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SVENSKA HANDELSBANKEN AB

The proposals of the Board for the 2021 annual general meeting (AGM)

Item 4. Preparation and approval of voting list

The voting list proposed to be approved is the voting list prepared by Computershare AB on behalf of the Bank, based on the register of shareholders for the AGM and received postal votes, controlled and checked by the persons assigned to check the minutes.

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 4.10 per share, and that the remaining profits be carried forward to next year. In addition, the Board proposes that Friday, 26 March 2021 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, 31 March 2021.

With reference to Chapter 18, Section 4 of the Swedish Companies Act, the following statement from the Board is noted:

The Board's assessment is that the amount of the proposed dividend, totalling SEK 8,118 million, is justifiable in view of the nature of operations, their scope, consolidation requirement, risks, liquidity, and the general situation in both the parent company and the rest of the Group. Unrealised changes in assets and liabilities at fair value have had a net impact on equity of SEK - 1,658 million. The total capitalisation of the parent company and the consolidated situation at year-end, minus the proposed dividend based on completed conversions and other material changes since the year-end, exceeded the statutory minimum requirement pursuant to EU Regulation 575/2013 and Directive 2013/36/EU and other relevant requirements established for the Bank by public authorities.

Item 12. 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, among other things, 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 2022 on the following conditions:

- The purchases shall be made on Nasdaq Stockholm.
- The Bank may purchase a total of no more than 120,000,000 class A and/or B shares or a higher number which comprises a percentage adjustment for an increase in the number of shares in Handelsbanken due to conversion of convertibles, a stock split or reverse stock split, a new share issue, or a reduction of share capital by means of cancellation or redemption.
- 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 Stockholm'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.
- Acquisitions may be made within the framework of a repurchase programme in accordance with the Regulation (EU) No 596/2014 of the European Parliament and of the Council, and the Commission Delegated Regulation (EU) 2016/1052.

The Board also proposes that the AGM 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 Stockholm at a price within the registered price range at any time, or in some other way than through Nasdaq Stockholm, in order to finance the 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 the 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 AGM.
- 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: In the Board's assessment, 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 parent company and the Group. Unrealised changes in assets and liabilities at fair value have had a net impact on equity of SEK - 1,658 million. The total capitalisation of the parent company and the consolidated situation at year-end, minus the proposed dividend based on completed conversions and other material changes since the year-end, exceeded the statutory minimum requirement pursuant to EU Regulation 575/2013 and Directive 2013/36/EU and other relevant requirements established for the Bank by public authorities.

Item 13. 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 next AGM, 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 12 above.

Item 14. The Board's proposal regarding authorisation for the Board to resolve on issuance of convertible tier 1 capital instruments

Pursuant to prevailing capital adequacy regulations, certain debt instruments can be included as additional tier 1 capital. One requirement to qualify for this is that the instruments must be able to absorb losses, for example if it is mandatory that they be converted to shares if a pre-defined trigger event occurs, e.g. if the Bank's common equity tier 1 ratio falls below a pre-defined minimum level. Thus it is the intention that the instruments – in the event that they are converted – will strengthen the Bank's common equity tier 1 ratio. If debt instruments with this conversion opportunity are issued, the provisions of the Swedish Companies Act regarding issuance of convertibles must be taken into account. Since these convertibles may comprise a fit-for-purpose capital instrument for the Bank, the Board proposes that the meeting authorise the Board to issue such convertibles.

The purpose of the authorisation is to permit a flexible, effective adaptation of Handelsbanken's capital structure. The reasons for being able to issue the convertibles with deviation from the shareholders' preferential rights are that the authorisation would allow the Board to rapidly perform issues of convertible debt instruments, which is considered appropriate in view of the fact that it is intended that these debt instruments will mainly be issued to debt investors on the international capital markets, and it is therefore important to be able to issue them at an appropriate point in time. Moreover, the instruments would only lead to mandatory conversion to shares in certain circumstances, but would not entail the right of conversion for the holders of the instruments themselves.

In light of the above, the Board is proposing that the meeting resolve to authorise the Board to issue convertibles during the period until the AGM in 2022, in accordance with the following conditions:

- The authorisation can be utilised on one or more occasions until the 2022 AGM.
- An issue may be made with or without deviation from shareholders' preferential rights.
- The convertibles will not include the right of conversion for the holders, but will lead to mandatory conversion to shares in accordance with the terms and conditions, in the case of one or more pre-defined events.
- It must be possible to convert to class A or class B shares in Handelsbanken.
- The loan amount and conversion conditions will be determined so that the aggregate number of shares which may be issued when converting convertibles issued under this authorisation, with application of the conversion price determined at the time of issue, amounts to a maximum of as many shares as result from the fact that the amount by

which the share capital can increase if the convertible bonds are fully utilised corresponds to a maximum of ten per cent of the Bank's share capital, this being the equivalent of issuing 198,002,849 new shares, calculated according to the current number of shares issued by the Bank. For convertibles issued under the authorisation, market-based terms for debt instruments which may be included as additional tier 1 capital instruments shall apply.

- The Board proposes that it be authorised to resolve on all other conditions for issue under this authorisation.

The Group Chief Executive, in consultation with the Chairman of the Board, is authorised to make the minor amendments to the above resolution that may be required in conjunction with the registration of the authorisation.

Item 15. The Board's proposal for amendment of the articles of association

In chapter 7 section 4a of the Swedish Companies Act it is stated that the articles of association may provide that the Board may resolve prior to a general meeting that the shareholders shall be entitled to exercise their voting rights prior to the general meeting by post. In order to be able to use the alternative provided by the Swedish Companies Act to decide on postal voting the Board proposes to amend the articles of association with a new section 13 (whereby the current section 13 and section 14 will be new section 14 and section 15 respectively) which is to read as follows.

Section 13 Postal voting

The Board may prior to a general meeting decide that the shareholders shall be entitled to exercise their voting rights prior to the general meeting by post in accordance with the procedure stated in chapter 7 section 4a of the Swedish Companies Act.

The Board further proposes to amend;

section 1 of the articles of association by changing the Swedish term *firma* to *företagsnamn* (English: company name);

section 6 of the articles of association by changing the reference from the Swedish Financial Instruments Accounts Act (1998:1479) to *the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479)* and;

section 10 of the articles of association in accordance with the amendment of the Swedish Companies Act that entered into effect on 3 September 2020, by changing the clause on the share register in which shareholders must be listed in order to be entitled to participate in a general meeting from referring to the situation five weekdays before the general meeting to referring to the situation *six banking days before the meeting, taking into account voting right registrations which have been performed in accordance with chapter 5 section 15 of the Swedish Companies Act four banking days before the meeting.*

The proposed new wording of the entire articles of association appears below.

Section 1 COMPANYNAME OF BANK

The companyname 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 Central Securities Depositories and 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 six banking days before the meeting, taking into account any voting right registrations in accordance with chapter 5 section 15 of the Swedish Companies Act which have been performed four banking 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

The Board may prior to a general meeting decide that the shareholders shall be entitled to exercise their voting rights prior to the general meeting by post in accordance with the procedure stated in chapter 7 section 4a of the Swedish Companies Act.

Section 14 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 15 FINANCIAL YEAR

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

Item 22. The Board's proposal concerning guidelines for remuneration to executive officers of Svenska Handelsbanken AB

The Board proposes that the guidelines for remuneration and other terms of employment for executive officers which were adopted at the AGM in 2020 shall be amended as follows.

These guidelines shall also apply to any remuneration to members of the Board which is paid in addition to fees for assignment to the Board of the Bank.

Fees to members of the Board

Members of the Board who are elected by the general meeting shall in special circumstances be able to be compensated for services provided within their respective area of competence (including assignments to the board of another group company) which do not constitute services to the Board of the Bank. Such duties of service shall be handled in accordance with applicable internal rules and by due consideration of possible conflicts of interest. These services shall be compensated for by market-based remuneration. Information about any remuneration for such services shall be included in the annual report and the remuneration report.

The guidelines shall otherwise remain unchanged. The proposed amended guidelines read as follows.

Guidelines for remuneration to executive officers in Svenska Handelsbanken AB

These guidelines shall be applied to remuneration to the Group Chief Executive, members of executive management, the Deputy Chief Executives, and the Heads of Group Risk Control and Group Compliance (below referred to as "executive officers"). These guidelines shall also apply to any remuneration to members of the Board which is paid in addition to fees for assignment to the Board of the Bank.

The guidelines shall be applied to new agreements, and shall not affect remuneration previously decided for executive officers. The guidelines are not applicable to remuneration that is decided upon by the annual general meeting.

Handelsbanken's goal is to have higher profitability than the average of peer banks in its home markets. This goal is mainly to be achieved by the Bank having more satisfied customers and lower costs than its competitors.

Handelsbanken's business strategy is presented in the Annual Report.

To contribute to the Bank's goal, remuneration must reflect a long-term view of employment at the Bank, and also be in keeping with the Bank's generally low risk tolerance.

Principles for remuneration to employees of Handelsbanken

Handelsbanken's principles for remuneration to employees are long-established. In the policy for remuneration in the Handelsbanken Group, the Board has established that the Bank's

remuneration system must be consistent with the Bank's business objectives and business culture, which are based on sound, sustainable operations.

In addition, the remuneration policy states that fixed remuneration is fit-for-purpose for sound, sustainable operations, and is therefore applied as a basic principle. Variable remuneration is applied with great caution. Remuneration for work performed is set individually for each employee, and is paid in the form of a fixed cash salary, pension allocation and customary salary benefits (which can take the form of a car allowance, housing associated with the position, disability insurance, household assistance services, etc.). Salaries are based on factors known in advance, such as those set out in the remuneration policy.

Taking into account the above approach, an employee's total remuneration must be on market terms, enabling Handelsbanken to attract, retain and develop skilled employees, and ensuring good management succession.

Remuneration to executive officers

In the preparation of the Board's proposals for these guidelines, Handelsbanken's remuneration policy and the above principles for remuneration to employees have been taken into account; this contributes to the Bank's business strategy, long-term interests and sustainability.

- The aggregated total remuneration shall be on market terms.
- Remuneration is paid in the form of a fixed cash salary, pension provision and customary benefits.
- 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. Pension benefits are defined contribution, may correspond to a maximum of 35 per cent of the annual fixed cash salary, and may be payable in addition to pension plans under collective agreements. Other benefits may per year in total correspond to a maximum of 35 per cent of the annual fixed cash salary.
- The period of notice on the part of an executive officer is six months, and on the part of Handelsbanken a maximum of twelve months. If the Bank terminates the employment contract later than five years after the person becomes one of the Bank's executive officers, the period of notice is a maximum of twenty-four months. No other termination benefits are paid. Other time periods may apply due to collective agreements or labour legislation.

Concerning employment conditions that are subject to non-Swedish regulations: with regard to pension benefits and other benefits, the relevant adjustments may be made to comply with such mandatory regulations or fixed local practice. In doing this, the overall aims of these guidelines shall be fulfilled as far as possible.

Fees to members of the Board

Members of the Board who are elected by the general meeting shall in special circumstances be able to be compensated for services provided within their respective area of competence (including assignments to the board of another group company) which do not constitute services to the Board of the Bank. Such duties of service shall be handled in accordance with applicable internal rules and by due consideration of possible conflicts of interest. These services shall be compensated for by market-based remuneration. Information about any

remuneration for such services shall be included in the annual report and the remuneration report.

Decision process

The Board has set up a remuneration committee. The committee's tasks include preparing the Board's proposals concerning guidelines for remuneration to executive officers. When the need for material changes arises – and at least every four years – the Board shall draw up a proposal for new guidelines and present it for a resolution at the annual general meeting. The guidelines shall apply until new guidelines have been adopted by the annual general meeting. The remuneration committee must also monitor and evaluate the application of the guidelines for remuneration for executive officers, as well as the prevailing structures and levels of remuneration at the Bank. All members of the remuneration committee are independent of the Bank and its management. The Group Chief Executive also attends the committee's meetings, although not when the committee is discussing and deciding upon remuneration-related matters that concern the Group Chief Executive herself.

Deviation from the guidelines

The Board may decide, temporarily, to deviate partly or wholly from the guidelines, if there are particular reasons for this in an individual case, and a deviation is necessary to satisfy the Bank's long-term interests and sustainability, or to ensure the Bank's financial viability. As stated above, preparing the Board's decisions in matters of remuneration is part of the remuneration committee's tasks, and this includes decisions regarding deviations from the guidelines.

Item 23. The Board's proposal concerning the appointment of auditors in foundations without own management

The Board proposes that the registered public accounting firm Ernst & Young AB be appointed as auditing company to the following foundations associated with Svenska Handelsbanken AB:

- The Foundation D&G *Stiftelsen D&G*
- The Irene and Bo Adolfsson Foundation *Irene och Bo Adolfssons Stiftelse*
- The Nils and Clary Hallman's Fund Foundation *Stiftelsen Nils och Clary Hallmans fond*