

## Welcome to the Annual General Meeting in SEB

The shareholders of  
**Skandinaviska Enskilda Banken AB (publ)**  
are hereby given notice of the Annual General Meeting to be held on  
23 March 2020 at 13.00h (CET) at  
Stockholm Concert Hall, Hötorget, Stockholm

Registration from 11.30

Before the meeting a light meal and refreshments will be served. Members of the Group Executive Committee will be available to answer questions from the shareholders.

### **Notifications, etc.**

Shareholders who wish to attend the Annual General Meeting shall

**both** be registered in the shareholders' register kept by Euroclear Sweden AB on 17 March 2020,

**and** make a notification to the Bank to attend and report the number of assistants that they wish to invite not later than on 17 March 2020.

Notification shall be made **by telephone** at number 0771 23 18 18, (+46 771 23 18 18 from abroad) between 09.00h and 16.30h (CET), or via the **Internet** on [www.sebgroup.com](http://www.sebgroup.com), or **in writing** under address Skandinaviska Enskilda Banken AB (publ), c/o Euroclear Sweden, Box 191, 101 23 Stockholm.

The materials from the meeting, among others presentations and the President's speech, will be available on [www.sebgroup.com](http://www.sebgroup.com) the day after the meeting.

### **Shares registered in the name of a custodian**

Shareholders whose shares are registered in the name of a custodian through a bank or through another authorised depository must request to be temporarily registered on 17 March 2020 in the shareholders' register of Euroclear in order to have the right to attend the Annual General Meeting. The shareholder must therefore contact the custodian well in advance of this day and request such temporary registration. Please note that this requirement also applies to shareholders using SEB as depository.

### **Entrance cards**

Entrance cards, to be presented at the entrance to the meeting, will be sent out from 18 March 2020 to those shareholders who have notified their attendance. In case the entrance card should not have been received in time for the Annual General Meeting, an entrance card can be obtained from the Information desk at the entrance to the meeting.

**Powers of attorney**

A shareholder may attend the Annual General Meeting by proxy with a dated power of attorney in writing, signed by the shareholder. To facilitate admission to the Annual General Meeting, powers of attorney and other authorising documents should be received by the Bank on 18 March 2020, at the latest. A form power of attorney is available on [www.sebgroup.com](http://www.sebgroup.com) and at the Bank's Head Office, Kungsträdgårdsgatan 8 in Stockholm.

**Agenda**

1. Opening of the Annual General Meeting
2. Election of Chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of two persons to check the minutes of the meeting together with the Chairman
6. Determination of whether the meeting has been duly convened
7. Presentation of the Annual Report and the Auditors' Report as well as the Consolidated Accounts and the Auditors' Report on the Consolidated Accounts
8. The President's speech
9. Adoption of the Profit and Loss Account and Balance Sheet as well as the Consolidated Profit and Loss Account and Consolidated Balance Sheet
10. Allocation of the Bank's profit as shown in the Balance Sheet adopted by the meeting
11. Discharge from liability of the Directors of the Board of Directors and the President.
12. Determination of the number of Directors and Auditors to be elected by the meeting
13. Determination of remuneration to the Directors and the Auditor elected by the meeting

14. Election of Directors as well as Chairman of the Board of Directors

a) The Nomination Committee proposes re-election of:

1. Signhild Arnegård Hansen
2. Anne-Catherine Berner
3. Samir Brikho
4. Winnie Fok
5. Sven Nyman
6. Lars Ottersgård
7. Jesper Ovesen
8. Helena Saxon
9. Johan Torgeby
10. Marcus Wallenberg

all for the period up to and including the Annual General Meeting 2021.

b) The Nomination Committee proposes re-election of Marcus Wallenberg as Chairman of the Board.

15. Election of Auditor

16. The Board of Director's proposal on guidelines for salary and other remuneration for the President and other members of the Group Executive Committee

17. The Board of Director's proposal on Long-term Equity Programmes for 2019:

- a) SEB All Employee Programme 2020 (AEP) for all employees in most of the countries where SEB operates
- b) SEB Share Deferral Programme 2020 (SDP) for the Group Executive Committee, certain other senior managers and key employees
- c) SEB Restricted Share Programme 2020 (RSP) for other than senior managers in certain business units

18. The Board of Director's proposal on the acquisition and sale of the Bank's own shares:

- a) acquisition of the Bank's own shares in its securities business
- b) acquisition and sale of the Bank's own shares for capital purposes and for long-term equity programmes
- c) transfer of the Bank's own shares to participants in the 2020 long-term equity programmes

19. The Board of Director's proposal for decision on authorisation to the Board of Directors to issue convertibles

20. The Board of Director's proposal on the appointment of auditors of foundations that have delegated their business to the Bank
21. Proposal from shareholder to amend the Articles of Association
22. Proposal from shareholder regarding voting rights grading and representation for certain shareholders in the Board of Directors and the Nomination Committee
23. Closing of the Annual General Meeting

### **Nomination Committee**

The Nomination Committee has been composed of Petra Hedengran (Investor), Chairman of the Nomination Committee, Magnus Billing (Alecta), Lars Heikensten (Trygg-Stiftelsen), Johan Sidenmark (AMF) and Marcus Wallenberg (Chairman of the Board of Directors, SEB).

Sven Nyman (Director of the Board, SEB) has been additional member to the Nomination Committee.

### **Proposed resolutions etc.**

#### **2. Election of Chairman of the meeting**

The Nomination Committee proposes Sven Unger, member of the Swedish Bar Association, as Chairman of the meeting.

#### **10. Allocation of the Bank's profit as shown in the Balance Sheet adopted by the meeting**

The Board of Directors proposes a dividend of SEK 6.25 per share and 25 March 2020 as record date for the dividend. If the meeting decides according to the proposal the dividend is expected to be distributed by Euroclear on 30 March 2020.

#### **12. Determination of the number of Directors and Auditors to be elected by the meeting**

The Nomination Committee proposes 10 Directors and one Auditor.

#### **13. Approval of the remuneration to the Directors elected by the meeting and the Auditor**

The Nomination Committee proposes a Directors' fee of SEK 9,810,000 to be distributed with SEK 3,200,000 to the Chairman of the Board, SEK 6,610,000 to be distributed to the other Directors elected by the Annual General Meeting who are not employed in the Bank with SEK 1,010,000 to each of the Vice Chairmen and with SEK 765,000 to each of the other Directors.

In addition hereto, up to SEK 3,425,000 is proposed as fee for Committee work to be distributed as follows:

Risk & Capital Committee; Chairman SEK 615,000 other member SEK 385,000

Audit & Compliance Committee; Chairman SEK 435,000 other member SEK 270,000  
and

Remuneration & Human Resources Committee; Chairman SEK 395,000 other member SEK 200,000.

Auditor's fee payable according to approved invoice.

#### **14. Election of Directors as well as Chairman of the Board of Directors**

a) The Nomination Committee proposes re-election of:

1. Signhild Arnegård Hansen
2. Anne-Catherine Berner
3. Samir Brikho
4. Winnie Fok
5. Sven Nyman
6. Lars Ottersgård
7. Jesper Ovesen
8. Helena Saxon
9. Johan Torgeby
10. Marcus Wallenberg

all for the period up to and including the Annual General Meeting 2021.

b) The Nomination Committee proposes re-election of Marcus Wallenberg as Chairman of the Board.

#### **15. Election of Auditor**

The Nomination Committee proposes election of the registered public accounting firm Ernst & Young AB for the period up to and including the Annual General Meeting 2021. Should Ernst & Young AB be elected, the Authorised Public Accountant Hamish Mabon will be main responsible.

#### **16. The Board of Directors' proposal on guidelines for salary and other remuneration for the President and other members of the Group Executive Committee**

The Board of Directors proposes that the Annual General Meeting (AGM) 2020 approves the below referred guidelines (the "Guidelines") for salary and other remuneration to be applied with regard to the President and members of the Group Executive Committee (together the "Executives").

Each remuneration which the shareholders resolve on at the AGM falls outside of the scope of the Guidelines. The long-term equity-based remuneration to the Executives and remuneration to the board members for the board assignment are consequently excluded from these Guidelines.

Board members might be contracted to perform consultancy services for SEB separate to their board assignments. Any such undertaking will be managed according to internal rules and with due considerations to potential conflict of interest. These Guidelines are not applicable on such contract unless it is for a position that is covered by these Guidelines. Information about the remuneration for such contract will be included in the Annual Report and the Remuneration Report.

The Guidelines are forward-looking, meaning that they are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the Guidelines at the AGM 2020. These Guidelines do not apply to any remuneration decided or approved by the AGM 2020 or at earlier shareholders' meetings.

The purpose of the Guideline is to increase the shareholders' participation and insight in matters regarding remuneration for the Executives and to ensure that shareholders can influence the framework for the remuneration for the Executives. It is the Board of Directors that resolves upon the specific and individual remuneration for the Executives within the framework of the Guidelines.

#### Regulatory framework

The Guidelines comply with the Swedish Financial Supervisory Authority (FSA) regulations on remuneration in financial companies, the Swedish Companies Act as well as with the Swedish Corporate Governance Code and other Swedish and international regulations and guidelines in relevant parts.

The Bank shall identify employees whose professional activities have a material impact on the SEB Group's risk profile. The Executives are included in this category.

#### SEB business strategy

SEB's business strategy is to be the leading Nordic corporate and institutional bank, as well as the top universal bank in Sweden and the Baltic countries, maintaining a strong financial position including capital, liquidity and cost control to deliver long-term shareholder value. For more information regarding SEB's business strategy, please see [www.sebgroup.com](http://www.sebgroup.com).

#### Guidelines

SEB aims to attract and retain committed and competent employees who contribute to SEB's long-term success. Employee remuneration should encourage high performance, sound and responsible behaviour and risk-taking that are aligned with SEB's values and the level of risk tolerance set by the Board of Directors. It should promote the employees' long-term commitment to create sustainable value for customers and

shareholders. Performance is evaluated on the basis of financial and non-financial goals, with SEB's values as a starting point.

A prerequisite for the implementation of SEB's business strategy and its sustainable long-term success is that SEB is able to recruit and retain qualified senior executives. It is necessary that SEB offers competitive remuneration in the markets and segments where SEB operates in order to reward high performing employees. SEB's competitors consist of both local and regional financial institutions as well as global firms in the markets on which SEB operates.

These Guidelines enable SEB to offer the Executives a competitive total remuneration.

Long-term equity programmes have been implemented in SEB since 1999. Such programmes have been resolved on by relevant general shareholders' meetings and are therefore excluded from these Guidelines. The long-term equity programmes include, among others, the Executives. The performance criteria used to assess the initial allotment of these long-term equity programmes are distinctly linked to the business strategy, the current three year business plan and thereby to SEB's long-term value creation, including its sustainability. At present, these performance criteria comprise e.g. SEB's operating income and expense, return on equity, customer satisfaction, employee engagement, IT & digitalisation, sustainability and conduct and strategic initiatives. The maximum annual allotment of long-term equity programmes may not exceed 100 per cent of the Executives' base pay in accordance with applicable laws and regulations. For more information regarding these programmes, including the criteria which the outcome depends on, please see the Board of Directors' proposal for decision at the AGM on Long-term Equity Programmes.

#### Types of remuneration etc.

The remuneration structure for the Executives shall be on market terms and may consist of **base pay (fixed cash salary), pension benefits and other benefits**. Additionally, the general shareholders' meeting may – irrespective of these Guidelines – resolve on, among other things **equity-based remuneration**.

The total remuneration shall reflect the complexity, responsibility and leadership skills required as well as the performance of the individual Executive. The remuneration structure does not include cash-based variable remuneration.

The **base pay** forms the foundation of the market oriented total remuneration required to attract senior executives. The individual base pay shall be linked to the requirements on the position as well as the sustainable performance of the Executives.

The **pension** benefit for the President, including health insurance, shall be defined contribution plan and the pension premium shall amount to not more than 50 per cent of the annual base pay. For the other Executives the pension benefit, including health insurance, shall be defined contribution with individual exemption of a defined benefit

component according to the collective agreement covering all employees and capped at a maximum pensionable salary of 30 income base amount (*Sw. Inkomstbasbelopp*). The pension premium for the premium defined pension, shall amount to not more than 50 per cent of the annual base pay. The pension plan shall be in line with the Remuneration Policy for the SEB Group.

**Other benefits** may include, for example, life insurance, medical insurance, health promoting support, company car and domestic services offered and shall be on market terms. Such benefits may amount to not more than 20 per cent of the annual base pay.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these Guidelines.

#### Termination of employment

Upon termination of an employment, the notice period may not exceed twelve months. Base pay during the notice period and severance pay may together not exceed an amount equivalent to the Executive's base pay for two years. SEB has the right to deduct any income from other employments from the severance pay.

When termination is made by the Executive, the notice period may not exceed six months, without any right to severance pay. Additionally, remuneration may be paid for non-compete undertakings. Such remuneration shall compensate for loss of income and shall only be paid in so far as the previously employed Executive is not entitled to severance pay. The remuneration shall be based on the base pay at the time of termination of employment and amount to not more than 100 per cent of the base pay at the time of termination of employment and be paid during the time the non-compete undertaking applies, however, not for more than 18 months following the termination of employment.

#### The decision-making process to determine, review and implement the Guidelines

The Board of Directors has established a Remuneration and HR Committee ("Remuneration committee"). The Remuneration committee's tasks include preparing the Board of Directors' decision to propose these Guidelines. The Board of Directors shall prepare a proposal for new Guidelines at least every fourth year and submit it to the general shareholders' meeting. The Guidelines shall be in force until new Guidelines are adopted by a general shareholders' meeting. The Remuneration committee shall also monitor and evaluate programmes for variable remuneration for the Executives, the application of the Guidelines for salary and other remuneration to the Executives as well as the current remuneration structures and compensation levels in the SEB Group. The members of the Remuneration committee are independent of SEB, its management and are not employed by SEB. Executives do 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.



### Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these Guidelines, the salary and employment conditions for employees have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time in the Remuneration committee's and the Board of Directors' basis of decision when evaluating whether the Guidelines and the limitations set out herein are reasonable.

### Derogation from the Guidelines

The Board of Directors may temporarily resolve to derogate from the Guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve SEB's long-term interests, including its sustainability, or to ensure SEB's financial viability. As set out above, the Remuneration committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This also includes any resolutions to derogate from the Guidelines.

## **17. The Board of Directors' proposal on Long-term Equity Programmes for 2020**

SEB aims to attract and retain committed and competent employees who contribute to the Bank's long-term success. Employee remuneration should encourage high performance, sound and responsible behaviour and risk-taking that is aligned with SEB's values and the level of risk tolerance set by the Board of Directors (Board). It should promote the employees' long-term commitment to create sustainable value for customers and shareholders. The total remuneration reflects the complexity, responsibility and leadership skills required in each position as well as the performance of the individual employee. Performance is evaluated on a multi-year perspective on the basis of financial and non-financial goals, with SEB's values and three year business plan as a starting point.

Equity-based remuneration is a means to attract and retain staff with key competences in SEB. It is also an incentive for the employees to become shareholders of SEB, which builds and strengthens long-term commitment in the interests of the shareholders. Furthermore, regulatory requirements for financial institutions demand that variable remuneration to a large extent is paid out in equity or equity-related instruments.

It is proposed that the Annual General Meeting resolves on the following three long-term equity programmes for 2020:

- a) SEB All Employee Programme 2020 (AEP) for all employees in most of the countries where SEB operates,
- b) SEB Share Deferral Programme 2020 (SDP) for the Group Executive Committee (GEC), certain other senior managers and key employees, and
- c) SEB Restricted Share Programme 2020 (RSP) for some employees in certain business units.

The proposed programmes allow for risk adjustment for current as well as future risks. The final outcome may therefore be cancelled partly or entirely in accordance with regulations, among other things taking the Bank's result and capital and liquidity required in the business into account.

a) SEB All Employee Programme 2020 (AEP)

SEB All Employee Programme 2020 (AEP) is a programme for all employees in most of the countries where SEB operates. 50 per cent of the outcome is paid in cash and 50 per cent is deferred for three years and paid in SEB A-shares in Sweden and in SEB A-shares or cash adjusted for the SEB A-share's Total Shareholder Return (TSR) outside of Sweden. The AEP requires, with certain exemptions such as retirement, redundancy, disability and orderly transition, the employee to be employed during three years from allotment to be eligible for payment. The individual maximum allotment is capped in Sweden at SEK 75,000 and the outcome is based on the fulfilment of pre-determined Group targets, the financial targets (i) Return on Equity and (ii) cost development and the non-financial target (iii) customer satisfaction. Outcome is subject to a proposal at the Annual General Meeting 2021 on dividend distribution to the shareholders for 2020. Should the total outcome under the AEP be below approximately 20 per cent of the maximum outcome, the total outcome may be paid in cash without deferral.

b) SEB Share Deferral Programme 2020 (SDP)

SEB Share Deferral Programme 2020 (SDP) is a programme for GEC and certain other senior managers and key employees, approximately 1,000 participants in total. The participants are granted an individual number of conditional share rights based on the fulfilment of pre-determined Group, business unit and individual targets outlined in SEB's business plan. The targets are set on an annual basis as a mix of the financial target Return on Equity/Return on Business Equity, cost development as well as on e.g. customer satisfaction and parameters such as compliance, employee commitment, SEB's corporate sustainability and risk management. The targets are evaluated from a multi-year perspective including both absolute and relative performance, as applicable, and taking SEB's three year business plan into account. For GEC the initial allotment may not exceed 100 per cent of the base pay.

For GEC and other senior managers, ownership of 50 per cent of the share rights is transferred to the participant after a qualification period of three years, 50 per cent after a qualification period of five years. For other participants, ownership of 100 per cent of the share rights is transferred after three years. After each respective qualification period there is an additional holding period of one year after which the share rights can be exercised during a period of three years. In order to facilitate share ownership and strengthening the shareholder alignment, in addition to the

above mentioned exercise period, the exercise period for GEC members is extended during the period that they are members of GEC. Each share right carries the right to receive one Class A-share in the Bank.

For participants in countries mainly outside of SEB's European locations, the outcome may be deferred and paid in cash adjusted for the SEB A-shares' Total Shareholder Return, excluding the dividend distribution. 50 per cent of the final outcome is paid out after four years and 50 per cent after six years for senior managers. For other participants in these countries the deferred amount is paid out after four years.

The SDP requires, with certain exemptions such as retirement, redundancy, disability and orderly transition, the employee to be employed during three years from allotment to be eligible for payment. A further requirement for GEC and other senior managers is that they hold shares in SEB equal to a pre-determined amount, for GEC equivalent to one year salary net of taxes, acquired no later than during the initial three year vesting period. If these requirements are not fulfilled, the share rights may be forfeited.

c) SEB Restricted Share Programme 2020 (RSP)

SEB Restricted Share Programme 2020 (RSP) is a programme for selected employees on the level below senior executives within certain business units of SEB, approximately 1,000 participants in total. The participants are granted an individual number of share rights based on the fulfilment of pre-determined Group, business unit and individual targets as outlined in SEB's business plan. The targets are set on an annual basis as a mix of financial targets and non-financial targets. The targets are evaluated from a multi-year perspective including both absolute and relative performance, as applicable, and taking SEB's three year business plan into account.

The ownership of the share rights are transferred to the participants during a three year period in either four (starting 2020) or three (starting 2021) annual instalments. The share right are subject to restrictions in terms of e.g. certain regulatory forfeiture and employment requirements during the period between the initial allotment and the transfer of the ownership.

After the transfer of the ownership there is an additional holding period of one year after which the share rights can be converted to shares and transferred to the participant. Each share right carries the right to receive one Class A-share in the Bank.

For participants in countries mainly outside SEB's European locations the outcome may be deferred and paid in cash adjusted for the SEB A-shares' Total Shareholder

Return, excluding the dividend distribution. The deferred amount is paid out after each respective holding period.

The maximum number of shares that can be transferred under the programmes is 13.6 million. The calculated expected outcome is approximately 8.9 million shares. The maximum number of shares under the programmes equals approximately 0.62 per cent including and 0.34 per cent excluding the SEB All Employee Programme (expected outcome equals approximately 0.40 per cent including and 0.30 per cent excluding the SEB All Employee Programme) of the total number of shares in the Bank.

The *maximum* annual charge for the deferred part, i.e. shares and cash adjusted for TSR, of the AEP that may affect the profit and loss account is SEK 150m, out of which SEK 32m is related to social charges. The annual charge to the profit and loss account for the *expected* calculated outcome under the programme is estimated to SEK 63m, out of which SEK 14m is related to social charges. The expected aggregated charges during the total programme period in the profit and loss account are SEK 250m.

The *maximum* annual charge for the SDP that may affect the profit and loss account is SEK 130m, out of which SEK 30m is related to social charges. The annual charge to the profit and loss account for the *expected* calculated outcome under the programme is estimated to SEK 110m, out of which SEK 25m is related to social charges. The expected aggregated charge during the total programme period in the profit and loss account is SEK 445m.

Based on the structure of the RSP, where part of the ownership is transferred immediately and part is distributed pro-rata, the annual charge will differ each year during the programme length. The *maximum* annual charge for the RSP that may affect the profit and loss account is SEK 195m the first year and SEK 20m the last year, out of which SEK 45m and SEK 5m respectively is related to social charges. The annual charge to the profit and loss account for the *expected* calculated outcome under the programme is estimated to SEK 190m and SEK 20m respectively, out of which SEK 45m and SEK 5m respectively is related to social charges. The expected aggregated charge during the total programme period in the profit and loss account is SEK 340m.

The maximum calculated annual charge is based on the assumptions that the price of the SEB Class A-share is SEK 90 and that no participant is leaving SEB during the employment requirement period. Furthermore, it should be noted that should the SEB share price increase from the assumed SEK 90 the increase in maximum calculated annual charge will be approximately SEK 3m for every SEK in increase. The part of the programmes that will be settled in cash will create a higher volatility in the Income statement since the change in the share price is reported when it occurs.

The expected average annual charge in the profit and loss account for the three programmes is equivalent to approximately 1.8 per cent of the total annual staff costs in the SEB Group.

## **18. The Board of Directors' proposals on the acquisition and sale of the Bank's own shares**

The Board of Directors proposes that the Annual General Meeting decides mainly as follows:

a) Acquisition of the Bank's own shares in its securities business

Pursuant to statutory law, trading in own shares in the Bank's securities business is subject to the Annual General Meeting's resolution. The Board of Directors therefore proposes that the Annual General Meeting resolves that the Bank shall be allowed to purchase shares in the Bank in its securities business on a regular basis during the time up to and including the 2021 Annual General Meeting in accordance with Chapter 7, Section 6 of the Securities Markets Act (lagen (2007:528) om värdepappersmarknaden) up to a number not exceeding 1.0 per cent of the total number of shares issued at each time in the Bank. The price of the shares purchased shall be the market price prevailing at the time of acquisition.

b) Acquisition and sale of the Bank's own shares for capital purposes and for long-term equity programmes

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board of Directors to decide on the acquisition and sale of the Bank's own Class A-shares and/or Class C-shares for capital purposes and for the year 2020 and previous years' long-term equity programmes mainly as follows.

Acquisition of shares shall exclusively take place on NASDAQ Stockholm at a price within the price interval at any time recorded, and this shall refer to the interval between the highest buying price and the lowest selling price. Sale of shares may be made on NASDAQ Stockholm or outside NASDAQ Stockholm, with or without deviation from the shareholders preferential rights and with or without stipulations on contribution in kind or right of offset. The shares may be used as consideration for acquisitions of companies or businesses or in order to finance acquisitions of companies or businesses. The authorisation may be utilised on one or more occasions, however not longer than until the 2021 Annual General Meeting. The Bank may purchase at the most so many shares that the Bank's total holding of own shares not exceeds 10 per cent of the total number of shares in the Bank.

c) Transfer of the Bank's own shares to participants in the 2020 long-term equity programmes

The Board of Directors proposes that the Annual General Meeting resolves that a maximum number of the acquired Class A-shares in the Bank, corresponding to the number of shares to be delivered under the 2020 long-term equity programmes

may be sold/transferred to the participants under the programmes who are entitled to acquire/receive shares. Each and every participant has the right to acquire/receive a maximum of the number of shares that follows from the terms and conditions of the programmes respectively. The right may be exercised in the periods established under the programmes.

### **19. The Board of Directors' proposal for decision on authorisation to the Board of Directors to issue convertibles with conversion into A-shares**

The Board of Directors proposes that the Annual General Meeting authorises the Board of Directors to resolve on the issuance of convertibles as set out below:

1. The authorisation may be utilised on one or several occasions prior to the Annual General Meeting in 2021.
2. The issuance of the convertibles shall be made with deviation from the shareholders' pre-emption rights; see also 5 below.
3. The convertibles shall mandatorily convert into Class A shares under the conditions stated in the terms and conditions of the convertibles, but not be convertible at the option of the holders.
4. Loan amounts and conditions for conversion shall be set so that the total number of shares which may be issued upon conversion of convertibles, by virtue of this authorisation, may not exceed ten (10) per cent of the total number of shares in the bank at the time of issuance of the convertibles.
5. The Board of Directors shall resolve on all other terms and conditions for issuance according to this authorisation. The terms and conditions of the convertibles will include a provision according to which the shares issued upon conversion shall be offered for sale with preferential rights for the shareholders to buy such shares at a price corresponding to the conversion price.

The President shall be authorised to make such minor adjustments to this decision that may be necessary in connection with the registration of the authorisation.

The purpose of the authorisation is to create flexibility for the Board, if and when deemed necessary, to resolve on the issuance of subordinated convertible loans that qualifies as Additional Tier 1 capital, and in order to be able to optimize the Bank's capital base. The convertible loans would be mandatorily converted to shares under certain pre-determined conditions in a potential future financially distressed situation for the Bank.

Under the current regulatory capital framework that came into force 1 January 2014, banks have been subject to higher capital requirements overall. In addition to share capital, certain types of subordinated debt instrument may be included in the capital base. Such instruments need to be able to absorb losses in a going-concern situation. A subordinated debt instrument must, in order to be eligible for inclusion as Additional Tier 1 capital in the capital base, contain conditions to the effect either that the

instrument shall be converted into shares or written down if the Bank's Common Equity Tier 1 ratio falls below a certain level. For reasons relating to Profit & Loss volatility, tax and general costs, the most efficient alternative is to issue an Additional Tier 1 capital instrument that converts into shares. An issue of such a convertible instrument can only be made in accordance with the rules of the Swedish Companies Act on issuance of convertibles. A flexible capital management and optimisation is helped if the Bank has the possibility to issue convertible subordinated debt and if the Board of Directors has been given a mandate to decide on issuance of Additional Tier 1 instruments with conversion into shares.

Addition Tier 1 instruments with a mandatory conversion are likely to meet investor interest mainly from international institutional investors. It is therefore proposed that the Board of Directors should be allowed to deviate from the shareholders' preferential right in conjunction with such an issue.

## **21. Shareholders' proposal to amend the Articles of Association**

The shareholder Thorwald Arvidsson proposes that the Annual General Meeting decides to

- a) Section 4, third paragraph, third sentence of the Articles of Association shall read as follows: "When voting at the Annual General Meeting, both Class A and Class C shares carry one vote.", and
- b) instruct the Board of Directors to prepare a proposal for the further changes in the Articles of Association that may be prompted by a change in the Articles of Association in the manner proposed in paragraph a) above, to be submitted to the Annual General Meeting 2021 (or an Extraordinary General Meeting held before that) for resolution.

## **22. Proposal from shareholder regarding voting rights grading and representation for certain shareholders in the Board of Directors and the Nomination Committee**

The shareholder Thorwald Arvidsson proposes that the Annual General Meeting decides to

- a) instruct the Board of Directors to work to eliminate the possibility of voting rights grading in the Swedish Companies Act primarily by contacting the Government;
- b) instruct the Board of Directors to prepare a proposal for representation on both the Board of Directors and the Nomination Committee for the small and medium-sized shareholders to be submitted to the Annual General Meeting 2021 (or an Extraordinary General Meeting held before that) for resolution; and
- (c) instruct the Board of Directors to work in conjunction with paragraph b) above, to ensure that a similar change is achieved in the national, Swedish

regulations, primarily about an amended regulation by contacting the government.

### **Majority rules**

There are requirements for resolutions to be passed in accordance with the Board of Directors' proposals under items 18 a) and b) and 19 that the resolutions of the meeting are supported by shareholders representing at least  $\frac{2}{3}$  both of the votes cast and of the shares represented at the meeting. There is a requirement for a resolution to be passed in accordance with the Board of Directors' proposal under item 18 c) that the resolution of the meeting is supported by shareholders representing at least  $\frac{9}{10}$  both of the votes cast and of the shares represented at the meeting.

For resolutions under 21 a) the resolution must be supported by all shareholders present at the Annual General Meeting and together they must represent at least nine tenths of all shares in the company, or the resolution must be supported by shareholders with at least two-thirds of both the votes cast and the shares that are represented at the Annual General Meeting if half of all class A shares and nine tenths of the shares represented at the Annual General Meeting agree to the amendment.

### **Complete proposals etc.**

- The Nomination Committee's complete proposed resolutions and motives for the proposal on Board members,
- the Board of Directors' complete proposed resolutions,
- the Board of Directors' report on the monitoring and evaluation of equity-based remuneration and the application of the by the Annual General Meeting approved guidelines for salary and other remuneration for the President and members of the Group Executive Committee and the auditor's statement on such application,
- information regarding proposed Directors and the Auditor, and
- Letter from shareholder to the Board of Director with proposals in accordance with items 21 and 22 of the agenda

are available on [www.sebgroup.com](http://www.sebgroup.com) and at the Bank's Head Office, Kungsträdgårdsgatan 8 in Stockholm.

The Annual Report and the Auditors' Report are available on [www.sebgroup.com](http://www.sebgroup.com) and at the Bank's Head Office, Kungsträdgårdsgatan 8 in Stockholm, as of 2 March 2020.

### **Shares and votes**

The Bank's share capital is SEK 21,942 million and the total number of shares and votes in the Bank is 2,194,171,802 shares and 2,172,434,544.8 votes of which 2,170,019,294 shares are Class A-shares corresponding to 2,170,019,294 votes (1 vote per A-share) and 24,152,508 shares are Class C-shares corresponding to 2,415,250.8 votes (1/10 vote per C-share).



The Bank's holding of own shares as per 17 February 2020 is 31,119,776 Class A-shares.

**Other information**

The Board of Directors and the President shall, if a shareholder so requires and it according to the opinion of the Board may take place without significant harm to the Bank, at the Annual General Meeting provide information on:

- circumstances which may affect the assessment of a matter on the agenda for the Annual General Meeting, and
- circumstances which may affect the assessment of the Bank's financial position.

The duty to provide information also applies to the Bank's relationship to other Group companies as well as the Group accounts and subsidiaries' circumstances.

**Processing of personal data**

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<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Stockholm in February 2020

**Skandinaviska Enskilda Banken AB (publ)**  
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THE BOARD OF DIRECTORS