

## Item 17

### **The Board of Directors' of Skandinaviska Enskilda Banken AB (publ) proposal at the Annual General Meeting on 22 March 2016 on guidelines for salary and other remuneration for the President and members of the Group Executive Committee**

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#### **Proposal**

The Board of Directors proposes that the Annual General Meeting approves the below referred guidelines for salary and other remuneration to be applied with regard to the President and members of the Group Executive Committee. The proposed guidelines correspond in all material respects to the guidelines for remuneration approved by the AGM 2015.

#### **Regulatory framework**

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

According to the regulations, the Bank shall identify employees whose professional activities have a material impact on the SEB Group's risk profile. The members of the Group Executive Committee are included in this category.

#### **Guidelines**

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. It should promote the employees' long-term commitment to creating 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.

Remuneration shall be competitive 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.

The remuneration structure for the Group Executive Committee is based on three main components; **base pay, equity-based remuneration** and **pension and other benefits**. The total remuneration reflects 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 Executive holding the position.

**Equity-based remuneration** is a means to attract and retain Senior Executives 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.

The allotment of equity-based remuneration is based on the Board of Directors' assessment of performance in terms of Return on Equity (ROE)/Return on Business Equity (ROBE), cost targets and customer satisfaction and parameters such as compliance, employee commitment, SEB's corporate sustainability and risk as outlined in SEB's business plan. The initial allotment may not exceed 100 per cent of the base pay.

The final outcome is subject to risk adjustment. Information on the structure and cost of the proposed long-term equity programmes for 2016 is found in the Board proposal for the programmes (item 18 on the agenda).

The **pension** plans for the members of the Group Executive Committee are defined contribution plans, with the exception of a defined benefit component according to the collective agreement covering all employees. The pension plan shall be in line with the Pension Policy and Instruction of the SEB Group.

Termination of employment by the Bank entitles to a severance payment of up to twelve months base pay. SEB has the right to deduct any income from other employments from the severance pay.

Other benefits such as a company car and domestic services shall be on market terms.

## **General**

The Board shall have the possibility to deviate from the approved guidelines if special reasons exist in an individual case.

Stockholm in February 2016

**Skandinaviska Enskilda Banken AB (publ)**

THE BOARD OF DIRECTORS