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 Baksaas, 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 Oktogonen 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

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**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