

# Welcome to Swedbank's annual general meeting on 5 April 2016

The shareholders in Swedbank AB are hereby given notice to the Annual General Meeting at Dansens Hus, Barnhusgatan 14, 111 24 Stockholm, on Tuesday 5 April, 2016 at 11.00 am (CET).

Shareholders are welcome from 9:30 am (CET). Before the Meeting it will be possible for shareholders to ask questions to the management of Swedbank. Light refreshments will also be served before the Meeting.

As a service to non-Swedish speaking shareholders, the Meeting will be simultaneously interpreted into English.

## Notification etc

Shareholders who wish to attend the Meeting must be recorded in the share register maintained by Euroclear Sweden AB ("Euroclear", the Swedish Central Securities Depository) on 30 March, 2016 (the "Record Date"), and must give notice of their attendance to Swedbank's head office no later than 30 March, 2016 preferably before 3.00 pm (CET).

## Notification may be submitted

- by letter to Swedbank, c/o Euroclear, Box 7839, SE-103 98 Stockholm, Sweden, or
- by telephone +46 8 402 90 60, or
- at [www.swedbank.se/ir](http://www.swedbank.se/ir) under the heading "Årsstämma" (AGM).

The notification shall state the name and should in addition thereto state the personal/company registration number (for Swedish permanent residents or companies), address, telephone number and the number of any advisors (not more than two).

Entrance cards, which shall be presented at the entrance to the meeting venue, will be sent from 31 March, 2016.

## Nominee-registered shares

Shareholders whose shares are nominee-registered must – in addition to giving notice of their attendance – request that the shares be temporarily re-registered in their own name at Euroclear. Such registration should be requested at the nominee well before the Record Date (i.e. 30 March, 2016).

## Proxies etc

Shareholders represented by proxy or a representative should submit a power of attorney, registration certificate or other documents of authority to Swedbank at the address above well before the Meeting, preferably no later than 30 March, 2016. Power of attorney forms are available on the bank's web site at [www.swedbank.se/ir](http://www.swedbank.se/ir) under the heading "Årsstämma" (AGM).

## Personal data

Personal data obtained from the share register, notices of attendance at the Meeting and information on proxies and advisors will be used for registration, preparation of the voting list for the Meeting and, where applicable, the minutes of the Meeting.

### Proposed agenda

1. Opening of the Meeting and address by the Chair of the Board of Directors
2. Election of the Meeting Chair
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of two persons to verify the minutes
6. Decision whether the Meeting has been duly convened
7.
  - a) Presentation of the annual report and the consolidated accounts for the financial year 2015
  - b) Presentation of the auditor's reports for the bank and the group for the financial year 2015
  - c) Address by the CEO
8. Adoption of the profit and loss account and balance sheet of the bank and the consolidated profit and loss account and consolidated balance sheet for the financial year 2015
9. Approval of the allocation of the bank's profit in accordance with the adopted balance sheet as well as decision on the record date for dividends
10. Decision whether to discharge the members of the Board of Directors and the CEO from liability
11. Determination of the number of Board members
12. Determination of the remuneration to the Board members and the Auditor
13.
  - a-i) Election of the Board members
14. Election of the Chair of the Board of Directors
15. Decision on the Nomination Committee
16. Decision on the guidelines for remuneration to top executives
17. Decision to acquire own shares in accordance with the Securities Market Act
18. Decision on authorization for the Board of Directors to decide on acquisitions of own shares in addition to what is stated in item 17
19. Decision on authorization for the Board of Directors to decide on issuance of convertibles
20. Performance and share based remuneration programs for 2016
  - a) Approval of the resolution of the Board of Directors on a common program ("Eken 2016")
  - b) Approval of the resolution of the Board of Directors of Swedbank regarding deferred variable remuneration in the form of shares (or another financial instrument in the bank) under the Individual Program ("IP 2016")
  - c) Decision regarding transfer of own shares
21. Matter submitted by the shareholder Göran Westman regarding suggested proposal to implement the Lean-concept
22. Matter submitted by the shareholder Göran Westman regarding suggested proposal make the communication with the shareholders of Swedbank more efficient
23. Matter submitted by the shareholder Frank A. Huttel regarding suggested proposal to create basic services for share investors
24. Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to adopt a vision on absolute equality
25. Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to appoint a task force in order to implement the proposal under item 24
26. Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to annually publish a report regarding the proposals under items 24 and 25
27. Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to form a shareholders' association
28. Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to change the regulations concerning the possibility to invoice the Board of Directors' remuneration

29. Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to alert the government office of Sweden of that the possibility to have different voting rights for shares should be abolished
30. Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to amend the section of the articles of association that concerns the Board of Directors
31. Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to suggest that the government office of Sweden implement rules concerning a so-called cool-off period for politicians
32. Matter submitted by shareholder Christer Dupuis regarding suggested proposal to dismantle the sign Swedbank Stadium (Malmö)
33. Closing of the meeting

The addresses by the Chair of the Board of Directors and the CEO will be available, following the closing of the Meeting, at [www.swedbank.se/ir](http://www.swedbank.se/ir).

### Nomination Committee

The Nomination Committee consists of Lennart Anderberg, Chair, appointed by the owner group Föreningen Sparbanksgruppen, Ramsay Brufer, appointed by Alecta, Jens Henriksson, appointed by Folksam, Peter Karlström appointed by the owner group Sparbanksstiftelsen and Anders Sundström, Chair of the Board of Directors of Swedbank AB.

### Proposals of the Board of Directors and the Nomination Committee etc

#### **Item 2; Election of the Meeting Chair**

The Nomination Committee proposes that Counsel (Sw. advokat ) Claes Zettermarck is elected Chair of the Meeting.

#### **Item 9; Resolution on the allocation of the bank's profit in accordance with the adopted balance sheet as well as decision on record date for dividends**

The Board of Directors proposes that of the amount approximately SEK 46 510m at the disposal of the Meeting, approximately SEK 11 880 m is distributed as dividends to holders of shares and the balance, approximately SEK 34 630 m, is carried forward. The proposed total amount to be distributed and the proposed total amount to be carried forward, are based on all shares outstanding as of 25 February 2016 and could be changed in the event of additional share repurchases or if treasury shares are disposed of before the record day. A dividend of SEK 10.70 for each share is proposed. The proposed record date is 7 April, 2016. With this record date, the dividend is expected to be paid through Euroclear on 12 April, 2016.

#### **Item 10; Decision whether to discharge the members of the Board of Directors and the CEO from liability**

The Auditor recommends discharge from liability.

#### **Item 11; Determination of the number of Board members**

The Nomination Committee proposes that the number of Board members, which shall be appointed by the Meeting, shall be nine.

#### **Item 12; Determination of the fees to the Board members and the Auditor**

The Nomination Committee proposes, for the period until the close of the next AGM, to raise the remuneration for the Board of Directors calculated on an annual basis as follows:

- SEK 2 430 000 to the Chair (SEK 2 390 000),

- SEK 525 000 to each of the other Board members (SEK 510 000),
- SEK 290 000 to the Chair of the Board's Audit Committee (SEK 255 000),
- SEK 215 000 to each of the other Board Audit Committee members (SEK 205 000),
- SEK 290 000 to the Chair of the Board's Risk and Capital Committee (SEK 255 000),
- SEK 215 000 to each of the other Board Risk and Capital Committee members (SEK 205 000).

Unchanged remuneration is proposed for the deputy Chair, i.e., SEK 815 000 and for each member of the Board's remuneration committee, i.e., SEK 100 000.

The Nomination Committee proposes that the remuneration for the Board of Directors may, after agreements between the board member and Swedbank and if it could be done without increase of cost for Swedbank and the board member fulfils the formal requirements for such invoicing, be invoiced by entity fully owned by the board member. If such invoicing is done the remuneration might be raised with an amount equal to Swedbank's savings.

The shareholder Thorwald Arvidsson has submitted a proposal that board members should not be allowed to invoice remuneration through legal entities.

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

### **Item 13; Election of the Board members**

The Nomination Committee proposes, for the period until the close of the next AGM:

Election of;

- a) Bodil Eriksson
- b) Peter Norman

Re-election of;

- c) Ulrika Francke
- d) Göran Hedman
- e) Lars Idermark
- f) Pia Rudengren
- g) Anders Sundström
- h) Karl-Henrik Sundström
- i) Siv Svensson

As proposed by several Swedish and foreign institutional shareholders, the members are proposed to be elected individually, with a counting of votes.

All proposed members, except Göran Hedman, are, in the opinion of the Nomination Committee, considered as independent in relation to the bank, the management of the bank and the major shareholders of the bank. However, Göran Hedman is considered independent in relation to the management of the bank and the major shareholders of the bank.

### **Item 14; Election of the Chair of the Board of Directors**

The Nomination Committee proposes that Anders Sundström be elected as Chair of the Board of Directors

### **Item 15; Decision on the Nomination Committee**

The Nomination Committee proposes a nomination process in accordance with the Swedish Corporate Governance Code and the following principles:

- The Nomination Committee shall consist of six members. The members shall consist of the Chair of the Board of Directors as well as 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 2016.
- When applying these principles a group of shareholders shall be considered to be one owner if they have been organised 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 an additional member appointed by a shareholder who has become one of the [four] 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.
- The Nomination Committee makes an annual assessment, according to its own decided criteria for the proposed Board members – in addition to the assessment and valuation that is done by the supervisory authority – based on the European Banking Authority guidelines.
- 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.
- The Nomination Committee has the right, at the expense of the bank, to engage a headhunter or other external consultants which the Nomination Committee deems necessary to fulfil its assignment.
- The duties of the Nomination Committee shall be, where applicable, before a coming 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
  - fees 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 for appointing the Nomination Committee

The shareholder Thorwald Arvidsson has submitted a proposal that the Nomination Committee should specifically consider ethics, gender and ethnicity and a proposal that the Board of Directors should issue a proposal for the AGM 2017 (or any extraordinary general meeting which takes place before that) concerning small and medium shareholders' right to representation in the board of directors and nomination committee.

#### **Item 16; Decision on the guidelines for remuneration to top executives**

The Board of Directors proposes mainly the following guidelines for remuneration to top executives: Top executives refer to the CEO of the bank and the executives who at each time reports to the CEO and who also are members of the Group Executive Committee.

Remuneration and other terms of employment for top executives shall be designed so that they (i) are consistent with and promote effective risk management and counteract excessive risk-taking and (ii) ensures access to executives with the competence that the bank needs. The guidelines, which apply until the next AGM, shall be applied in relation to every commitment on and every change in remuneration. The Board of Directors shall decide on the remuneration terms and may deviate from the guidelines, if there exist special reasons in a specific case.

Remuneration may consist of the components: fixed compensation in the form of base salary, benefits and pension and variable compensation. There should be an appropriate balance between fixed and variable components. Each top executive shall receive a base salary and may be entitled to both general benefits that are offered to all staff and special extra benefits. Pension benefits shall generally be granted in accordance with rules, collective agreements and practice in the country where the top executive is permanently resident. Pension benefits may be defined benefit according to collective agreements and/or defined contribution and are vested once they have accrued. The Board of Directors shall decide on a cap on the pensionable income. If the bank terminates the employment, salary may be paid during a notice period of 6–12 months. In addition, severance pay can be paid during 6–12 months. Variable compensation may be paid in the form of shares and limits for the maximum outcome shall be determined. Payment of variable remuneration shall be deferred and be conditional upon the criteria fulfilment on which the remuneration is based being proved long-term sustainable and on the group's position not having materially deteriorated. If the conditions for payment are not satisfied, the remuneration shall be reduced in whole or in part. The material terms of incentive programs shall be resolved by a General Meeting of Shareholders.

The Board of Directors has, subject to approval of the 2016 AGM, decided to implement a general performance and share based remuneration program for 2016 ("Eken 2016") which, in all material respects, is designed in the same manner as Eken 2015. Top executives are as a general rule included in Eken 2016.

The Board of Directors has, subject to the approval of the AGM 2016, also resolved to establish an individual performance and share based remuneration program for 2016 ("IP 2016") which, in all material respects, is designed in the same manner as IP 2015. Top executives are as a general rule not included in IP 2016. However, the Board of Directors, or the Board of Directors' Remuneration Committee after a resolution by the Board of Directors, may grant exemptions from this where material grounds exist.

#### **Item 17; Decision to acquire own shares in accordance with the Securities Market Act**

The Board of Directors proposes that the bank, to facilitate its securities operations, during the period until the AGM in 2017, in its securities operations shall be permitted to continuously acquire

to its so called trading book its own shares in accordance with the Securities Market Act to the extent that the total holding of such shares at any given time does not exceed one (1) per cent of the total number of shares in the bank. The price for such acquired shares shall at each time correspond to the prevailing market price.

**Item 18; Decision regarding authorization for the Board of Directors to decide on acquisitions of own shares in addition to what has been stated in item 17**

The Board of Directors proposes that the AGM authorizes the Board of Directors, for the period until the AGM in 2017, to resolve on acquisitions, in addition to what is stated in connection with item 17, of the bank's own shares on one or more occasions.

The total holding of own shares (including shares acquired under item 17) may not exceed one tenth of the total numbers of shares in the bank at each time. Acquisitions may only be made through purchases on Nasdaq Stockholm. An acquisition may only be made at a price within the prevailing spread between the highest bid price and the lowest ask price.

The capital requirement for Swedbank, calculated as of 31 December 2015 and assuming that Swedbank's capital requirement for Pillar 2 risks is in line with the SFSA's standard value for Swedish banks (1.5 per cent), is equivalent to a Common Equity Tier 1 capital ratio of 19.9 per cent. Consideration is also given to the introduction of a systemic risk buffer (January 2015) and a countercyclical buffer (September 2015). Swedbank's consolidated situation Common Equity Tier 1 ratio was 24.1 per cent and the total capital ratio was 30.3 per cent as per 31 December 2015.

Given the current capitalization and earnings capacity, the Board of Directors is of the opinion that the bank meets the regulatory requirements on Common Equity Tier 1 capital with an adequate buffer.

The conditions for the bank's business as well as the external conditions are constantly changing. Hence, it may become desirable to increase or decrease the capital base or change the composition between Common Equity Tier 1 capital and other capital, for example by repurchase of the bank's own shares, issue of loans eligible for inclusion in the capital base or a combination of different measures.

Against that background, the proposal on a buyback-authorization is justified as one of several measures to give the Board of Directors the possibility to continuously adapt the bank's capital structure to existing capital needs.

**Item 19; Decision on authorization for the Board of Directors to decide on the issuance of convertibles**

The Board of Directors proposes that the AGM authorizes the Board of Directors, for the period until the AGM in 2017, to resolve on the issuance of convertibles on one or more occasions, with or without deviation from the shareholders' preferential rights. The convertibles shall only convert mandatorily into shares on certain conditions but not be convertible at the option of the holders. The number of shares as a result of conversion may not exceed 110 000 000 (or the corresponding number due to bonus issue, share issue, conversion of convertibles, split or reversed share split or similar corporate events), including the number of shares resulting from any conversion of convertibles issued under authorisation from previous AGM(s). The Board of Directors resolves on all other terms and conditions for the issue.

According to regulations that came into force 1 January 2014, a loan must, in order for it to be eligible for inclusion as Additional Tier 1 capital in the capital base, contain conditions to the effect either that the loan may be converted into shares if a predetermined trigger event occur, for example that the bank's Common Equity Tier 1 ratio drops below a certain level, or that the loan will be written down under corresponding conditions. Debt instruments eligible for inclusion as Tier 2 capital in the capital base may also be issued with similar terms and conditions. An issue of debt instruments convertible into shares can only be made in accordance with the rules of the Swedish Companies Act on issuance of convertibles. Convertibles may be used to strengthen the bank's equity in the event of future actual or anticipated financial difficulties. This possibility should be advantageous also to current shareholders.

Since convertibles issued in accordance with the authorization would mainly be demanded by debt investors of the Swedish and international capital markets, it must be possible to offer them to the market with or without deviation from the shareholders' preferential rights. The purpose of this proposal is for the bank, without convening a General Meeting of Shareholders, through decision by the Board of Directors, to be able to issue convertibles if considered necessary in order to effectively handle the capital base.

#### **Item 20; Approval of performance and share based remuneration programs for 2016**

In conformity with previous years, the Board of Directors has decided on a performance and share based remuneration program for 2016 comprising a common program with deferred variable remuneration in the form of shares ("Eken 2016") (see item 20 a)) and an individual program ("IP 2016") with variable remuneration in two parts, cash and deferred variable remuneration in the form of shares (see item 20 b)). Eken 2016 and IP 2016 are in all material respects designed in the same manner as the programs of previous years. The Board of Directors of Swedbank 's decision on Eken 2016, and as far as it relates to deferred variable remuneration in the form of shares, IP 2016 has been made subject to the AGM's subsequent approval.

#### **Item 20 a); Approval of the resolution of the Board of Directors on a common program (Eken 2016)**

Eken 2016 includes approximately 13 800 employees within the Swedbank Group ("Group"). Also top executives are, as a general rule, included. Units that are excluded are amongst others the joint venture company Entercard and Ölands Sparbank. Staff working with any of these units may be included.

In essence, Eken 2016 means that to the extent certain performance targets are achieved during the financial year 2016 participants are awarded a variable remuneration in the beginning of 2017 ("Share Performance Amount") in the form of conditional, non-transferable performance rights. Each performance right carries a right to receive, at no cost, in year 2020 one share in the bank subject to certain conditions being fulfilled at the time of delivery. The allotment of performance rights and the outcome are dependent on the extent to which the performance targets are achieved. The performance targets are based on the profit, adjusted for capital costs and risks, of the Group and the individual performance under the bank's performance development process which comprises an assessment of a number of behaviours linked to the Group's values – open, simple and caring.

The maximum Share Performance Amount is normally limited to 1.6 months' salary for an individual participant employed in Estonia, Latvia or Lithuania and 0.8 months' salary for an individual participant employed in another country. Depending on the assessment, re-allocation between participants may occur resulting in the maximum Share Performance Amount being three times the



above mentioned limitations. The base salary is defined as the agreed fixed salary for December 2016.

The total Share Performance Amount for all participants is limited to approximately SEK 463m for Eken 2016.

Conversion of the allotted Share Performance Amount into performance rights is made by dividing such amount by the average daily volume weighted price paid per share in Swedbank at Nasdaq Stockholm during the last ten trading days in January 2017 (the "Translation Rate"), however, not lower than SEK 80 per share (the "Floor Price"). The total number of performance rights that may be allotted to the participants amounts to a maximum of approximately 5.8m, which equals the quotient of (a) the highest aggregate Share Performance Amount for all participants divided by (b) the Floor Price. If the Translation Rate is hypothetically assumed to be SEK 180, the total number of Performance Rights which may be allotted to the Participants amounts to a maximum of approximately 2.6m.

In the Group's financial accounting, the total Share Performance Amount will normally be recognized as staff costs in the income statement during the accrual period which, in the accounts, is considered to correspond to the duration.

The maximum cost for the Share Performance Amount amounts to approximately SEK 463m, which corresponds to approximately 0.2 per cent of the bank's market value as of 31 January 2016. The estimated cost for the Share Performance Amount amounts to approximately SEK 290m, which corresponds to approximately 0.1 per cent of the bank's market value as of 31 January 2016.

The maximum annual cost in the income statement is expected to be approximately SEK 111m. The estimated annual cost in the income statement amounts to approximately SEK 70m.

The estimates of costs are standardized and based upon an achievement of the performance targets corresponding to approximately 60 per cent of the total Share Performance Amount.

The bank's estimated maximum commitment, if hedged by way of transfer of own shares, results in a total dilution of not more than approximately 0.5 per cent in relation to the outstanding number of shares and votes as of 31 December 2015.

The dilution is expected to have a marginal impact on the Group's key ratios, also when taken together with the proposed IP 2016 (according to the proposal under Item 20 b)).

The Board of Directors shall also have the right to resolve that Performance Rights (all or part of all Performance Rights) shall entitle to, without consideration, receive such financial instrument in the bank as set out in article 94 of Directive 2013/36/EU ("CRD IV") and Chapter 4 Section 7 of FFFS 2011:1, instead of shares.

**Item 20 b); Approval of the resolution of the Board of Directors of Swedbank regarding deferred variable remuneration in the form of shares (or another financial instrument in the bank) under the Individual Program ("IP 2016")**

IP 2016 comprises approximately 700 employees in the Swedbank Group (Group) in positions where individual performance is deemed to be of direct importance for creating revenue and where variable compensation is deemed to encourage performance.

IP 2016 provides a possibility to receive variable remuneration partly in the form of cash remuneration, partly in the form of deferred remuneration consisting of shares. In essence, the program means that to the extent certain performance targets are achieved during the financial year 2016 the participants are allotted a variable remuneration in the beginning of 2017 of which a part (Share Performance Amount) is allotted in the form of conditional, non-transferable performance rights. Each performance right carries a right to receive, at no cost, in year 2020 one share in the bank, subject to certain conditions being fulfilled at the time of delivery.

The allotment of performance rights and the outcome are dependent on whether the performance targets are achieved. The performance targets are, for the majority of the participants, determined on the following evaluation levels (1) the profit after tax, adjusted for capital costs and risks, for the Group (2) the profit after tax, adjusted for capital costs and risks, for the respective business area and whether this has been achieved in accordance with the business area's strategic plan and a sound risk attitude and (3) the risk adjusted results on an individual level and team level, which is assessed, inter alia, of individual performance under the bank's performance development process which comprises both financial and operational factors. Further, a number of behaviours linked to the Group's values – open, simple and caring – are assessed and (4) risk evaluation, which is made on Group- and/or business area level and/or individual level.

The maximum Gross Performance Amount is individually predetermined for each Participant and is dependent on, inter alia, business area or function, the Participant's individual position and/or areas of responsibility. The maximum Gross Performance Amount, which also include Eken 2016, if applicable, for all staff categories across the Group, cannot exceed the variable pay cap as decided by applicable laws or other regulations.

The Share performance amount for each participant is, as a general rule, 40 per cent of the Gross Performance Amount. The total Share Performance Amount for all participants is limited to a maximum of approximately SEK 186m.

Conversion of the allotted Share Performance Amount into performance rights is made on the basis of a translation rate based on the average daily volume weighted price paid per share in Swedbank at Nasdaq Stockholm during the last ten trading days in January 2017, however, not lower than SEK 80 per share (the Floor Price).

The total number of performance rights that may be allotted to the participants amounts to a maximum of approximately 2.3m, which equals the quotient of (a) the highest aggregate Share Performance Amount for all participants divided by (b) the Floor Price. If the Translation Rate is hypothetically assumed to be SEK 180, the total number of performance rights which may be allotted to the Participants amounts to a maximum of approximately 1m.

In the Group's financial accounting the total Share Performance Amount will be recognized as staff costs in the income statement during the accrual period which in the accounts is considered to correspond to the duration.

The maximum annual cost is expected to be approximately SEK 45m in the income statement. The estimated annual cost amounts to approximately SEK 21m in the income statement.

The cost estimates are standardized and based upon an achievement of the performance targets corresponding to approximately 50 per cent of the total Share Performance Amount.

The bank's estimated maximum commitment, if hedged by way of transfer of own shares, results in a total dilution of not more than approximately 0.2 per cent in relation to the outstanding number of shares and votes as of 31 December 2015. The dilution is expected to have a marginal impact on the Group's key ratios, also when taken together with the proposed Eken 2016 (according to item 20 a)).

The Board of Directors shall have the right to resolve that Performance Rights (all or part of all Performance Rights) shall entitle its holder to, without consideration, receive such financial instruments in the bank as set out in article 94 of CRD IV and Chapter 4 Section 7 of FFFS 2011:1, instead of shares

The Board of Directors shall have the right to resolve that the Share Performance Amount shall form a higher proportion of the Gross Performance Amount than 40 per cent, and in such case resolve on how large share of the Share Performance Amount which shall be postponed in accordance with what is set out in CRD IV.

#### **Item 20 c); Decision regarding transfer of own shares**

As is apparent by the Board of Directors' resolutions on Eken 2016 and IP 2016 (jointly referred to as "Program 2016"), different methods are available to secure the bank's commitment. Considering that the own repurchased shares held by the bank are sufficient to also secure Program 2016, the Board of Directors proposes that Swedbank's commitment under Program 2016, and previous common and individual performance and share based remuneration programs within the Swedbank Group – that in whole or in part – have been resolved by or adopted subject to subsequent approval by a General Meeting of Shareholders' of Swedbank ("Previous Programs") – is to be secured by the transfer, with deviation from the Shareholders' rights, at no cost, of own shares held by Swedbank and acquired by virtue of authorization by an AGM to eligible participants in Program 2016 and Previous Programs.

The Board of Directors' proposal consists of transfer of own shares partly, at no cost, to entitled participants under Program 2016 and Previous Programs, directly or where applicable through the bank's subsidiaries or an external party engaged for this purpose and partly at Nasdaq Stockholm if the Board of Directors deems it appropriate, to cover certain costs, in particular social security costs and ancillary salary costs.

Not more than 21 700 000 shares in aggregate (or such adjusted higher number of shares which may be a result of a bonus issue, share split or corresponding corporate events) may be transferred in accordance with the above. If transfer of the maximum amount of shares (21 700 000) occurs, this would result in a total dilution of approximately 2.0 per cent in relation to the outstanding number of shares and votes as of 31 December 2015.

The Board of Directors' proposal as per above is conditional upon the resolution of the Board of Directors regarding Eken 2016 and/or deferred variable remuneration in the form of shares under IP 2016 having been approved by the AGM.

If the AGM does not approve the proposal as per above, the Board of Directors may instead hedge the bank's commitment to deliver shares – in whole or in part – for Program 2016 by way of an agreement (equity swap agreement, certificate or similar) with a financial institution engaged for

this particular purpose, which according to such agreement will in its own name acquire and transfer to the Participants shares in Swedbank.

**Item 21; Matter submitted by the shareholder Göran Westman regarding suggested proposal to implement the Lean-concept**

The shareholder Göran Westman proposes that the AGM resolves to instruct the Board of Directors and/or the CEO to, prior to the AGM 2017, implement the Lean-concept in all operations of the Swedbank group.

**Item 22; Matter submitted by the shareholder Göran Westman regarding suggested proposal make the communication with the shareholders of Swedbank more efficient**

The shareholder Göran Westman proposes that the AGM resolves to instruct the Board of Directors and/or CEO to make the communication with the shareholders of Swedbank more efficient.

**Item 23; Matter submitted by the shareholder Frank A. Huttel regarding suggested proposal to create basic services for share investors**

The shareholder Frank A. Huttel proposes that the AGM resolves to instruct the Board of Directors and/or CEO of Swedbank to create basic services for share investors in order to strengthen the company's competitiveness. As previously, deposition should be free of charge, supporting documentation for tax returns should be offered and the lowest commission should be SEK 40 (forty), at most.

**Item 24; Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to adopt a vision on absolute equality**

The shareholder Thorwald Arvidsson proposes that the AGM resolves to adopt a vision on absolute equality between men and women on all levels within the company.

**Item 25; Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to appoint a task force in order to implement the proposal under item 24**

The shareholder Thorwald Arvidsson proposes that the AGM resolves to instruct the Board of Directors to appoint a task force in order to, eventually, implement the vision proposed under item 24 and to carefully monitor the progress in the fields of gender equality and ethnicity.

**Item 26; Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to annually publish a report regarding the proposals under items 24 and 25**

The shareholder Thorwald Arvidsson proposes that a report should be published annually concerning the proposals under items 24 and 25. Also, it is proposed that the report is included in the printed annual report.

**Item 27; Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to form a shareholders' association**

The shareholder Thorwald Arvidsson proposes that the AGM resolves to instruct the Board of Directors to take the necessary measures to form a shareholders' association.

**Item 28; Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to change the regulations concerning the possibility to invoice the Board of Directors' remuneration**

The shareholder Thorwald Arvidsson proposes that the AGM resolves to instruct the Board of Directors to turn to the relevant public authority, primarily the government office of Sweden (Sw. *regeringen*) or the Swedish Tax Agency, in order to achieve a changed regulation concerning the possibility for a board member to invoice his or her remuneration through a legal entity.

**Item 29; Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to alert the government office of Sweden of that the possibility to have different voting rights for shares should be abolished**

The shareholder Thorwald Arvidsson proposes that the AGM resolves to instruct the Board of Directors to turn to the government office of Sweden and alert it of the desirability to amend the legislation in order to abolish the possibility to have different voting rights for shares.

**Item 30; Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to amend the section of the articles of association that concerns the Board of Directors**

The shareholder Thorwald Arvidsson proposes that the AGM resolves to include two new paragraphs, with the following wording, in the section of the articles of association that concerns the Board of Directors:

“Previous members of the council of state cannot be appointed as board members until two years have passed from the time when the person retired from the assignment as a member of the council of state.

Other public, fully remunerated, politicians cannot be appointed as board members until one year has passed from the time when the person retired from the assignment, unless extraordinary circumstances dictate otherwise.”

**Item 31; Matter submitted by the shareholder Thorwald Arvidsson regarding suggested proposal to suggest that the government office of Sweden implement rules concerning a so-called cool-off period for politicians**

The shareholder Thorwald Arvidsson proposes that the AGM resolves to instruct the Board of Directors to alert the government office of Sweden of the need for a comprehensive national regulation concerning the issue under item 30, i.e., the implementation of a cool-off period for politicians.

**Item 32; Matter submitted by shareholder Christer Dupuis regarding suggested proposal to dismantle the sign Swedbank Stadium (Malmoe)**

The shareholder Christer Dupuis proposes that the AGM resolves to instruct to the Board of Directors to attend to the question regarding dismantling the sign Swedbank Stadium (Malmoe)

**Total number of shares and votes in Swedbank**

At the time of issuance of this notice the total number of shares and votes in Swedbank amounts to 1,132,005,722 out of which 21 687 923 shares are held by the bank itself.

**Majority requirements**

Approval of the Board of Directors' proposal according to items 17–19 requires that the AGM's resolution is supported by shareholders representing at least two thirds of the votes cast and shares represented at the Meeting. Approval of the Board of Director's proposal according to item 20 c) requires that the AGM's resolution is supported by shareholders representing at least nine tenths of the votes cast and shares represented at the Meeting.

Approval of Thorwald Arvidsson's proposals according to item 30 requires that the AGM's resolution is supported by shareholders representing at least two thirds of the votes cast and shares represented at the Meeting. In addition, amendments to the articles of association require approval by the Swedish Financial Supervisory Authority (Sw. *Finansinspektionen*).

### Complete proposals etc.

The accounts and auditor's reports, the complete proposals of the Board of Directors in respect of items 9 and 16–20, the Board of Director's statements pursuant to items 9, 17 and 18, the statement from the bank's Auditor according to Chapter 8, Section 54 of the Swedish Companies Act, the complete proposals of the Nomination Committee and the matters submitted by the shareholder Göran Westman in respect of items 21 and 22, the shareholder Frank A. Huttel in respect of item 23 and the shareholder Thorwald Arvidsson in respect of items 24–31, will be made available at Swedbank, the Company Secretary, Landsvägen 40, Sundbyberg, no later than from and including 15 March, 2016. The documents will be sent to shareholders who so request and provide their postal address. The documents, together with the annual report, will also be made available no later than from and including 15 March, 2016 at [www.swedbank.se/ir](http://www.swedbank.se/ir).

### Information at the Annual General Meeting

At the AGM, the Board of Directors and the CEO are under a duty to, upon request by any shareholder and where the Board of Directors believes that such may take place without material damage to the bank and without any appreciable inconvenience to any person, provide information, regarding any circumstances which may affect the assessment of a matter on the agenda or of the bank's financial situation. Such duty to provide information applies also to the bank's relation to other group companies, the consolidated accounts and such circumstances regarding subsidiaries as specified in the foregoing sentence.

### The shareholders are warmly welcomed to the AGM

Stockholm in February 2016

Swedbank AB (publ)

The Board of Directors