

Released for publication at 10:00 a.m. (CET) on March 24, 2014

PRESS RELEASE

Industrivärden's view of Handelsbanken's indemnity undertaking

Handelsbanken's nomination committee announced today that it has rescinded its proposal, ahead of the Annual General Meeting on March 26, that the bank grant an indemnity undertaking to each of its board members.

The reason why Industrivärden has given its support to the nomination committee's decision to rescind the proposal is that the legislation on this matter has been delayed (even though it is expected to take force on July 1), and that no legislative proposal will be ready to take a position on at the time of the bank's Annual General Meeting.

Industrivärden, which had taken the initiative for the proposal for the indemnity undertaking, did so against the background of a Swedish investigative proposal* to formulate rules on the handling of so-called administrative penalties imposed on individual members of a bank's board. Such administrative penalties for an individual person can be substantial – up to SEK 45 M (or more). According to the proposal, the penalties can be imposed even if the person has not been careless (i.e., even if the person has not done anything wrong). According to the proposal, the penalties shall be imposed by a regulatory authority.

It is thus not the administrative penalties as such that Industrivärden is criticizing, but rather the lack of consideration for the rule of order in the Swedish investigative proposal with respect to the handling of these penalties for physical persons.

With respect to such a dramatic sanction – penalties (or "fines") of up to SEK 45 M for an individual board member – it is an imperative matter of law and order that the matter be tried by a general court of law and not by staff members of a regulatory authority. This view is also supported by leading jurisprudence. In a state governed by the rule of law, it is not acceptable for an authority to serve as both an investigator, prosecutor and judge on legal matters that could have dramatic consequences for an individual. Such an arrangement, it appears, would also be in violation of the European Convention.

The proposal for an indemnity undertaking was made in the interest of the legitimate need of the bank's shareholders to be able to recruit and retain top talent on the bank's board. The Swedish investigative proposal's formulation of the rules on administrative penalties, it appears, would also be counter to the purposes of the EU's directive, namely, to raise the quality of bank boards.

The investigative proposal that Industrivärden criticizes, and which gave rise to the proposal for the indemnity undertaking, will result in legislation later in the spring. We will subsequently gain clarity on how the legislators choose to handle this important matter regarding the rule of law. For the bank's shareholders, it is imperative to closely follow how this issue – and its compatibility with the European Convention – is solved by the legislators.

Stockholm, March 24, 2014

AB INDUSTRIVÄRDEN (publ)

For further information, please contact:

Anders Nyberg, Executive Vice President and General Counsel, tel. +46-8-666 64 00

*SOU 2013:65 – Stronger capital adequacy regulations, which aim to implement the European Parliament's and Council's directive 2013/36/EU, referred to as CRD 4, into Swedish law.