

TRANSLATION

Proposal of the Board of Directors of Swedbank AB for a resolution on guidelines for remuneration to top executives in accordance with item 16 of the proposed Agenda for the AGM 2020

This proposal has been prepared by the Board of Directors of Swedbank AB ("Swedbank" or the "bank") after preparation by the Board's Remuneration Committee (the "Remuneration Committee") in accordance with Chapter 8 Sections 51–53 of the Swedish Companies Act (2005:551), the Swedish Corporate Governance Code and the Swedish Financial Supervisory Authority's regulations on remuneration systems (FFFS 2011:1). The Board of Directors proposes that the Annual General Meeting ("AGM") resolves on the following guidelines for remuneration to top executives (the "guidelines").

Top executives

In the context of the guidelines top executives are defined as members of the bank's Board of Directors, the CEO, the deputy CEO (if applicable) and the executives who are members of the Group Executive Committee. All top executives are material risk takers in the bank.

Purpose and basic principles

The guidelines constitute a frame for which remuneration to top executives may be decided by the Board of Directors during the period of time for which the guidelines are in force.

The purpose of the guidelines is to ensure transparency in remuneration matters, to support the business objectives of the bank by effective remuneration structures and to establish basic values and guidelines for remuneration to the top executives of the bank.

Remuneration to, and other terms of employment for, the top executives of the bank shall be designed so that they are consistent with and promote sound and effective risk management and counteract excessive risk-taking. A prerequisite for the successful implementation of the bank's business strategy and safeguarding of its long-term interest, including sustainability, is that the bank is able to recruit and retain qualified personnel. Hence, the terms of employment for top executives shall be designed with the purpose of ensuring the bank's access to top executives with the competence that the bank needs at costs adapted to the bank and so that they have the intended effects on the business. Such remuneration and terms shall also:

- support the bank's vision, objectives, values and business strategy,
- encourage top executives to achieve set individual goals,
- be competitive and in line with market conditions, and
- be decided regardless of gender, transgender identity or expression, ethnicity, religion or other belief, disability, sexual orientation or age.

In the preparation of the Board of Directors' proposal for the guidelines, remuneration and employment conditions for employees of the bank have been taken into account by including information on the employees' total income, the components of the remuneration and its conditions in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and limitations set out herein are reasonable.

Remuneration for top executives under employments subject to other rules than Swedish must be duly adjusted to comply with mandatory rules and may be duly adjusted to comply with established local practice, taking into account, to the extent possible, the overall purpose of the guidelines.

Decision procedures

The Remuneration Committee shall review and evaluate the implementation of the guidelines, programs for variable remuneration for top executives that are in progress or have been completed during the year and applicable remuneration structures and remuneration levels in the bank. For each financial year, the Board of Directors shall make a remuneration report and, not later than three weeks before the AGM, keep the remuneration report available to the shareholders on the bank's website.

The Remuneration Committee shall prepare the Board of Directors' proposal on guidelines. Based upon the Remuneration Committee's recommendation, the Board of Directors shall at least every fourth year or upon material changes to the guidelines make a proposal on guidelines to be resolved by the AGM.

The guidelines shall be applied in relation to every commitment on remuneration to top executives, and every change of such commitment, which is resolved after the AGM at which the guidelines were adopted. Thus, the guidelines have no impact on already pre-existing contractually binding commitments. The guidelines shall be in force until new guidelines are adopted by the AGM and be kept available to the public on the bank's website. Guidelines resolved upon may also be amended by way of a resolution by other General Meeting than an AGM.

Within the scope and on the basis of the guidelines, the Board of Directors shall, based on the Remuneration Committee's preparation and recommendations, annually decide on the specific revised remuneration terms for each top executive and make such other decisions on remuneration for top executives that may be required. The CEO or other members of the Group Executive Committee shall not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Fixed remuneration is paid out by the bank in accordance with agreements entered into. Payment of variable remuneration to top executives under any incentive program shall be decided upon by the Board of Directors with respect to each specific program.

The Board of Directors may resolve to temporarily deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve the bank's long-term interests, including sustainability, or to ensure the bank's financial viability. As set out above, the Remuneration Committee's obligations include preparing

proposals for the Board of Directors in remuneration-related matters, including proposals to deviate from the guidelines. Deviations shall be reported and motivated annually by the Board of Directors in the remuneration report.

Principles for decisions on remuneration levels

The levels of the remuneration to top executives shall be decided, taking into consideration the following factors:

- degree of difficulty and complexity of the position,
- revenue and cost responsibility,
- performance,
- competence and experience, and
- market conditions.

Principles for decisions on fixed remuneration and variable remuneration

The remuneration to the top executives can consist of the following components: *fixed remuneration* in the form of base salary, benefits and pension and *variable remuneration* in the form of cash or shares under incentive programs.

The fixed remuneration component must account for a sufficiently large portion of the total remuneration so that it is possible to set any variable remuneration to zero.

The General Meeting shall decide on material terms and conditions on any incentive program for top executives. The long-term share based remuneration programs are resolved by the Board of Directors and submitted to the AGM for approval. The share of variable remuneration shall be relevant and reasonable in relation to total remuneration. Variable remuneration shall be linked to predetermined and measurable criteria and may be paid in the form of shares in the bank. For variable remuneration, limits for the maximum result shall be set for each individual top executive. Variable remuneration shall be deferred and be conditional on the criteria fulfilment on which the remuneration is based being proved long-term sustainable and on the position of the Swedbank group (the "Group") not having materially deteriorated.

When determining the various components, the following principles shall be applied.

Remuneration components

	Description, purpose and link to the bank's business strategy and long-term interests, including sustainability	Maximum share in relation to base salary	Maximum share in relation to total remuneration
Base salary	Each top executive shall receive a base salary, i.e. a fixed salary to be paid monthly. It provides predictable remuneration to aid attraction and retention of qualified personnel. Further,	100%	85% ¹

¹ The base salary's maximum share may vary depending on the share of other remuneration components for each top executive. The maximum share set out in the table assumes that the shares of variable remuneration and benefits are set to zero.

	the base salary shall reflect the nature and responsibility of the position held, individual employee performance and market conditions.		
Pension	Pension benefits shall generally be granted in accordance with rules, collective bargaining agreement (which may include a right to early retirement pension), and practice in the country where each respective top executive is permanently resident. It also provides predictable remuneration to aid attraction and retention of qualified personnel. Pension benefits shall be based on defined contribution, unless the individual concerned is subject to defined benefit pension according to mandatory provisions of applicable collective bargaining agreements. Pension benefits are vested once they have accrued. Variable remuneration shall qualify for pension benefits only to the extent it is required according to mandatory provisions of applicable collective bargaining agreements. For top executives, the pensionable income shall have a cap annually decided by the Board of Directors.	30% ²	25% ³
Benefits	Each top executive may be entitled to both general benefits that are offered to all employees and additional benefits. Additional benefits may include, for example, life insurance, health insurance and medical insurance. Benefits are provided to attract and retain qualified personnel.	15%	10%

² The share refers to pension benefits based on defined contribution. In exceptional cases, e.g. for employees who are already subject to defined benefit pension according to collective bargaining agreements within the bank when being appointed as top executive, the top executive may be granted defined benefit pension. The maximum share may in such cases amount to 50%.

³ The share refers to pension benefits based on defined contribution. In exceptional cases, e.g. for employees who are already subject to defined benefit pension according to collective bargaining agreements within the bank when being appointed as top executive, the top executive may be granted defined benefit pension. The maximum share may in such cases amount to 30%.

Variable remuneration	Long-term share based remuneration programs may be implemented in the bank. Top executives may be included in such programs. The outcome for each top executive in such programs should be dependent on the extent to which certain predefined performance targets have been satisfied. Such performance targets should consider the Group's financial results, the Group's values – open, simple and caring, and include risk assessments at Group level, business area level, team level and/or individual level. In individual share based remuneration programs, the financial results of the relevant business area should also be considered as well as individual performance targets based on financial and operational factors. Thereby, the programs are linked to the bank's business strategy, long-term value creation and sustainability. Deferral periods and transfer restrictions should be applied in accordance with applicable regulatory requirements, currently up to five years deferral and transfer restrictions of at least one year.	20% ⁴	15% ⁵
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Further details on fixed and variable remuneration are set out in the bank's annual report for the most recent financial year, and, when applicable, in the board's proposals on share based remuneration programs to the general meeting.

Notice periods and severance pay:

Employment agreements between the bank and top executives generally apply until further notice. The employment agreement may be terminated without cause by either party. Generally, salary during notice period and severance pay shall correspond with rules, collective agreements and practice in the country where each respective top executive is permanently resident. Further, the following shall apply: If the bank terminates the employment, the notice period may not exceed 12 months. In addition, if the bank terminates the employment, severance pay based on the employee's fixed monthly salaries may be paid during maximum 12

⁴ The share refers to the bank's performance and share based remuneration program, Eken. Top executives are as a general rule included in Eken. Top executives are as a general rule not included in the bank's individual performance and share based remuneration program, IP. However, should a top executive be included in IP, the maximum share for variable remuneration would amount to 100%.

⁵ The share refers to the bank's performance and share based remuneration program, Eken. Top executives are as a general rule included in Eken. Top executives are as a general rule not included in the bank's individual performance and share based remuneration program, IP. However, should a top executive be covered by IP, the maximum share for variable remuneration would amount to 50%.

months. Total remuneration during notice period and the severance pay period shall not exceed an amount corresponding to the agreed fixed salary at the time of notice and benefits in accordance with the employment agreement during 12 months and the agreed fixed salary for 12 months. When termination is made by the top executive, the notice period may not exceed six months and may not include any right to severance pay. Income earned by the top executive from another employment or assignment during the period when the severance pay shall be paid may be deducted from the severance pay.

Stockholm in April 2020

Swedbank AB (publ)

The Board of Directors