit, for example in the form of consumer credits and mortgage loans or claims,
4. participating in financing by, for example, acquiring claims and leasing of property,
5. providing means of payment,
6. assuming guarantee commitments and similar undertakings,
7. participating in securities issues,
8. providing financial advice,
9. safe custody of securities,
10. conducting documentary credit operations,
11. providing safe deposit box services,
12. conducting foreign exchange trading,
13. conducting securities business as prescribed in the Swedish Securities Market Act (2007:528),
14. providing business status information on the conditions prescribed in the Swedish Credit Information Act (1973:1173),
15. conducting operations in accordance with the Swedish Investment Funds Act (2004:46),
16. conducting pension savings business in accordance with the Swedish Individual Pension Savings Act (1993:931),
17. providing advice and assistance to companies in corporate management matters and acting as an intermediary for the purchase and sale of companies (corporate finance),
18. conducting collection operations,
19. acting as an intermediary in the purchase and sale of real estate and site leasehold rights, and in lending money on the security of such property,
20. management of real estate and site leasehold rights,

21. conducting trade in gold on behalf of customers,
22. provide accounting services,
23. providing transport of valuables,
24. providing IT services,
25. providing insurance policies.

#### **Section 4 SHARE CAPITAL AND NUMBER OF SHARES**

The Bank's share capital shall be at least two billion three hundred and twenty five million (2,325,000,000) Swedish kronor and at most nine billion three hundred million (9,300,000,000) Swedish kronor.

The number of shares shall be at least 1,500,000,000 and at most 6,000,000,000.

Two classes of shares may be issued: class A and class B. The maximum number of class A shares which may be issued is 6,000,000,000 and the maximum number of class B shares is 150,000,000.

Class A shares carry one vote each and class B shares carry one-tenth of a vote each.

#### **Section 5 SHAREHOLDERS' RIGHTS WHEN THE SHARE CAPITAL IS INCREASED**

If, by means of a cash issue or an offset issue, the Bank decides to issue new class A and class B shares, the holders of class A and class B shares shall have preferential rights to subscribe for new shares of the same class in proportion to the number of shares previously held (primary preferential rights). Shares which have not been subscribed for with primary preferential rights shall be offered to all shareholders for subscription (subsidiary preferential rights). If shares thus offered are not sufficient for subscription with subsidiary preferential rights, the shares shall be divided between the subscribers in proportion to the number of shares they previously held and, where this is not possible, by drawing of lots.

If, by means of a cash issue or an offset issue, the Bank decides to issue only class A or class B shares, all shareholders, regardless of whether they hold class A or class B shares, shall have preferential rights to subscribe for new shares in proportion to the number of shares previously held.

If, by means of a cash issue or an offset issue, the Bank decides to issue warrants or convertibles, the shareholders have preferential rights to subscribe for warrants as if the issue applied to the shares which may be subject to new subscription due to the warrants, or preferential rights to subscribe for convertibles as if the issue applied to the shares for which the convertibles may be exchanged.

That which is stated above implies no restriction in the opportunity to decide on a cash issue or an offset issue deviating from the shareholders' preferential rights.

#### **Section 6 RECORD DAY PROVISION**

Any shareholder or nominee who, on the record day, is entered in the share register and is listed in the record list according to Chapter 4 of the Swedish Financial Instruments Accounts Act (1998:1479), or the person who is listed on the record account according to Chapter 4 Section 18 first paragraph 6-8 of the above Act, shall be deemed to be competent to exercise the rights pursuant to Chapter 4 Section 39 of the Swedish Companies Act (2005:551).

## **Section 7 MEMBERS OF THE BOARD**

In addition to the Board members who by law are appointed by parties other than the shareholders' meeting, the Board shall consist of no fewer than eight and no more than fifteen Board members.

## **Section 8 AUDITORS**

In addition to the auditors who by law are appointed by parties other than the shareholders' meeting, the Bank shall have one or two auditors and the corresponding number of deputies or one or two registered audit companies.

## **Section 9 NOTICE TO ATTEND SHAREHOLDERS' MEETINGS**

Notices to attend shareholders' meetings and other notices to shareholders shall be made through advertisements in the Official Swedish Gazette (*Post- och Inrikes Tidningar*) and on the Bank's website. The fact that a notice to attend a meeting has been issued shall be advertised in the two Swedish daily newspapers *Svenska Dagbladet* and *Dagens Nyheter*.

## **Section 10 THE RIGHT OF SHAREHOLDERS TO ATTEND SHAREHOLDERS' MEETINGS**

Shareholders wishing to participate in shareholders' meetings must be included in a printout of the entire register of shareholders showing the situation five days before the meeting, and also notify the head office of the Bank by the date specified in the notice to attend the meeting. This day may not be a Sunday, other public holiday, Saturday, Midsummer Eve, Christmas Eve, New Year's Eve and may not be earlier than the fifth business day before the meeting.

Shareholders are entitled to be accompanied by no more than two advisers, but only if the shareholder gives notice of the number of advisers as stated in the previous paragraph.

## **Section 11 PRESENCE OF OUTSIDERS AT SHAREHOLDERS' MEETINGS**

Parties who are not shareholders of the Bank shall be entitled to attend or in some other way follow the proceedings of the meeting, as determined by the Board.

## **Section 12 CHAIRMAN OF SHAREHOLDERS' MEETINGS, VOTING POWERS**

Shareholders' meetings are opened by the Chairman of the Board or by the person that the Board has appointed for this purpose.

The chairman of a shareholders' meeting is elected by the shareholders present.

No person may speak or vote as representing more votes than ten per cent of the aggregate number of votes accruing to the shares issued by the Bank.

### **Section 13 ANNUAL GENERAL MEETING OF SHAREHOLDERS**

The following items shall be on the agenda of the Annual General Meeting:

1. Election of the chairman of the meeting
2. Establishment and approval of the list of voters
3. Approval of the agenda
4. Election of two persons to countersign the minutes
5. Determining whether the meeting has been duly convened
6. Presentation of the annual accounts and auditors' report, as well as the consolidated annual accounts and the auditors' report on the consolidated accounts
7. Decisions to be taken:
  - a) adoption of the income statement and the balance sheet, as well as the consolidated income statement and the consolidated balance sheet,
  - b) appropriations of the company's profit or loss according to the balance sheet adopted,
  - c) release from liability for the Board members and the Chief Executive Officer
8. Determining the number of Board members and, where applicable, of auditors and deputy auditors
9. Determining fees for the Board and, where applicable, the auditor
10. Election of Board members and, where applicable, of auditor and deputy auditor or registered audit company

Other business which is under the jurisdiction of the general meeting pursuant to the Swedish Companies Act or the articles of association.

### **Section 14 FINANCIAL YEAR**

The Bank's financial year shall be the calendar year.