

TRANSLATION

## Proposal of the Nomination Committee of Swedbank AB in accordance with item 1, 11–15 of the proposed Agenda for the AGM 2020

### The nomination committee for the 2020 Annual General Meeting

Swedbank's 2019 Annual General Meeting adopted a Nomination Committee selection process for the 2020 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 2019, and the Chair of the Board of Directors.

The Nomination Committee has consisted of the following members:

- Lennart Haglund, appointed by Sparbankernas Ägareförening, Chair of the Nomination Committee
- Ylva Wessén, appointed by Folksam
- Charlotte Rydin, appointed by Alecta
- Anders Oscarsson, appointed by AMF and AMF Investment Funds
- Peter Karlström, appointed by Sparbanksstiftelserna
- Göran Persson, Chair of the Board of Directors of Swedbank AB (publ)

The Nomination Committee has, to the Annual General Meeting, submitted proposals for:

- the election of the Chair of the Annual General Meeting
- the number of Board members
- fees for the Board members elected by the Annual General Meeting, including fees for Board committee work
- fees for the external auditor
- the election of the members of the Board of Directors and Chair
- principles on how the Nomination Committee shall be appointed
- instruction for the Nomination Committee

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

The present Nomination Committee held its statutory meeting on 16 September 2019, in accordance with principles adopted by the 2019 Annual General Meeting, with Lennart Haglund as Chair. The composition of the Nomination Committee was made public via a press release on 16 September 2019.

An external consultancy firm has been engaged to assist in the recruitment of new candidates.

The Nomination Committee has taken part of the internal, written board evaluation, conducted during the autumn 2019. The evaluation showed that the work of the Board of Directors is well functioning, and that the Chair of the Board of Directors is considered to lead the work very well and creates a good working atmosphere in the board.

In addition, the Nomination Committee has (the Chair of the Board of Directors not present) interviewed each board member about their view on how the board work is functioning and their experience of last year's events and how the bank has handled these events.

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 considered Swedish legislation regarding the maximum number of board assignments that a board member in a bank of Swedbank's size 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 in the Board of Directors.

Finally, the Nomination Committee has, in accordance with requirements set out by the European Banking Authority (EBA), assessed the suitability of the proposed candidates. The Nomination Committee has in these assessments evaluated and documented the experience and competence, reputation, potential conflicts of interest and the suitability in general of the candidates.

The Nomination Committee has, in accordance with the guidelines set for the nomination proceedings, worked unconditionally with the intention to provide Swedbank with the best and most suitable Board of Directors. In particular, the Nomination Committee has emphasized the importance of that the new Board of Directors having business expertise, experience from banking and finance operations, experience from senior management positions, board competence and knowledge of the real estate industry. Understanding of international conditions and knowledge of new technology and IT has also been desired. The strive for equality between genders as well as the diversity perspective have been considered.

The Nomination Committee has decided to nominate Göran Persson to be re-elected as Chair of the Board of Directors. Göran Persson has, during a demanding period since the extraordinary general meeting in June 2019, led the Board of Directors well. His broad network of international contacts, his experience from the financial industry and his strong social commitment has been considered. Göran Persson has not been present when the Nomination Committee has discussed the proposal for Chair of the Board of Directors.

The Nomination Committee assesses that nominated board members have the collective experience and expertise required and that they together form a Board of Directors, well equipped to lead Swedbank.

In addition, the Nomination Committee has discussed and proposed the number of the Board members, remuneration to the Board of Directors and the external auditor, principles on how the Nomination Committee shall be appointed, and instruction for the Nomination Committee. Finally, the Nomination Committee has discussed the election of the Chair of the 2020 Annual General Meeting.

Prior to the Annual General Meeting on March 26, 2020, the Nomination Committee had proposed increased remuneration to Board members in Swedbank, which was, at such time, considered an adjustment to the market. In light of the uncertainty prevailing in the market because of the spread of the new corona virus, the Nomination Committee has subsequently decided to adjust its previous proposals for increased remuneration and instead propose that the remuneration remains unchanged for the time being. In addition, the Nomination Committee proposes that remuneration be paid for work in the newly established Governance Committee.

The Nomination Committee has met on about ten occasions and also interviewed the current Board members. The Nomination Committee members have not received any fees or other remuneration from Swedbank for their work. The work in the Nomination Committee has been characterized by an open and constructive dialogue and a good atmosphere.

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

#### Proposal regarding Chair of the Annual General Meeting

##### Proposal

The Nomination Committee proposes that Lawyer Wilhelm Lüning should be elected as Chair of the Annual General Meeting 2020.

##### Reason:

Wilhelm Lüning is suitable to chair the Annual 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 at the Annual General Meeting

##### Proposal

The Nomination Committee proposes that, for the period until the end of the next Annual General Meeting, the Board of Directors shall consist of ten members elected by the Annual General Meeting. The proposal entails, compared to the number of members elected on the Extraordinary General meeting on 19 June 2019, an increase of the number of Board members elected by the Annual General Meeting with one person.

##### Reason:

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

The Extraordinary General Meeting in June 2019 decided that the number of Board members should decrease from ten to nine. The Nomination Committee assesses that the proposed Board of Directors possesses required experience and competence to lead Swedbank in a successful way.

#### Proposal regarding the remuneration of the Board of Directors and auditor

##### Proposal

The Nomination Committee proposes that the remuneration to Board members should remain unchanged, as follows:

SEK 2,630,000 (presently 2,630,000) to the Chair of the Board of Directors; SEK 885,000 (885,000) to the Deputy Chair of the Board of Directors; SEK 605,000 (605,000) to each of the ordinary members of the Board of Directors; SEK 430,000 (430,000) to the Chair of the Board's Risk and Capital Committee; SEK 250,000 (250,000) to each of the other members of the Board's Risk and Capital Committee; SEK 395,000 (395,000) to the Chair of the Board's Audit Committee; SEK 240,000 (240,000) to each of the other members of the Board's Audit Committee; SEK 105,000 (105,000) to the Chair of the Board's Remuneration Committee; SEK 105,000 (105,000) to each of the other members of the Board's Remuneration Committee.

Furthermore, the Nomination Committee proposes that remuneration for members of the newly established Governance Committee should be as follows:

SEK 395,000 to the Chair of the Board's Governance Committee and SEK 240,000 to each of the other members of the Board's Governance Committee.

Göran Persson, current Chair of the Board of Directors, has not participated in the discussions in the Nomination Committee regarding proposal on remuneration to the Chair of the Board of Directors and the Board members.

Only Board members elected by the Annual General Meeting are eligible for remuneration.

#### Reason:

In light of the uncertainty prevailing in the market due to the spread of the new corona virus, the Nomination Committee proposes that the remuneration to Board members should remain unchanged for the time being.

However, the Nomination Committee notes that the board work in Swedbank is increasingly complex, time-consuming and highly regulated and sets high demands on the Board members commitment and competence. In addition, the board work represents a significant personal responsibility compared to board work in companies outside the banking sector.

Therefore, the matter regarding increased remuneration may be addressed at a later stage, possibly at an extraordinary General Meeting this autumn, at the same time as the issue on dividend may be decided.

#### Proposal regarding the audit fee

The Nomination Committee proposes that the external auditor's fee, shall be payable by approved account.

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

The Nomination Committee has, for its work related to the 2020 Annual General Meeting, 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, and 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 considered regarding the Board of Directors as a whole
- Deputies to board members elected by the Annual General meeting shall not be appointed

#### Proposal

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

#### Re-election of

Kerstin Hermansson  
Josefin Lindstrand  
Bo Magnusson  
Anna Mossberg  
Göran Persson

#### Election of

Bo Bengtsson  
Göran Bengtsson  
Hans Eckerström  
Bengt-Erik Lindgren  
Biljana Pehrsson

The Nomination Committee proposes that the Annual 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 Board members have declared that they are not available for re-election.

The proposal by the Nomination Committee gives Swedbank a Board of Directors with both broad and deep banking experience as well as extensive knowledge of the challenges and opportunities the banking industry faces.

**Bo Bengtsson** (b. 1966) has several years of experience from the bank- and finance industry. He has held various leading positions in Ikanobanken and Kristianstads Sparbank, where he held the position as CEO between 1999 and 2008. Thereafter, he was CEO in Sparbanken 1826 between 2008 and 2014. Bo Bengtsson is currently CEO of Sparbanken Skåne.

**Göran Bengtsson** (b. 1967) has several years of experience from the bank- and finance industry. Between 2001-2007, he was Head of Credit/Corporate Manager in Swedbank Sjuhärad. Between 2007 and 2012, he was Regional Head of Credit in the western region of Swedbank AB. Today, Göran Bengtsson is the CEO of Falkenbergs Sparbank.

**Hans Eckerström** (b. 1972) has a background as employed and partner of Nordic Capital (2001-2016). Currently he is, among other things, Chair of Nobia AB and Board member of Nordstjernen AB and Thule Group AB. He is also the principal owner and Chair of Henri Lloyd Group AB.

**Bengt-Erik Lindgren** (b. 1950) has several years of experience from Board work in a variety of banks. He has held the position as deputy CEO of Swedbank during 2005-2010, deputy CEO of Föreningssparbanken during 2001-2005 and CEO of Spintab during 2000 - 2001. Bengt-Erik Lindgren is currently Board member of Länsförsäkringar Bank AB and Humlegården Fastigheter AB. In addition, he is Chair of the Board of Prevas AB.

**Biljana Pehrsson** (b. 1970) has an extensive experience from the real estate industry and she currently holds the position as CEO of Kungsleden AB. Between 2007 and 2013 she held the position as vice President and Head of Real Estate at East Capital Private Equity AB.

All new candidates nominated for election has informed the bank that they intend to, no later than in connection with the Annual General Meeting, resign from assignments incompatible with their assignment Swedbank, and also to resign from other assignments necessary to be able to fulfil the assignment in Swedbank in the best possible way.

#### Proposed members' independence according to the Swedish Corporate Governance Code

The Nomination Committee considers all proposed Board members, except Bo Bengtsson and Göran Bengtsson, 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.

When assessing the independence, the Nomination Committee has considered the following aspects: Bo Bengtsson is the CEO of Sparbanken Skåne, which according to the Swedish Corporate Governance Code is to be considered a closely related company to Swedbank. Furthermore, Swedbank and Sparbanken Skåne have extensive business relations through a co-operation agreement entered by the parties. Göran Bengtsson is the CEO of Falkenbergs Sparbank, which have extensive business relations with Swedbank through a co-operation agreement entered by the parties.

Further information regarding the proposed Board members is available on [www.swedbank.com/ir](http://www.swedbank.com/ir).

#### Principles on how the Nomination Committee shall be appointed

##### Proposal

The Nomination Committee proposes the following principles on how the Nomination Committee shall be appointed.

- The Nomination Committee shall consist of six members. The members shall consist of the Chair of the Board of Directors and five members appointed by the five shareholders who wish to appoint a member and who have the largest holding in the bank based on shareholdings known on the last banking day in August 2020. If one of the five largest shareholders refrains from appointing a member, the right to appoint a member passes on to the next shareholder in terms of holdings, and who has not already appointed a member to the Nomination Committee. The right to appoint a member shall pass on until the Nomination Committee is complete.
- When applying these principles a group of shareholders shall be considered to be one owner if they have been organized as an owner group in the Euroclear system or have made public and simultaneously notified the bank via the Chair of the Board of Directors, that they have made an agreement to take – through coordinated exercise of their voting rights – a common long term view with respect to the management of the bank.
- When appointing the Nomination Committee, a shareholder who wishes to appoint a member shall confirm to the Chair of the Board of Directors that the above-mentioned conditions that give right to appoint a member still are correct.
- The Nomination Committee has a right to co-opt a member appointed by a shareholder who has become one of the five largest shareholders after the Nomination Committee has been constituted, provided that such shareholder has not already appointed a member to the Nomination Committee. The co-opted member shall not participate in the Nomination Committee's decisions.
- When appointing the Nomination Committee, shareholders must take into account that the majority of the Nomination Committee's members must be independent in relation to the Bank and the Group Executive Management. The CEO, or other person from the Group Executive Management should not be a member of the Nomination Committee. At least one of the nomination committee's members must be independent in relation to the largest shareholder in the bank in terms of vote.
- The Nomination Committee's mandate shall be for the period until a new Nomination Committee has been constituted.
- The Nomination Committee shall appoint the Chair from amongst its members. The Chair of the Board of Directors shall not be Chair of the Nomination Committee.
- A member who leaves the Nomination Committee before its work is completed shall be replaced, if the Nomination Committee so decides, by another person representing the same shareholder or by a person representing the next shareholder in turn due to holdings, and who has not already appointed a member to the Nomination Committee.
- Members of the Nomination Committee shall not be remunerated for their work or costs incurred.

Reason:

The Nomination Committee notes that the Swedish Corporate Governance Code states that the Annual General Meeting shall appoint the Nomination Committee members or determine how the members are appointed; the Annual General Meeting's decision shall include a procedure for replacing members who leave the Nomination Committee before it's work is completed.

The bank has had the current model for appointing the Nomination Committee since 2005. The Nomination Committee deems that the current model, which means that the Annual General

Meeting decides how members of the Nomination Committee are to be appointed, is the most suitable model for Swedbank.

### Proposed instruction for the Nomination Committee regarding the work ahead of the AGM 2021

#### Members of the Nomination Committee

The members of the Nomination Committee are to promote the common interests of all shareholders. Committee members are not to reveal the content and details of nominations discussions unduly. Before accepting the assignment, each member of the nomination committee is to consider carefully whether there is any conflict of interest or other circumstance that makes membership of the nomination committee inappropriate.

#### The duties of the Nomination Committee

The duties of the Nomination Committee shall be to, where applicable, before an upcoming General Meeting submit proposals for decisions regarding:

- the election of a Chair of the General Meeting
- number of Board members
- fees for the Board members elected by the General Meeting, including fees for committee work
- fee for the auditor
- the election of the members of the Board of Directors and Chair of the Board of Directors
- the election of auditor
- principles on how the Nomination Committee shall be appointed
- instruction for the Nomination Committee

#### Composition of the Board

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 members of the Board of Directors elected by the Annual General Meeting.

Furthermore, in accordance with current laws and regulations, the members of the Board of Directors must be responsible in financial matters and have relevant knowledge and practical experience in order to lead the Bank in a sound and responsible manner. The need for renewal and succession planning, as well as continuity shall be considered.

As part of the Nomination Committee's work to find suitable candidates, assessing the need for supplementary competences and to assess both the composition of the Board of Directors and the suitability of individual members, the Nomination Committee shall review the Chair of the Board of Director's internal Board evaluation and the Board members' own evaluations of the Board's overall competence and working climate, as well as the member's own competence.

The nominations to 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.

Members of the Board of Directors shall not be appointed for a longer period than until the end of the next Annual General Meeting. Deputies to members of the Board of Directors elected by the

Annual General Meeting shall not be appointed. Before nomination of a candidate to the Annual General Meeting, the Nomination Committee shall assess the suitability of the candidate, partly based on an overall assessment of the composition of the Board of Directors as a whole, and partly based on an evaluation of the candidate's reputation as well as theoretical and practical experience. In the assessment, potential conflicts of interest shall be considered. Furthermore, it shall be assessed whether the candidate can devote enough time to the board assignment.

#### Diversity Policy

The composition of the Board of Directors should be characterized by diversity regarding age, geographical provenance and educational and professional background, in order to promote independent opinions, sound decision-making and critical questioning.

An even gender representation shall be attained over time, meaning that at least 40 percent of the members of the Board of Directors shall be of each gender.

#### Election of auditor

The Nomination Committee's proposal to the shareholders' meeting on the election of the auditor is to include the Audit Committee's recommendation. If the proposal differs from the alternative preferred by the Audit Committee, the reasons for not following the committee's recommendation are to be stated in the proposal. The auditor or auditors proposed by the nomination committee must have been included in the audit committee's selection process if the company is obliged to have such a procedure.

#### The work of the Nomination Committee.

The Nomination Committee has the right, at Swedbank's expense, to engage a recruitment consultant or other external consultants whom the Nomination Committee considers necessary in order to fulfil its task.

The nomination committee is to issue a statement explaining its proposals regarding the Board of Directors with regard to the requirements concerning the composition of the board in this instruction. The committee is to provide specific explanation of its proposals with respect to the requirement to strive for gender balance. The statement is also to include a report of how the nomination committee has conducted its work and a description of the diversity policy applied by the nomination committee in its work.

The nomination committee's proposals and reasoned opinion shall be communicated to the Bank in such time that they can be presented in the notice of the shareholders' meeting where the elections of board members or auditors is to be held as well as be published on the company's website in connection with publishing of the notice.

At the shareholders' meeting where the election of board members or auditors is to be held, the Nomination Committee is to present and explain its proposals.

The Nomination Committee shall also otherwise consider the Swedish Code of Corporate Governance in the performance of its assignment.