

TRANSLATION

## Proposal of the Nomination Committee of Swedbank AB for the Extraordinary General Meeting 2019

### The nomination committee for the 2019 Extraordinary General Meeting

Swedbank's 2018 Annual General Meeting adopted a Nomination Committee selection process for the 2019 Annual General Meeting. The Nomination Committee shall, in accordance with the decision, consist of six members, namely the five largest shareholders or owner-groups who wish to appoint a member and who have the largest shareholding in the bank, based on shareholdings known on the last banking day in August 2018, and the Chair of the Board of Directors. On the 5<sup>th</sup> April 2019, the Chair of the Board of Directors resigned from his position, and since then the Nomination Committee has consisted of five members. The term of the Nomination Committee extends until a new Nomination Committee has been constituted.

During the preparations of the Extraordinary General Meeting the Nomination Committee has consisted of the following members:

- Lennart Haglund, appointed by Sparbankernas Ägareförening, Chair of The Nomination Committee,
- Jens Henriksson, appointed by Folksam
- Ramsay Brufer, appointed by Alecta
- Johan Sidenmark, appointed by AMF
- Peter Karlström, appointed by the owner-group Sparbanksstiftelserna

Prior to the Extraordinary General Meeting the Nomination Committee has submitted proposals for:

- the election of the Chair of the Extraordinary General Meeting
- the number of Board members
- the election of the members of the Board of Directors and Chair

### Work of the Nomination Committee ahead of the Extraordinary General Meeting

Due to recent reports regarding suspected money laundering the Nomination Committee decided to reinforce Swedbank's Board of Directors. As a consequence the Nomination Committee initiated, in connection to the AGM, its work to find new candidates. On 5 April, the same date as the previous Chair of the Board announced that he resigns from his assignment with immediate effect, the Nomination Committee announced that they shall intensify the work to reinforce the Board of Directors, including new chair, in connection to an extraordinary general meeting. The result of this work is presented below.

Prior to AGM 2019 the Nomination Committee examined the written internal Board evaluation. As part of the Board evaluation, the previous Chair of the Board of Directors had conducted one

to one meetings with each board member. The Chair of the Board of Directors briefed the Nomination Committee orally regarding the outcome of these meetings. At the AGM 2019 Kerstin Hermansson was elected new member of the Board of Directors.

Prior to the Extra General Meeting the Nomination Committee has engaged the executive search firm Russell Reynolds to assist the Nomination Committee in the search for candidates.

Based on the board evaluation, oral reports and other information, the Nomination Committee has discussed the Board of Director's composition, the competence that should be represented in the Board of Directors as well as the size of the Board of Directors. The Nomination Committee has in its work taken into account Swedish legislation regarding the maximum number of board assignments that a board member in a bank is allowed to have. In addition, the Nomination Committee has assessed the candidates' ability to devote enough time to the assignment as well as the overall collective knowledge and expertise of the members.

Finally, the Nomination Committee has, in accordance with requirements set out by the European Banking Authority (EBA), conducted an assessment of suitability of the proposed candidates. The Nomination Committee has in this assessment evaluated the experience and competence, reputation, potential conflict of interest and the suitability in general of the candidates.

The Nomination Committee has worked unconditionally with the intention to provide Swedbank with the best and most suitable Board of Directors, in accordance with the guidelines set for the nomination proceedings. The Nomination Committee has especially emphasized the importance of experience from the financial sector, change management, digitization and compliance and counteracting against money laundering. The strive for equality between genders as well as the diversity perspective have been considered.

The Nomination Committee has, in its work prior to the Extraordinary General Meeting, assessed the Board of Directors from previously elected members and now nominated members competences, both individually and collectively. It is the assessment of the Nomination Committee that nominated members have the required experience and competence and that they together with previously elected members will form a Board of Directors, well equipped to lead Swedbank into the future and to rebuild the confidence in the bank.

Since AGM 2019 on 28 March, 2019, the Nomination Committee has met on several occasions, both physically and by telephone. The work in the Nomination Committee has been characterized by a targeted work and a constructive dialogue. The Nomination Committee members have not received any fees or other remuneration from Swedbank for their work.

## The Nomination Committee's proposal for the Extraordinary General Meeting

### Proposal regarding Chair of the Extraordinary General Meeting

#### Proposal

The Nomination Committee proposes that Lawyer Wilhelm Lüning should be elected as Chair of the Extraordinary General Meeting 2019.

#### Reason:

Wilhelm Lüning is suitable to chair the Extraordinary General Meeting due to, among other things, his competence in company law and experience from chairing general meetings for listed companies.

### Proposal regarding the number of Board members to be elected by the General Meeting

The Nomination Committee proposes that, for the period until the end of the next Annual General Meeting, the Board of Directors shall consist of nine members elected by the General Meeting. The proposal entails a decrease of the number of Board members elected by the General Meeting from ten to nine.

#### Reason:

According to Swedbank's Articles of Association, the Board of Directors shall consist of at least seven and at most eleven members.

The Annual General Meeting 2019 decided that the number of Board members should be ten (unchanged). In April 2019, the Chair of the Board of Directors announced that he resigns from his assignment with immediate effect. Since then, three more members of the Board have announced that they will not be available for re-election and that they resign from their assignments in connection to the Extraordinary General Meeting. It is the opinion of the Nomination Committee that the number of Board members shall be nine and propose election of three new members.

### Proposal for election of board members and Chair of the Board

The Nomination Committee has adopted guidelines for suitability assessment and promotion of diversity etc. The guidelines are applied in the Nomination Committee's work with the nomination of board members, and can be summarized as follows:

- With regards to the bank's business, development phase and expected future direction, the Board of Directors shall have an appropriate composition, characterized by diversity and width regarding the competence, experience and background of the General Meeting-elected members. Furthermore, the members of the board shall show good character regarding economic matters, and have relevant knowledge and practical experience in order to be able to lead the bank in a sound and responsible way. The need for renewal and succession planning, as well as continuity should be considered.
- The composition of the Board of Directors should be characterized by diversity regarding age, geographical provenance, educational and professional background, in order to promote independent opinions, sound decision-making and critical questioning.
- An even gender distribution shall be attained over time.
- The Board of Directors shall be ownership based and, at the same time, the need for independence from the bank, the bank's management and the bank's major shareholders shall be taken into account regarding the Board of Directors as a whole
- Deputies to board members elected by the General Meeting shall not be appointed

#### Proposal

The Nomination Committee proposes, in accordance with below, election of three new board members for the period until the end of the next Annual General Meeting.

Josefin Lindstrand  
Bo Magnusson  
Göran Persson

The six (6) members below were elected at AGM 2019 for the period until the end of the next Annual General Meeting and consequently form part of the Board of Directors until and including AGM 2020.

Bodil Eriksson  
Mats Granryd  
Kerstin Hermansson  
Bo Johansson  
Anna Mossberg  
Magnus Ugglå

The Nomination Committee proposes that the General Meeting appoints Göran Persson as Chair of the Board of Directors. The Nomination Committee proposes that the Board of Directors appoints Bo Magnusson as deputy Chair of the Board of Directors.

Reason:

Four out of ten members elected at AGM 2019 have resigned or announced that they will resign in connection to the Extraordinary General Meeting.

Due to the above, the Nomination Committee assesses that it is appropriate to propose above mentioned three persons for election.

Josefin Lindstrand (born 1976) has several years of experience from the financial industry, both as employed, through her own business, and as a board member. She is, for example, deputy chair in the board of Sörmlands Sparbank, an assignment she intends to resign from should she be elected board member in Swedbank AB. Josefin Lindstrand is a lawyer at the law firm Hammarskiöld & Co. Josefin Lindstrand will contribute to the Board of Director's work mainly with her competence in compliance and counteractions against money laundering. Josefin Lindstrand has, among others, a law degree from Stockholm University.

Bo Magnusson (born 1962) has several years of experience from the financial industry, both as employed and as Board member. Bo Magnusson is, among other things, chair of the board of directors of SBAB Bank AB, AB Säkerställda Obligationer, Carnegie Holding AB and Carnegie Investment Bank AB. He intends to resign from all these assignments should he be elected board member in Swedbank AB. Bo Magnusson has also held several managing positions within SEB, e.g. deputy CEO of the bank and the group. Bo Magnusson will contribute to the Board of Director's work mainly with his competence regarding the financial industry, but also from the real estate industry.

Göran Persson (born 1949) was Swedish Prime Minister during the years 1996 – 2006. Before that he was, among other things, Minister of Finance. He has also experience from the financial industry, mainly from his years as Board member of Ålandsbanken, an assignment he intends to resign from should he be elected board member in Swedbank AB. Göran Persson will contribute to the Board of Director's work with his social commitment and his experience as a leader, both in the public and private sector, and from leading boards in both publically owned and privately owned companies.

Proposed members' independence according to the Swedish Corporate Governance Code

The Nomination Committee considers all proposed Board members to be independent in relation to the bank and the bank's management.

The Nomination Committee considers all proposed Board members to be independent in relation to the bank's major shareholders.

Regarding the Board as a whole, Bo Johansson, who was elected at AGM 2019, is considered to be dependent in relation to the bank and the bank's management. Bo Johansson is the Managing Director of Sparbanken Sjuhärad AB, which according to the Swedish Corporate Governance Code is to be considered a closely related company to Swedbank. Furthermore, Swedbank and Sparbanken Sjuhärad have extensive business relations through a co-operation agreement entered into by the parties.

Further information regarding the proposed Board members is available on [www.swedbank.com](http://www.swedbank.com), under the heading Extraordinary General Meeting.