

Triodos Investment Management

SVENSKA HANDELSBANKEN AGM Date: 26 March 2014

1 Open Meeting

Standard non-voting item.

2 Elect Chairman of Meeting

Standard proposal. The Nomination Committee proposes Sven Unger as Chairman of the meeting.

For

3 Prepare and Approve List of Shareholders

Standard proposal.

For

4 Approve Agenda of Meeting

Standard proposal.

For

5 Designate Inspector(s) of Minutes of Meeting

Standard proposal.

For

6 Acknowledge Proper Convening of Meeting

Standard proposal.

For

7 Receive Financial Statements and Statutory Reports

Standard non-voting item.

8 Approve Financial Statements and Statutory Reports

Disclosure is acceptable and the report was made available sufficiently before the meeting. No serious governance concerns have been identified.

For

9 Approve Allocation of Income and Dividend

The Board proposes a dividend of SEK 16.50 per share, including an ordinary dividend of SEK 11.50. The dividend is covered by earnings. The pay-out ratio of 73.89% is acceptable and is in-line with company dividend policy.

For

10 Discharge the Board and President

In accordance with the Swedish Companies Act ch. 7 para. 11 Swedish companies offer the Board of Directors and President a discharge from liability for the financial year. No serious governance concerns have been identified.

For

11* Authorize Repurchase of Up to 40 Million Class A and/or Class B Shares and Reissuance of Repurchased Shares

The repurchase is limited to 10% of share capital and will be in force until next AGM. The proposal is considered to be acceptable.

For

12* Authorize Repurchase of Up to 2 Percent of Issued Share Capital

In addition to the general authority, the Board seeks shareholder approval to repurchase shares according to chapter 7 section 6 of the Swedish Securities Market Act (lagen (2007:528), to acquire the bank's own shares in its securities businesses. This authority is limited to 2% of the share capital. This repurchase

For

approval is a legal requirement for companies with an equity trading business. The aggregate amount of repurchased shares under the authorities in resolutions 11 and 12 will not exceed 10% of the total share capital. Acceptable proposal.

13* Approve Issuance of Convertibles to Employees

For

The Board proposes to issue convertible bonds up to a nominal amount of SEK 3,179 million (corresponding to approximately 2% of the Company's share capital). The allocation of convertible bonds shall be decided by the Board in accordance with the following principles: (i) employees and managers shall each be guaranteed allotment of convertible bonds equivalent to a nominal amount of SEK 160,000 per person and can be allotted convertible bonds equivalent to a maximum nominal amount of SEK 1,200,000 per person; (ii) branch office managers and country managers, managers reporting directly to a head of a regional bank, a head of a business area or a chief of staff as well as those with equivalent positions shall each be guaranteed allotment of convertible bonds equivalent to a nominal amount of SEK 820,000 per person and can each be allotted convertible bonds equivalent to a maximum nominal amount of SEK 5,000,000 per person; (iii) for members of the group management team, the head of central compliance, the head of independent risk control and the head of central auditing department the guaranteed amount is SEK 5,000,000 per person and the maximum amount is SEK 12,000,000 per person and (iv) for the CEO the guaranteed amount is SEK 9,000,000 and the maximum amount is SEK 18,000,000. Non-Executive Directors are not eligible to participate in the scheme. The convertibles can be repaid starting July 2019. As the potential dilution falls within guidelines and the scheme is open to all employees, we support the proposal.

14 Approve the number of the Board of Directors

For

The company proposes to set the number of Directors to be elected on the Board to ten directors. This complies with the minimum requirement under Swedish Companies Act 8 Chap para. 46 of three directors.

15 Determine Number of Auditors

For

The Nomination Committee proposes that two registered auditing firms be appointed as auditors. Acceptable proposal.

16 Approve Remuneration of Directors, Committee work and Auditors.

For

The Nomination Committee proposes fees for Non-Executive Directors nearly unchanged from last year: SEK 3.15 million to the Chairman, SEK 900,000 (2013: SEK 875,000) to the Vice Chairmen, and SEK 625,000 (2013: SEK 600,000) to the other members. Committee members' fees are unchanged from 2013: SEK 325,000 for Credit Committee members, SEK 125,000 to members of the remuneration committee, SEK 200,000 to the Chairman of the Audit Committee and SEK 150,000 to the other members of the Audit Committee. In case the Board constituted a risk committee, the Nomination Committee proposes that the membership fee be SEK 250,000. Board members who are employees of Handelsbanken are not to receive a fee. It is also proposed that the auditor be paid according to the invoice. It is preferred that the remuneration for the Board and the auditor be submitted to shareholders in two separate resolution. However, there are no concerns with these proposals.

17 Re-elect directors.

Oppose

It is common practice for board members in Sweden to be elected using a slate system. Slate elections are evaluated taking into consideration the balance of independent representation on the board. An oppose vote is recommended where an insufficient number of independent directors are included. All of the Non-Executive Directors are seeking re-election, with the exception of

Ms Lone Fønss Schrøder, who has declined. The Nomination Committee also proposes that Mr Anders Nyrén be re-elected as Chairman of the Board. There is insufficient independent representation on the board.

18 Appoint the auditors

For

KPMG AB and Ernst&Young AB proposed for a one-year term. There were no non-audit fees during the year under review for the first auditor. Non-audit fees over a three year basis were approximately 3.85% of audit and audit related fees. Acceptable proposal.

19 Approve Remuneration Policy for Executive Management

Abstain

Shareholders are being asked to approve the principles for remuneration to the executives. Total executive remuneration consists only of fixed salary. However, a number of persons in 2013 received a pay mix which included fixed and variable remuneration. It is of concern that the Board can apply discretion to deviate from the guidelines, therefore we abstain.

20 Approve Proposal Concerning the Appointment of Auditors in Foundations Without Own Management

Abstain

The company has disclosed no information regarding this resolution. It is stated in the meeting notice that the hard copy with the explanation of the resolution is available at the Company's headquarters and may be sent by mail to those shareholders who require it. Because of the lack of disclosure that prevents shareholders from making an informed decision, we abstain.

21 Shareholder Resolution: Approve Severance of Links with the Development, Manufacture, and Trade of Nuclear Weapons, and in Future not Invest in Operations Concerned with Nuclear Weapons

For

Shareholder Stefan Sundemo proposes that the Company divests from the development, manufacture and trading of nuclear weapons, and refrains from investing in operations linked to nuclear weapons.

Triodos excludes financial companies that have any involvement in anti-personnel landmines, cluster bombs and biological and chemical weapons. For other weapons, we accept a very small indirect involvement as these other weapons are not subject to UN bans. However, Triodos calls upon financials to refrain from any involvement in the arms industry. For this reason, we welcome this shareholder resolution and we fully support it.

22 Shareholder Resolution: Approve The Formation of an Integration Institute in Landskrona, Ven, and/or Copenhagen

Oppose

Shareholder Tommy Jonasson proposes that the Board sets up an institute to work on the integration of Copenhagen and Landskrona and to contribute to providing an appropriate basis for this initiative. This shareholder proposal does not provide sufficient detail for other shareholder to evaluate whether it would fall within the Company's current mission.

23 Close Meeting