

**Item 18 a) – c)****The Board of Directors' of Skandinaviska Enskilda Banken AB (publ) proposals for decisions at the Annual General Meeting on 28 March 2017 concerning acquisition and sale of own shares**

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**Purpose with the proposed resolutions related to acquisition and sale of own shares**

The Board proposes in the items 18 a) – c) on the agenda that the Annual General Meeting shall decide on a number of actions related to acquisition and sale of the Bank's own shares. The proposals are aimed at creating:

- possibilities for securities business purposes related to the Bank's own share (proposal 18 a)),
- possibilities to manage the Bank's capital structure through acquisitions of own shares, including the possibility to use acquired own shares as payment in connection with acquisitions of companies or businesses or in order to finance acquisitions of companies or businesses (proposal 18 b)),
- possibilities to acquire the Bank's own shares for the proposed long-term equity programmes 2017 and for previous years' programmes in order to be able to deliver shares to the participants and for hedging purposes (proposal 18 b)),
- a possibility to sell the Bank's own shares, which are no longer needed for the long-term equity programmes, on the stock exchange, e.g. due to participants resigning from the Bank before the exercise period (proposal 18 b)) and
- a possibility to transfer the Bank's own shares to the participants in the long-term equity programmes 2017 (proposal 18 c)).

**Proposed decisions****18 a) The Board's proposal concerning the acquisition of the Bank's own shares in its securities business**

The Board 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 2018 Annual General Meeting in accordance with Chapter 7, Section 6 of the Securities Markets Act (lagen (2007:528) om värdepappersmarknaden) up to such a number as implies that the number of such shares does not exceed 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.

There is a requirement for a resolution to be passed in accordance with the Board's proposal that the resolution of the Meeting is supported by shareholders representing at least 2/3 of both the votes cast and of the shares represented at the Meeting.

*Rationale for Proposal 18 a)*

The proposal to acquire the Bank's own shares in the Bank's securities business is a prerequisite for conducting a regular 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.

**18 b) The Board's proposal concerning the acquisition and sale of the Bank's own shares for capital purposes and for the long-term equity programmes**

The Board proposes that the Annual General Meeting resolves to authorise the Board to decide on the acquisition and sale of the Bank's own Class A-shares and/or Class C-shares, where the following conditions shall apply.

1. 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.
2. Sale of shares may be made 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 may also be made 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, to be used as consideration for acquisitions of companies or businesses or in order to finance acquisitions of companies or businesses. In cases where the sale is made outside NASDAQ Stockholm, the remuneration for shares sold must correspond to an estimated market value and may be payable in other forms than cash.
3. The authorisation may be utilised on one or more occasions, however not longer than until the 2018 Annual General Meeting.
4. The Bank may acquire at the most so many shares that the Bank's holding of own shares, including the Bank's own shares in its securities business, amounts to a maximum of 10 per cent of the total number of shares in the Bank. All shares acquired may be sold.

There is a requirement for a resolution to be passed in accordance with the Board's proposal that the resolution of the Meeting is supported by shareholders representing at least 2/3 of both the votes cast and of the shares represented at the Meeting.

*Rationale for Proposal 18 b)*

The purpose of the proposal is to create possibilities to manage the capital structure of the Bank and enable acquisition and sale of the Bank's own shares for the long-term equity programmes.

The mandate to repurchase the Bank's own shares provides the Board with an efficient tool to improve flexibility in the management of the capital structure and return excess capital to shareholders if other alternatives – such as organic growth – are less attractive.

With the purpose of creating an optimal capital structure at every point in time while at the same time retaining the possibility to pursue the strategy set by the Board to grow through add-on acquisitions etc., it is proposed that the Board also for the proposed acquisition mandate shall have the possibility to sell acquired own shares on NASDAQ Stockholm, or outside NASDAQ Stockholm, as payment in connection with acquisitions of companies or businesses or in order to finance acquisitions of companies or businesses.

The long-term equity programmes entail an exposure to share price movements. The Board proposes that this risk is hedged by acquisition of own shares. It is also proposed that own shares, which are no longer needed for the long-term equity programmes, e.g. due to participants resigning from the Bank before the exercise period, may be sold.

The proposed long-term equity programmes 2017 (item 17 on the agenda) consist of an All Employee Programme and a Share Deferral Programme. The maximum number of own shares required for 2017 year's programmes and prior years' programmes can be estimated to 44.4 million.

At year-end 2016 the Bank had in its possession approximately 25.2 million shares to hedge the outstanding long-term equity programmes.

### **18 c) The Board's proposal concerning the sale and transfer of the Bank's own shares to participants in the 2017 long-term equity programmes**

The Board proposes that the Annual General Meeting resolves that a maximum of 13.5 million of the acquired Class A-shares in the Bank may be sold/transferred as follows.

1. Participants, in the year 2017 long-term equity programmes who are entitled to acquire/receive shares, shall have a preferential right to acquire/receive the shares, to a number that follows from the terms and conditions of the programmes. Subsidiaries within the SEB Group shall furthermore be entitled to acquire the shares for nil consideration, where such subsidiary shall within the scope of the terms and conditions of the programmes be obliged immediately to transfer the shares to the participants.
2. The right to acquire/receive shares may be exercised in the period when the participants are entitled to acquire/receive shares under the programmes.

There is a requirement for a resolution to be passed in accordance with the Board's proposal that the resolution of the Meeting is supported by shareholders representing at least 9/10 of both the votes cast and of the shares represented at the Meeting.

#### *Rationale for Proposal 18 c)*

The maximum number of shares required for the 2017 long-term equity programmes has been calculated to 13.5 million shares.

In order to be able to transfer shares to the participants in a cost efficient and flexible way the Board proposes that the shares repurchased by the Bank, may be sold/transferred to those who are entitled to acquire/receive shares in the proposed 2017 long-term equity programmes. For flexibility and tax efficiency purposes local programmes, i.e. agreements between the participants and their local employers, may be used. Thus, the resolution is proposed to admit transfer of shares to subsidiaries to the Bank for further transfer to the participants.

**Total holding**

The Bank's total holding of own shares shall according to law not exceed 10 per cent of the total number of shares in the Bank.

**Preparation of the proposals**

The proposals have been prepared by the Board of Directors and the Risk and Capital Committee of the Board.

**The Board of Directors' statement under Chapter 19 Section 22 of the Companies Act***The financial position of the Bank and the SEB Group*

The financial position of the Bank and the SEB Group as of 31 December 2016 is presented in the Annual Report for the financial year 2016. Furthermore, the principles applied for valuation of assets, provisions and debt are presented in the Annual Report.

*The rationale of the authorisation to acquire and transfer own shares*

With reference to the above, and to other information that has come to the knowledge of the Board, it is the opinion of the Board that the proposed authorisation to acquire and transfer own shares, aimed at i) enabling delivery of shares to the participants in the proposed long-term equity programmes and previous programmes as well as creating an efficient hedging arrangement for all long-term equity programmes and ii) creating a flexible tool to reach an efficient capital structure, is defensible with reference to the demands that the nature, scope and risks of SEB's operations place on the size of the Bank's and the Group's equity, and the Bank's and the Group's consolidation needs, liquidity and position in general. In this respect, the proposed cash dividend of SEK 5.50 per share has been considered.

Stockholm in February 2017

**Skandinaviska Enskilda Banken AB (publ)**

THE BOARD OF DIRECTORS