

This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Minutes of the Annual General Meeting of Shareholders of Husqvarna AB (publ), Reg. No. 556000-5331, held on April 14, 2021. The Annual General Meeting was held solely by advance voting pursuant to Section 20 of the Temporary Act on General Meetings (2020:198)

§ 1

The Chair of the Board, Tom Johnstone, opened the meeting. A compilation of the results of postal voting for each item on the agenda is attached to these minutes, Appendix 1, which Appendix states the information specified in section 26 of the abovementioned Act (2020:198). It was specifically noted that no shareholder had notified the Company of request that a resolution on one or several of the matters on the Agenda should be deferred to a so-called continued general meeting.

§ 2

It was resolved to approve the Nomination Committee's proposal to elect Björn Kristiansson as Chair of the meeting.

It was noted that the Board has assigned Husqvarna's General Counsel Brian Belanger to act as secretary and keep the minutes of the meeting.

§ 3

It was resolved to approve Appendix 2, which had been drawn up by Euroclear Sweden AB on behalf of the company, as the voting list for the meeting.

§ 4

It was resolved to approve the agenda, as proposed in the notice to the meeting.

§ 5

Henrik Didner from *Didner & Gerge Fonder AB* and Ricard Wennerklint from *If Skadeförsäkring AB* were appointed, together with the Chair, to act as minute checkers and to approve the minutes of meeting.

§ 6

It was noted that the notice of Annual General Meeting had been made via publication in the Post- och Inrikes Tidningar (the Official Gazette) on March 12, 2021, and on the Company's website on March 11, 2021, and that an announcement that such notice had been published was made in Svenska Dagbladet on March 12, 2021.

It was determined that the meeting was properly convened.

§ 7 a

It was resolved to adopt the Profit and Loss Statements and the Balance Sheets as well as the Consolidated Profit and Loss Statements and the Consolidated Balance Sheets for the financial year 2020.

§ 7 b

It was resolved, in accordance with the proposal from the Board of Directors, to allocate the funds available for distribution by the Annual General Meeting as follows:

Net income for 2020	TSEK	2,642,511	
Total profit available for allocation	TSEK	28,581,595	
Dividend to be distributed to the shareholders (SEK 2.40 per share)	TSEK	1,374,187	
Total	TSEK	27,207,408	to be carried forward.

It was resolved that the dividend shall be paid in two instalments, firstly SEK 0.80 per share with Friday, April 16, 2021 as the first record day, and secondly SEK 1.60 per share with Monday, October 18, 2021 as the second record day. It was noted that the estimated dates for payment from Euroclear will be Wednesday, April 21, 2021 and Thursday, October 21, 2021, respectively.

It was noted that the Board of Directors' statement on the proposed distribution was presented at the meeting.

§ 7 c

It was resolved, in accordance with the auditors' recommendation, to discharge the Directors and the CEO from liability for the administration of the Company's affairs during financial year 2020. It was noted that Directors representing their own and others' shares at the meeting, as well as the CEO, did not participate in such resolution.

§ 8

It was resolved, in accordance with the Nomination Committee's proposal, Appendix 3 a-b, that the Board of Directors should consist of eight Directors without deputies, as well as that one audit firm shall be auditor for the period until the end of the next Annual General Meeting.

§ 9

It was resolved, in accordance with the Nomination Committee's revised proposal, to approve remuneration to the Board of SEK 6,615,000 in total, whereof SEK 2,075,000 would be paid to the Chair of the Board, and SEK 600,000 to each of the Directors elected by the Annual General Meeting and not employed by the Company. In addition, it was resolved that, for work within the People & Sustainability Committee, the Chair of such Committee shall receive a remuneration of SEK 145,000 and the two other members of the Committee shall receive a remuneration of SEK 85,000 each, and that for work within the Audit Committee, the Chair of such Committee shall receive a remuneration of SEK 275,000 and the two other members of the Committee shall receive a remuneration of SEK 175,000 each.

It was resolved, in accordance with the Nomination Committee's proposal, to approve a separate remuneration to be paid for attending meetings in addition to the basic remuneration and compensation for travel related costs in accordance with the following:

For attendance at a physical Board meeting in Sweden an unchanged remuneration per meeting in accordance with the below will be paid:

- a) For a Director who is a resident in the Nordic countries: no extra meeting remuneration;
- b) For a Director who is a resident outside the Nordic countries but within Europe: SEK 10,000;
- c) For a Director who is a resident outside Europe: USD 3,500.

It was noted that the Nomination Committee declared its expectation that each elected Board Member engage themselves financially in the Company by acquiring Husqvarna shares within a period of five years, corresponding to approximately one year's remuneration, calculated before tax.

§ 10

It was noted that information regarding the proposed Directors' other assignments in other companies can be found in the presentation that has been available on the Company's website as from March 11, 2021.

It was resolved, in accordance with the Nomination Committee's proposal, to re-elect Tom Johnstone, Henric Andersson, Katarina Martinson, Bertrand Neuschwander, Daniel Nodhäll, Lars Pettersson, Christine Robins as Directors of the Board, and to elect Ingrid Bonde as a new Director of the Board, in each case for the period until the end of the next Annual General Meeting.

It was resolved to re-elect Tom Johnstone as Chair of the Board.

§ 11a

It was resolved, in accordance with the Nomination Committee's proposal, to elect the registered audit firm KPMG as external Auditor for the period up until the end of the 2022 AGM.

§ 11b

It was resolved, in accordance with the Nomination Committee's proposal, that the auditors' fees shall be paid in accordance with approved invoices, as per the prior years' practice.

§ 12

It was resolved to approve the Remuneration Report, [Appendix 4](#).

§ 13

It was noted that the auditors' revised statement in accordance with Chapter 8, Section 54 of the Companies Act has been available on the Company's website as from March 11, 2021. It was resolved to approve the Board's proposal for principles of remuneration and other terms of employment for the CEO and other members of Group Management, as per [Appendix 5](#).

It was noted that the results and targets of resolved long-term incentive programs are explained in the Annual Report after completion of the performance period.

§ 14

It was resolved to approve the Board of Directors' proposal regarding the adoption of a long-term incentive program (LTI 2021), as per [Appendix 5](#).

§ 15

It was resolved to approve the Board of Directors' proposal regarding authority of the Board to decide to allow the Company enter one or more equity swap agreements in order to hedge the obligations of the Company under the LTI 2021 and previously resolved incentive programs, as per [Appendix 5](#).

§ 16

It was resolved to approve the Board of Directors' proposal regarding authority to issue new shares "in kind", as per [Appendix 5](#).

§ 17

It was resolved, with requisite majority and in accordance with the proposal from the Board of Directors, Appendix 5, that Article 13 of the Articles of Association shall be replaced as follows.

Article 13

The Board of Directors may collect proxies in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act. The Board of Directors has the right before a shareholders meeting to decide that shareholders shall be able to exercise their voting rights by regular mail before the shareholders meeting.

Persons who are not shareholders of the company shall, in accordance with terms stipulated by the Board of Directors, be entitled to attend or in some other manner monitor the proceedings of the General Meetings of Shareholders.

§ 18

The Chair closed the meeting.

As above

/Brian Belanger/
Brian Belanger

Approved:

/Björn Kristiansson/
Björn Kristiansson

/Ricard Wennerklint/
Ricard Wennerklint

/Henrik Didner/
Henrik Didner

Appendix 1

Information regarding respective resolution

Husqvarna AB (publ) - 556000-5331

Advance voting - final votes

Agenda item	Shares			Votes		
	For	Against	Abstain	For	Against	Abstain
2 - Election of Chair of the Meeting	345 554 059 99,16%	1 0,00%	2 926 691 0,84%	124 229 950,6 99,38%	1,0 0,00%	778 125,5 0,62%
3 - Preparation and approval of the voting list	345 510 904 99,15%	1 0,00%	2 969 846 0,85%	124 225 635,1 99,37%	1,0 0,00%	782 441,0 0,63%
4 - Approval of the agenda	345 554 070 99,16%	1 0,00%	2 926 680 0,84%	99,38%	0,00%	0,62%
5 - Election of one or two minute-checkers	345 553 030 99,16%	1 0,00%	2 927 720 0,84%	99,38%	0,00%	0,62%
6 - Determination as to whether the Meeting has been duly convened	345 536 216 99,16%	1 0,00%	2 944 534 0,84%	124 227 953,0 99,38%	1,0 0,00%	780 123,1 0,62%
7a - Resolution concerning adoption of the Profit and Loss Statement and the Balance Sheet	348 149 305 99,90%	1 0,00%	331 445 0,10%	124 973 033,5 99,97%	1,0 0,00%	35 042,6 0,03%
7b - Resolution concerning proposed distribution of earnings (allocation of the Company's profit)	348 423 490 99,98%	55 343 0,02%	1 918 0,00%	125 002 345,6 100,00%	5 535,2 0,00%	196,3 0,00%
7.c.1 - Resolution concerning discharge from liability for - Tom Johnstone (Board member)	347 528 814 99,73%	321 434 0,09%	630 503 0,18%	124 912 878,0 99,92%	32 144,3 0,03%	63 054,8 0,05%
7.c.2 - Resolution concerning discharge from liability for - Ulla Litzén (Board member)	347 527 785 99,73%	321 434 0,09%	631 532 0,18%	124 912 561,8 99,92%	32 144,3 0,03%	63 371,0 0,05%
7.c.3 - Resolution concerning discharge from liability for - Katarina Martinson (Board member)	347 033 466 99,58%	323 538 0,09%	1 123 747 0,32%	124 759 106,1 99,80%	34 248,3 0,03%	214 722,7 0,17%
7.c.4 - Resolution concerning discharge from liability for - Bertrand Neuschwander (Board member)	347 527 785 99,73%	321 434 0,09%	631 532 0,18%	124 912 561,8 99,92%	32 144,3 0,03%	63 371,0 0,05%
7.c.5 - Resolution concerning discharge from liability for - Daniel Nodhäll (Board member)	347 505 971 99,72%	321 434 0,09%	653 346 0,19%	99,92%	0,03%	0,05%
7.c.6 - Resolution concerning discharge from liability for - Lars Pettersson (Board member)	347 525 681 99,73%	323 538 0,09%	631 532 0,18%	124 910 457,8 99,92%	34 248,3 0,03%	63 371,0 0,05%
7.c.7 - Resolution concerning discharge from liability for - Christine Robins (Board member)	347 527 785 99,73%	321 434 0,09%	631 532 0,18%	124 912 561,8 99,92%	32 144,3 0,03%	63 371,0 0,05%
7.c.8 - Resolution concerning discharge from liability for - Henric Andersson (CEO)	347 525 785 99,73%	321 434 0,09%	633 532 0,18%	124 911 461,8 99,92%	32 144,3 0,03%	64 471,0 0,05%
8a - Determination of the number of Directors elected	347 499 647 99,72%	1 0,00%	981 103 0,28%	124 909 748,0 99,92%	1,0 0,00%	98 328,1 0,08%
8b - Determination of the number of Auditors to be elected	347 499 647 99,72%	1 0,00%	981 103 0,28%	124 909 748,0 99,92%	1,0 0,00%	98 328,1 0,08%
9 - Determination of remuneration to the Directors	347 296 581 99,66%	203 067 0,06%	981 103 0,28%	124 887 547,8 99,90%	22 201,2 0,02%	98 328,1 0,08%
10.a.1 - Election of Directors - Tom Johnstone	296 880 304 85,19%	4 377 397 1,26%	47 223 050 13,55%	95,19%	0,35%	4,46%
10.a.2 - Election of Directors - Katarina Martinson	290 302 059 83,31%	3 532 518 1,01%	54 646 174 15,68%	117 034 626,0 93,62%	355 146,3 0,28%	7 618 304,8 6,09%
10.a.3 - Election of Directors - Bertrand Neuschwander	345 432 836 99,13%	878 919 0,25%	2 168 996 0,62%	124 697 694,8 99,75%	87 892,8 0,07%	222 489,5 0,18%
10.a.4 - Election of Directors - Daniel Nodhäll	283 831 465 81,45%	4 157 893 1,19%	60 491 393 17,36%	93,49%	0,33%	6,17%
10.a.5 - Election of Directors - Lars Pettersson	298 416 018 85,63%	5 119 778 1,47%	44 944 955 12,90%	95,70%	0,41%	3,89%
10.a.6 - Election of Directors - Christine Robins	346 558 725 99,45%	878 919 0,25%	1 043 107 0,30%	124 815 655,8 99,85%	87 892,8 0,07%	104 528,5 0,08%
10.a.7 - Election of Directors - Henric Andersson	332 469 237 95,41%	3 599 057 1,03%	12 412 457 3,56%	123 265 451,1 98,61%	483 238,1 0,39%	1 259 387,9 1,01%
10.a.8 - Election of Directors - Ingrid Bonde (new election)	341 968 520 98,13%	29 136 0,01%	6 483 095 1,86%	124 354 741,7 99,48%	4 808,1 0,00%	648 527,3 0,52%
10b - Election of Chair of the Board - Tom Johnstone	301 985 789 86,66%	2 288 605 0,66%	44 206 357 12,69%	95,99%	0,18%	3,83%
11a - Election of external Auditors	347 290 967 99,66%	37 719 0,01%	1 152 065 0,33%	99,90%	0,00%	0,09%
11b - Determination of remuneration to external Auditors	347 170 120 99,62%	329 528 0,09%	981 103 0,28%	124 874 901,7 99,89%	34 847,3 0,03%	98 328,1 0,08%
12 - Resolution to approve the Remuneration Report	342 170 158 98,19%	4 369 172 1,25%	1 941 421 0,56%	99,48%	0,37%	0,16%
13 - Resolution on remuneration guidelines for Group Management	340 494 431 97,71%	5 729 727 1,64%	2 256 593 0,65%	98,95%	0,86%	0,18%
14 - Resolution regarding the adoption of a long-term incentive program (LTI 2021)	306 665 627 88,00%	38 780 366 11,13%	3 034 758 0,87%	96,09%	3,67%	0,24%
15 - Resolution on authorization to enter into equity swap arrangements to cover obligations	306 956 438 88,08%	38 487 648 11,04%	3 036 665 0,87%	96,11%	3,65%	0,24%
16 - Resolution on authorization to resolve on the issuance of new shares	341 342 656 97,95%	7 137 055 2,05%	1 040 0,00%	99,43%	0,57%	0,00%
17 - Resolution to amend the Articles of Association	348 477 803 100,00%	1 0,00%	2 947 0,00%	125 007 563,6 100,00%	1,0 0,00%	512,5 0,00%

Appendix 2

Voting List

Appendix 3a

HUSQVARNA AB (publ) Proposals of the Nomination Committee to the 2021 Annual General Meeting (April 14, 2021)

This document sets forth each proposal made by the Nomination Committee to the 2021 Annual General Meeting (“AGM”). The rationale behind these proposals, together with an explanation of the Nomination Committee’s work, can be found in a separate document (the “**Nomination Committee’s Explanatory Statement**”) that has been published in connection with the Notice of AGM.

The below proposals correspond with the numbering (items) set forth in the agenda for the 2021 AGM proposed by the Board of Directors.

Election of Chair of the Meeting (item 2)

The Nomination Committee proposes that Björn Kristiansson be elected Chair of the AGM.

Determination of the number of Directors and Auditors to be elected (item 8)

The Nomination Committee proposes that the Board of Directors shall be comprised of eight Directors to be elected by the AGM and one audit firm.

Determination of remuneration to the Directors (item 9)

The Nomination Committee proposes that Directors elected by the AGM and not employed by the Company receive the following basic compensation for their board work in 2021 (plus applicable additional remuneration for committee work):

	Proposal 2021	2020	Percentage Increase
Chair of the Board	SEK 2,075,000	SEK 2,000,000	3.8 %
Director	SEK 600,000	SEK 580,000	3.4 %
Audit Committee Chair	SEK 275,000	SEK 240,000	14.6 %
Audit Committee Member	SEK 175,000	SEK 135,000	29.6 %
People & Sustainability Committee Chair	SEK 145,000	SEK 140,000	3.6 %
People & Sustainability Committee Member	SEK 85,000	SEK 80,000	6.3 %

In addition to the compensation described above, and reimbursement for travel expenses, the Nomination Committee proposes that the following compensation be paid to elected Directors for each physical meeting attended in Sweden (no change from prior year):

Residence of Director	Per Meeting Compensation
Nordic Countries	None
Europe (non-Nordic)	SEK 10,000
Outside of Europe	USD 3,500

The Nomination Committee declares its expectation that each elected Director engage themselves financially in Husqvarna by acquiring Husqvarna shares within a period of five years, corresponding to approximately one year’s remuneration, calculated before tax.

Election of Directors and Chair of the Board (item 10)

The Nomination Committee proposes re-election of Tom Johnstone, Katarina Martinson, Bertrand Neuschwander, Daniel Nodhäll, Lars Pettersson, Christine Robins and Henric Andersson.

Due to Ulla Litzén giving notice to the Nomination Committee that she will not be available for re-election as a Board member, the Nomination Committee proposes that Ingrid Bonde be elected as a new Board member at the 2021 AGM. The Nomination Committee proposes that Tom Johnstone be appointed Chair of the Board.

Presentation of all proposed Directors, along with an evaluation of such proposed Directors’ independence is set forth in **Appendix 1**.

Election of, and remuneration to, external Auditors (item 11)

a) Election of external Auditors

The Nomination Committee proposes, in accordance with the Audit Committee recommendation after having conducted a formal tender process, the election of KPMG as external Auditors for the period from the 2021 AGM up until the end of the 2022 AGM.

KPMG has informed that, provided that the AGM adopts the Nomination Committee's proposal regarding election of external Auditors, the registered auditor-in-charge will be authorized public accountant Joakim Thilstedt.

Neither the Nomination Committee proposal nor the Audit Committee recommendation of external Auditors has been subject to influence from third-party or have been forced by any terms and conditions that has limited the freedom of choice in the election of external Auditors.

b) Determination of remuneration to external Auditors

The Nomination Committee proposes that the external Auditors' fee shall be paid on the basis of approved invoice.

The Nomination Committee of Husqvarna AB (publ)
March 2021

2021 Annual General Meeting

Proposal on the Board of Directors by the Nomination Committee



Tom Johnstone, CBE, born 1955

Chair of the Board

M.A., University of Glasgow, Scotland, Hon. Doc. in B.A., University of South Carolina, US. Hon. Doc. in Science, Cranfield University, UK. Elected 2006. Member of the People & Sustainability Committee.

Other important board engagements: Board Chair of Combient AB, Wärtsilä Corporation and of the British-Swedish Chamber of Commerce. Board member of Investor AB, Northvolt AB and Volvo Cars.

Previous positions: President & CEO of AB SKF 2003–2014. Executive Vice President of AB SKF 1999–2003. President Automotive Division, AB SKF 1995–2003.

Shareholding in Husqvarna: 990 A-shares, 14,800 B-shares, and 384,024 call options¹.



Katarina Martinson, born 1981

M. Sc., Stockholm School of Economics, Sweden. Elected 2012. Member of the Audit Committee.

Portfolio management for the Lundberg Family.

Other important board engagements: Board Chair of Indutrade AB. Board member of L E Lundbergföretagen AB, Fastighets AB L E Lundberg, Förvaltnings AB Lunden, L E Lundberg Kapitalförvaltning AB and Fidelio AB .

Previous positions: Analyst at Handelsbanken Capital Markets 2008. Vice President at Strategas Research Partners LLC, New York, US 2006–2008. Investment research at ISI, International Strategy & Investment Group, New York, US 2005–2006.

Shareholding in Husqvarna: 113,478 A-shares, 378,737 B-shares.

¹ Consisting of (A) 192,012 call options issued by Investor AB entitling to purchase Husqvarna B-shares, and (B) 192,012 call options issued by L E Lundbergföretagen AB entitling to purchase Husqvarna B-shares.



Bertrand Neuschwander, born 1962

Graduate engineer, Institut National Agronomique de Paris-Grignon, France, with an MBA from INSEAD. Elected 2016. Member of the People & Sustainability Committee.

Other important board engagements: Board member of Serge Ferrari Group SA. Chair CPE.

Previous positions: Chief Operating Officer, Groupe SEB, France 2014–2019. Senior Executive Vice President for Business Units Brands, Innovation & Strategy, Groupe SEB 2012–2014. Senior Executive Vice President for Business Units Brands & Innovation, Groupe SEB 2010–2012. CEO, Devanlay/Lacoste 2004–2009. Chair and Chief Executive Officer, Aubert Group 2001–2004.

Shareholding in Husqvarna: 7,500 B-shares.



Daniel Nodhäll, born 1978

M. Sc., Stockholm School of Economics, Sweden. Elected 2013. Member of the Audit Committee.

Managing Director, Head of Listed Core Investments at Investor AB.

Other important board engagements: Board member of Electrolux Professional AB (publ) and SAAB AB.

Previous positions: Analyst focused on the engineering sector at Investor AB since 2002.

Shareholding in Husqvarna: 10,000 B-shares.



Lars Pettersson, born 1954

M. Sc. in Applied Physics, Material Sciences, Uppsala University, Sweden. Hon. Doc. at Uppsala University, Sweden. Elected 2014. Chair of the People & Sustainability Committee.

Other important board engagements: Board Chair of KP-Komponenter A/S. Board member of Festo AG, AB Industrivärden, Indutrade AB and L E Lundbergföretagen AB.

Previous positions: President & CEO of AB Sandvik 2002–2011 and various positions within AB Sandvik 1978–2002.

Shareholding in Husqvarna: 5,000 B-shares.



Christine Robins, born 1966

BBA in Marketing and Finance, University of Wisconsin, Madison, US and an MBA at Marquette University, Milwaukee, WI, US. Elected 2017.

Business Unit CEO at Newell Brands.

Previous positions: President & CEO of Char-Broil LLC, Columbus, GA, US 2014–2019. President & CEO of BodyMedia, Pittsburgh, PA, US 2009–2014. President & CEO of Philips Oral Healthcare, Seattle, WA, US 2005–2009. Marketing and Finance positions within S.C. Johnson company 1988–2005.

Shareholding in Husqvarna: American Depositary Receipts (ADR) B 1,866



Ingrid Bonde, born 1959

MBA, Stockholm School of Economics, Sweden. Elected 2021.

Other important board engagements: Board Chair of Apoteket AB and Alecta. Vice Board Chair of Telia Company AB. Board member of Securitas AB.

Previous positions: Chair of Klimatpolitiska Rådet (authority in charge of monitoring the Swedish politics for climate) 2018-2020, CFO and deputy CEO, Vattenfall AB 2012-2017, CEO and President, AMF Pensionsförsäkring 2008-2012, Director General Finansinspektionen 2003-2008, deputy Director General, the Swedish National Debt Office 1998-2002, Head of department, the Swedish National Debt Office 1996-1998, VP Finance and CEO of SAS Finance, Scandinavian Airlines Systems (SAS) 1991-1996.

Shareholding in Husqvarna: 0



Henric Andersson, born 1973

M. Sc. in Industrial Engineering & Management, Linköping Institute of Technology, Sweden. Elected 2020.

President & CEO of Husqvarna AB.

Previous positions: President Construction Division, Husqvarna 2015–2020. Various positions in Husqvarna Group; Senior Vice President, Technology Office, 2014–2015. Executive Vice President, Head of Product Management & Development, 2012–2015. Vice President Construction Equipment, 2008–2011. Vice President Commercial Lawn & Garden and President, Husqvarna Turf Care 2004–2008. Various positions in product and business management, Husqvarna 1997–2004.

Shareholding in Husqvarna: 68,599 B-shares

Requirements for independence

According to the Swedish Code, a majority of the directors of the Board elected at the general meeting should be independent in relation to the Company and the Company's management, and at least two of those Directors who are independent in relation to the Company and the Company's management should also be independent in relation to the Company's major shareholders.

The Nomination Committee is of the opinion that the proposed Board of Directors fulfils the requirements of the Swedish Code.

Name		Nationality	Independence in relation to the company and management	Independence in relation to major shareholders
Tom Johnstone	Chair of the Board and Member of the People & Sustainability Committee	UK	Yes	No
Katarina Martinson	Member of the Audit Committee	SE	Yes	No
Bertrand Neuschwander	Member of the People & Sustainability Committee	FR	Yes	Yes
Daniel Nodhäll	Chair of the Audit Committee	SE	Yes	No
Lars Pettersson	Chair of the People & Sustainability Committee	SE	Yes	No
Christine Robins		US	Yes	Yes
Ingrid Bonde		SE	Yes	Yes
Henric Andersson		SE	No	Yes

Appendix 3b

HUSQVARNA AB (publ)

Explanatory Statement of the Nomination Committee to the 2021 Annual General Meeting (“AGM”) (April 14, 2021)

*This document is provided in accordance with Section 2.6 of the Swedish Code of Corporate Governance (the “**Swedish Code**”), and explains how the Nomination Committee has conducted its work and the reasoning behind certain of the Nomination Committee’s proposals to the AGM. The full list of such proposals is contained in a separate document (the “**Nomination Committee Proposals**”) that has been published in connection with the Notice of AGM.*

A. Establishment and Work of the Nomination Committee

According to the process first established at its 2013 AGM, Husqvarna AB has a five-member Nomination Committee that is established each year, and which consists of (A) one representative from each of the four largest shareholders in terms of voting rights, and (B) the Company’s Chair of the Board. The Nomination Committee for the 2021 AGM was formed in September 2020, and consists of the following persons (with nominating shareholder shown in parenthesis):

- Petra Hedengran (Investor AB), Chair of the Nomination Committee
- Claes Boustedt (L E Lundbergföretagen AB)
- Fredrik Ahlin (If Skadeförsäkring AB)
- Henrik Didner (Didner & Gerge Fonder AB)
- Tom Johnstone, Chair of the Husqvarna AB Board

The Nomination Committee has held five formal meetings and has had ongoing communication in between and following such formal meetings. The main work of the Nomination Committee has been to assess, and make proposals with respect to, the composition of, and compensation to, the Board of Directors and making a recommendation on, and compensation to, the Company’s external auditor. To assist the Nomination Committee in its work, the Chair of the Board has presented to the Committee (A) an evaluation of the current Board and its work, and (B) a report on the Company’s operations, objectives and strategies. In preparation of the Nomination Committee’s proposal with respect to election of external auditor, the Nomination Committee has assessed the recommendation from the Company’s Audit Committee.

Due to Ulla Litzén giving notice to the Nomination Committee that she will not be available for re-election as a Board member, the Nomination Committee has also assessed replacement candidates and proposes that Ingrid Bonde be elected as a new board member at the 2021 AGM.

Ingrid Bonde, born 1959, is Chair of the Board in Apoteket AB and Alecta, Vice Chair of the Board in Telia Company AB and a Board member in Securitas AB. She has previously been Chair of Klimatpolitiska Rådet (authority in charge of monitoring the Swedish politics for climate), CFO and deputy CEO at Vattenfall AB and CEO at AMF Pensionsförsäkring AB. Ingrid Bonde is deemed independent in relation to both the Company and Company’s management and major shareholders. Ingrid Bonde has a broad industry background with focus on the financial industry, extensive board experience and experience and knowledge in the area of sustainability. The Nomination Committee therefore believes that Ingrid Bonde will contribute with valuable competence and experience and that she is well suited as Board member for the Company.

B. Explanation of Proposals regarding the Board of Directors

Actual Proposals

The Nomination Committee has proposed that the following eight persons be elected as Directors by the 2021 AGM:

- 1. Tom Johnstone**
- 2. Katarina Martinson**
- 3. Bertrand Neuschwander**
- 4. Daniel Nodhäll**
- 5. Lars Pettersson**
- 6. Christine Robins**
- 7. Ingrid Bonde (new election)**
- 8. Henric Andersson**

Further information about all individuals proposed for election can be found in the separate "Nomination Committee Proposals" document.

The Nomination Committee has proposed that **Tom Johnstone** be re-elected as Chair of the Board of Directors.

Diversity & Breadth of Competence

The Nomination Committee's view, consistent with the Swedish Code, is that the composition of the Board should exhibit diversity and breadth, and that the Directors elected by the AGM should reflect those skills, experiences, and backgrounds needed for the Company's operations, growth, and other conditions. The Nomination Committee has applied Section 4.1 of the Swedish Code as its diversity policy.

In carrying out its work, the Nomination Committee paid particular attention to the following factors:

- The extent to which the current Board of Directors meets the requirements that are placed on the Board in light of the Company's situation, strategic development and future direction.
- The goal of having a diverse, gender-balanced Board of Directors.

The Nomination Committee believes that the proposed Directors are very well suited for carrying out Husqvarna AB's board work over the coming term of office. The Nomination Committee considers that the eight proposed Directors, together, have an appropriate composition to meet the Company's needs with respect to its operations and its competitive situation over the coming term.

Regarding diversity, the Nomination Committee noted that, of the non-management Board members proposed to be elected by the 2021 AGM (i.e., excluding the President & CEO):

- three of seven (43%) are women, and
- three of seven (43%) have a non-Swedish nationality.

Independence Requirements

Under the Swedish Code, a majority of the Directors to be elected by shareholders must be independent from the Company and its executive management (herein, “**Company Independent**”). Furthermore, at least two of those Directors deemed Company Independent must also be independent in relation to the Company’s major shareholders (herein “**Shareholder Independent**”). The Nomination Committee has assessed each proposed Director and concluded that the Swedish Code’s independence requirements are satisfied, as shown in the below chart:

Proposed Director	Company Independent	Shareholder Independent
Henric Andersson	NO	YES
Tom Johnstone	YES	NO
Katarina Martinson	YES	NO
Daniel Nodhäll	YES	NO
Lars Pettersson	YES	NO
Bertrand Neuschwander	YES	YES
Christine Robins	YES	YES
Ingrid Bonde	YES	YES

C. No Changes to “Criteria and Duties of the Nomination Committee”

The Nomination Committee has also reviewed the Criteria and Duties of the Nomination Committee, as last revised in 2013, and determined that no changes are needed at this time.

The Nomination Committee, March 2021

Appendix 4

Remuneration report 2020

Introduction

This report describes how the guidelines for Group Management remuneration of Husqvarna AB, adopted by the Annual General Meeting 2020, were implemented in 2020. The report also provides information on remuneration to the CEO and a summary of the Company's outstanding share-related incentive plans. The report has been prepared in accordance with the Swedish Companies Act and the Remuneration Rules issued by the Swedish Corporate Governance Board. Further information on Group Management remuneration is available in note 4 (Employees and employee benefits) on pages 84-85 in the Annual Report 2020. Information on the work of the remuneration (People & Sustainability) committee in 2020 is set out in the Corporate Governance Report available on pages 59-66 in the Annual Report 2020.

Remuneration of the Board of Directors is not covered by this report. Such remuneration is resolved annually by the Annual General Meeting and disclosed in note 4 on page 86 in the Annual Report 2020.

Key developments 2020

The CEO summarizes the company's overall performance in his statement on page 4-5 in the Annual Report 2020.

The company's remuneration guidelines: scope, purpose and deviations

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company can recruit and retain qualified personnel. To this end, the company must offer competitive remuneration. The Company's remuneration guidelines enable the company to offer executives a competitive total remuneration. Under the remuneration guidelines, Group Management remuneration shall be on market terms and may consist of the following components: fixed cash salary, variable cash remuneration, pension benefits and other benefits. The variable cash remuneration shall be linked to financial criteria. The criteria shall be designed to contribute to the Company's business strategy and long-term interests, including its sustainability.

The guidelines are found on pages 52-54 in the Annual Report 2020. The remuneration guidelines, adopted unanimously by the Annual General Meeting 2020, have been fully implemented. No deviations from the guidelines have been decided and no derogations from the procedure for implementation of the guidelines have been made. The Auditor's Report regarding the Company's compliance with the guidelines is available on www.husqvarnagroup.com/en/corporate-governance. No remuneration has been reclaimed. In addition to remuneration covered by the remuneration guidelines, the Annual General Meetings of the Company have resolved to implement a long-term share-based incentive plan.

*Table 1 – Total CEO remuneration in 2020 (kSEK)**

Name of director (position)	Fixed remuneration		Variable remuneration		Extraordinary items	Pension expense	Total remuneration	Proportion of fixed and variable remuneration*****
	Base salary****	Other benefits	One-year variable	Multi-year variable*****				
Henric Andersson (CEO**)	6 533	20	6 750	823	-	2 700	16 826	55/45
Kai Wörn (former CEO**)	2 847	45	-	5 451	-	1 110	9 453	42/48

* Remuneration earned in 2020. Disbursement may not have been made the same year.

** Refers to the period in the position as CEO, 2 April-31 December 2020. The CEO agreed to a base salary reduced by 10%, during the period 1 April 2020 to 31 July 2020, on the basis of that the Company/Husqvarna Group and employees within the Group and their employment terms were affected due to Covid-19.

*** Refers to the period in the position as CEO, 1 January-2 April 2020.

**** Including holiday pay of kSEK 114 to Henric Andersson and kSEK 44 to Kai Wörn.

***** Vested share awards as set out in column 8 of Table 2 below.

***** Pension expense (column 4), which in its entirety relates to Base salary, has been counted entirely as fixed remuneration

Share-based remuneration

The Company has implemented four share award plans (2017/2020, 2018/2021, 2019/2022 and 2020/2023) with up to max. 100 participants in each program.

Performance shares have been awarded free of charge and are subject to three-year vesting periods and continued employment. The number of performance based share awards that vest and give right to Husqvarna Class B-shares further depend on the fulfilment of certain targets, determined by the Board of Directors, for operating margin (weight 40%), net sales (weight 30%) and capital efficiency (weight 30%) during the three years performance period for each program regarding LTI 2017, LTI 2018 and LTI 2019 while for LTI 2020, certain targets for value creation (Earnings Before Interest and Tax adjusted for items affecting comparability – Average Net Assets x Weighted Average Cost of Capital) in the Company apply. There are three performance levels set for each performance measure, with a linear progression of the number of performance based share awards from Entry to Stretch/maximum level for each program. The Entry level must have been reached in order for the performance based share awards to vest.

In total, 5.4 million performance shares have been awarded, which corresponds to 1% of the shares in the Company.

Table 2 – Share award plans (CEO)

Name of director (position)	The main conditions of share award plans					Information regarding the reported financial year*					
						Opening balance	During the year		Closing balance		
	Name of plan	Performance period	Award date	Vesting date	End of retention period	Share awards held at beginning of year	Awarded	Vested	Subject to performance condition	Awarded and unvested at year end	Shares subject to retention period
Henric Andersson (CEO)	LTI 2017	2017-2019	25 May 2017	25 May 2020	25 May 2020	12,534	0	12,534 **	0	0	0
Henric Andersson (CEO)	LTI 2018	2018-2020	27 April 2018	27 April 2021	27 April 2021	35,886	0	0	35,886	35,886	0
Henric Andersson (CEO)	LTI 2019	2019-2021	26 April 2019	26 April 2022	26 April 2022	43,127	0	0	43,127	43,127	0
Henric Andersson (CEO)	LTI 2020	2020-2022	10 July 2020	10 July 2023	10 July 2023	0	119,337 ***	0	119,337	119,337	0
Henric Andersson (CEO)						91,547	119,337	12,534	198,350	198,350	0
Kai Wärm (CEO)	LTI 2017	2017-2019	25 May 2017	25 May 2020	25 May 2020	52,321	0	52,321	0	0	0
Kai Wärm (CEO)	LTI 2018	2018-2020	27 April 2018	27 April 2021	25 May 2020 ****	143,372	0	21,231	0	0	0
Kai Wärm (CEO)	LTI 2019	2019-2021	26 April 2019	26 April 2022	25 May 2020 ****	171,985	0	9,509	0	0	0
Kai Wärm (CEO)						367,678	0	83,061 *****	0	0	0

* In 2020, Share Award Plan LTI 2017 vested, whereupon matching shares (3,635) and performance shares (8,899) were transferred to the CEO Henric Andersson and matching shares (16,889) and performance shares (35,432) were transferred to the former CEO Kai Wärm. No changes occurred regarding Share Award Plan LTI 2018 and LTI 2019, where the CEO Henric Andersson holds 79,013 share awards (35,886+43,127 LTI 2018+LTI 2019). In Share Award Plan LTI 2020, the CEO Henric Andersson was awarded 119,337 share awards in 2020. The former CEO Kai Wärm retired 2 April 2020 and so called accelerated vesting of the ongoing programs, LTI 2018 and LTI 2019, was applied, according to the LTI plan rules, whereupon performance shares (21,231+9,509) were transferred to the former CEO.

** Value: kSEK 823 calculated as the market price per share at vesting (SEK 65.63) multiplied by the number of awards (12,534).

*** Value: kSEK 9,503, calculated as the market price per share at the time of award (SEK 79.63) multiplied by the number of share awards (119,337).

**** Accelerated vesting due to retirement.

***** Value: kSEK 5,451, calculated as the market price per share at vesting (SEK 65.63) multiplied by the number of awards (83,061).

Application of performance criteria

The performance measures for the CEO's variable remuneration have been selected to support the Company's strategy.

In the selection of performance measures, the strategic objectives and short- and long-term business priorities for 2020 have been taken into account.

Table 3(a) - Performance of the CEO in the reported financial year: variable cash remuneration

Name of director (position)	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ remuneration outcome
Henric Andersson (CEO)	Group Operating income 2020	50%	a) MSEK 4,484* b) kSEK 3,375
Henric Andersson (CEO)	Group Direct Operating Cash flow 2020	25%	a) MSEK 5,985** b) kSEK 1,688
Henric Andersson (CEO)	Group Efficiency program 2020	25%	a) MSEK 811 b) kSEK 1,687

* Operating income adjusted for items affecting comparability of MSEK 815.

** DOCF adjusted for items affecting comparability relating to the 2020 restructuring program of MSEK 86. Reported DOCF is MSEK 6,071.

Table 3(b) - Performance of the CEO in the reported financial year: share-based incentives

Name of director (position)	Name of plan	Description of the criteria related to the remuneration component	Relative weighting of the performance criteria	a) Measured performance and b) actual award/ remuneration outcome
Henric Andersson (CEO)	LTI 2020	Group Value Creation 2020-2022*	100%	N/A**

* Earnings Before Interest and Tax adjusted for items affecting comparability – Average Net Assets x Weighted Average Cost of Capital.

** Performance period still running.

Comparative information on the change of remuneration and Company performance

Table 4 – Remuneration and Company performance for reported financial year (RFY) (kSEK)

	RFY 2020
CEO remuneration	22,423*
Group operating profit	4,484,000**
Average remuneration on a full time equivalent basis of employees*** of the parent company	726

* Refers to full year equivalent.

** Operating income adjusted for items affecting comparability of MSEK 815.

*** Excluding members of Group Management.

Appendix 5

Proposals by the Board of Directors to be presented at the Annual General Meeting ("AGM") of Shareholders of Husqvarna AB (publ) on Wednesday, April 14, 2021

The below proposals correspond with the numbering set forth in the agenda proposed by the Board of Directors, as set forth in the separate Notice of AGM.

Proposed distribution of earnings (item 7 b)

The Board of Directors proposes a dividend for financial year 2020 of SEK 2.40 per share, to be paid in two installments, firstly SEK 0.80 per share with Friday, April 16, 2021 as the first record day, and secondly SEK 1.60 per share with Monday, October 18, 2021 as the second record day. Assuming the AGM resolves in accordance with the Board of Directors' proposal, the estimated (i) last day for trading in Husqvarna AB shares with right to the applicable part of the dividend payment, (ii) applicable record day, and (iii) date for payment from Euroclear Sweden AB for each of the installments are as follows:

	First Installment (SEK 0.80 per share)	Second Installment (SEK 1.60 per share)
Last day for trading	April 14, 2021 (Wednesday)	October 14, 2021 (Thursday)
Record Day	April 16, 2021 (Friday)	October 18, 2021 (Monday)
Payment Date	April 21, 2021 (Wednesday)	October 21, 2021 (Thursday)

Resolution on remuneration guidelines for Group Management (item 13)

The Board of Directors proposes that the following remuneration guidelines, for the President & CEO (hereinafter "CEO") and other members of Group Management, should be approved by the 2021 AGM.

These guidelines do not apply to any remuneration otherwise decided or directly approved by the AGM or other general meeting.

The overarching ambition of the Group's strategy is market leadership, of which long-term profitable growth and being an innovation leader are important aspects. Built on a strategy for market leadership, the Group's business model is designed for profitable growth, bringing the best forestry, lawn and garden and construction solutions to the market by maximizing assets and minimizing waste and carbon dioxide from operations. Further information on the Group's strategy and financial targets can be found on the Group's website <http://www.husqvarnagroup.com/en/financial-targets>.

A prerequisite for the successful implementation of the Group's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Group is able to recruit and retain qualified personnel. To this end, it is necessary that the Group offers competitive remuneration.

The guidelines set forth in this item shall apply to remuneration and other employment conditions of Group Management, as defined in the Group's Annual Report. The guidelines shall apply to contracts of employment entered into after the 2021 AGM and also to amendments made thereafter to contracts of employment which are in force.

Remuneration to members of Group Management shall be on market terms and based on the position held, individual performance and Group performance, and shall be on a competitive basis in the country of employment. The overall remuneration package for Group Management is comprised of fixed cash salary, variable cash remuneration in the form of short-term incentives based on annual performance targets, long-term incentives, pension and other benefits. In addition, there are conditions on notice of termination and severance pay.

Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

Husqvarna Group shall aim to offer a competitive total remuneration (i.e., all remuneration elements described below) level with a primary focus on "pay for performance".

Fixed cash salary

Fixed salary shall constitute the basis for total remuneration and may amount to not more than 70% of the total remuneration. The salary shall be related to the relevant market and shall reflect the degree of impact, contribution and knowledge involved in the position. The salary levels shall be reviewed regularly (normally annually) in order to ensure continued competitiveness and reward performance.

Variable cash remuneration (Short-term Incentive, "STI")

The satisfaction of criteria for awarding variable cash remuneration shall be measured over a period of one year. The variable cash remuneration may amount to not more than 150% of the fixed salary and not more than 50% of the total remuneration. The Board of Directors decides whether the maximum levels shall be utilized or if a lower level shall be used. The level of STI is set by the Board of Directors based on size of position, taking into account degree of impact, contribution and knowledge involved in the position but also country of employment.

Variable cash remuneration shall be conditional upon the fulfilment of defined financial criteria - such as operating income, sales growth, operating working capital etc - as well as non-financial criteria, to promote the Group's business strategy including its sustainability. The Board of Directors and the People & Sustainability Committee shall establish these criteria for the Group and/or for the business unit for which the member of Group Management is responsible and define the minimum/entry level, which must be exceeded for variable remuneration to be paid, and a maximum/stretch level relevant for the upcoming measurement period.

Up to a maximum of 20% of the CEO's and other Group Management member's total STI opportunity may be based on financial or non-financial individual key performance indicators (KPIs). The criteria shall be designed so as to contribute to the Company's business strategy and long-term interests, including its sustainability. The extent to which the criteria for awarding variable remuneration has been satisfied shall be evaluated/determined when the applicable one-year measurement period has ended. The People & Sustainability Committee is responsible for the evaluation and it shall be based on the latest financial information made public by the company. Any individual KPIs for the CEO shall be determined and evaluated by the Board of Directors and the People & Sustainability Committee while the CEO shall be responsible for determining and evaluating individual KPIs for other members of Group Management.

Long-term incentive

The Board of Directors will annually evaluate if a long-term incentive program should be offered and be proposed to the AGM. The award level of such long-term incentive program may amount to not more than 120% of the fixed salary when the program is launched.

Pension and other benefits

Pension and disability benefits shall be designed to reflect regulations and practice in the country of employment. Pension plans shall be defined contribution plans and the employer contribution, including contributions for disability pension/insurance, may amount to not more than 40% of the fixed cash salary and not more than 30% of the total remuneration.

Other benefits may include, for example, life and health care insurance, housing allowance and company cars. Costs relating to such benefits may amount to not more than 20% of the fixed cash salary and not more than 15% of the total remuneration. For employments governed by mandatory rules, pension and other benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Group Management members who are expatriates may receive additional remuneration and benefits to the extent reasonable in light of the special circumstances associated with the expatriate arrangement, taking into account, to the extent possible, the overall purpose of these guidelines. Such remuneration and benefits may not in total exceed 80% of the fixed cash salary.

Termination of employment

The notice period may not exceed twelve months if notice of termination of employment is made by the Company. Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to fixed salary for two years. The period of notice may not exceed six months when termination is made by the Group Management member, unless there is a right to

severance pay to compensate for a longer notice period. Members of Group Management shall be obliged not to compete with the Company during the notice period. Based on the circumstances in each case, a non-compete obligation with continued severance pay may be applied also after the end of the notice period. Non-compete obligation shall not apply for more than 24 months from the end of the notice period, and the severance pay during such non-compete period may not exceed an amount equivalent to the fixed salary.

Additionally, remuneration may be paid for non-compete undertakings to compensate for loss of income and shall only be paid in so far as the previously employed Group Management member is not entitled to severance pay. The remuneration shall amount to not more than 60% of the fixed salary at the time of termination of employment, unless otherwise provided by mandatory collective agreement provisions, and be paid during the time the non-compete undertaking applies, however not for more than 24 months following termination of employment.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, salary and employment conditions for employees of the Company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the People & Sustainability Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable. The development of the gap between the remuneration to executives and remuneration to other employees will be disclosed in the remuneration report to be published in accordance with the EU Shareholder Rights Directive.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a People & Sustainability Committee, which qualifies as a "remuneration committee" within the meaning of the Swedish Code of Corporate Governance (the "Committee"). The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for Group Management remuneration. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The People & Sustainability Committee shall also monitor and evaluate programs for variable remuneration for Group Management, the application of the guidelines for Group Management remuneration as well as the current remuneration structures and compensation levels in the Company.

The members of the People & Sustainability Committee are independent of the Company and its Group Management. The CEO and other members of Group Management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Derogation from the guidelines

The Board of Directors may resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the People & Sustainability Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the guidelines. Any derogation from the guidelines must not cause any of the remuneration elements to exceed two times the maximum level specified in these guidelines.

Resolution regarding the adoption of a long-term incentive program (LTI 2021) (item 14)

Summary of the program

The Board of Directors proposes that the 2021 AGM resolves to adopt a performance-based long-term incentive program ("LTI 2021") in line with the following description. The program is based on the same principles as the incentive program granted in 2020 (LTI 2020).

LTI 2021 is proposed to be offered to a maximum of 100 senior managers within the Husqvarna Group and offers participants the opportunity to receive "performance share awards". Subject to the fulfilment of certain performance targets and conditions during a three-year vesting period, performance share awards to be granted in 2021 will vest and give right to Husqvarna B-shares in accordance with the following.

Participants in LTI 2021 will be granted a number of performance share awards based on such participant's annual target income (fixed salary plus variable salary at a target level) in 2021.

The number of performance share awards that vest and give rights to receive B-shares further depends on the fulfilment of certain levels of increase of the Company's value creation (defined as Earnings Before Interest and Tax – Average Net Assets x Weighted Average Cost of Capital), during the calendar years 2021-2023, as determined by the Board of Directors. These levels are "Entry", "Target" and "Stretch". Entry constitutes a minimum level which must be exceeded in order for the performance share awards to vest and give right to B-shares. The levels correspond to the following number of B-shares, with a linear progression between each level:

- Entry: 10% of annual target income / the share price SEK 104.48²
- Target: 33% of annual target income / the share price SEK 104.48¹
- Stretch: 66% of annual target income / the share price SEK 104.48¹

If the price for the B-shares would increase more than 200% during the three year vesting period, the number of performance share awards that vest and give right to B-shares will be limited to the value of the maximum allocation at Stretch level at a share price increase of 200% from grant of share awards to vesting (vesting period). This limitation enables control and predictability over the maximum scope and cost of the program.

Additional terms & conditions

The performance share awards shall be governed by the following terms and conditions:

- Shares are allotted free of charge
- Are vested three years after grant (vesting period)
- Vesting of performance share awards and allotment of B-shares in Husqvarna requires that the participant is then, with certain exceptions, still employed by the Husqvarna Group
- Carry no right to compensation for dividends on underlying shares
- Are non-transferable

Design and administration

The Board of Directors, or a committee established by the Board, shall be responsible for the detailed design and administration of LTI 2021, in accordance with the presented terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to meet domestic or foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes in the Husqvarna Group, or its environment, would result in the resolved terms and conditions for LTI 2021 no longer being appropriate to apply.

Allotment

In accordance with the above principles and assumptions, LTI 2021 will comprise the following number of B-shares for the different categories of participants: the CEO, approximately 88,000 B-shares, other members of Group Management, each approximately an average of 31,000 B-shares, corresponding to a total of approximately 248,000 B-shares, and other participants, each approximately an average of 15,000 B-shares, corresponding to a total of approximately 1,365,000 B-shares. The above stated numbers are calculated assuming the attainment of performance level Stretch as described above.

Scope and costs of LTI 2021

LTI 2021 is estimated to comprise a maximum of 1.7 million B-shares, which corresponds to less than 0.3% of the total number of outstanding shares. The Company has approximately 576 million shares outstanding. The issued and outstanding rights to shares in accordance with the Company's previous outstanding incentive programs (LTI 2018, LTI 2019 and LTI 2020) correspond to approximately 0.9% of the total number of outstanding shares. The Company's incentive programs' effect on important key figures is only marginal. Information on LTI 2018, LTI 2019 and LTI 2020 can be found in the Annual Report for 2020, note 4, and on the Company's website, www.husqvarnagroup.com.

LTI 2021 will be accounted for in accordance with IFRS 2 – Share-based Payment. IFRS 2 stipulates that the performance share awards should be expensed as personnel costs over the vesting period and will be reported directly against equity. Estimated social security charges will be

² Corresponding to the average closing price of Husqvarna's B-share at Nasdaq Stockholm during December 2020, January 2021 and February 2021.

recorded as a personnel expense in the income statement by current reservations. The cost for LTI 2021 is estimated to amount to SEK 88m before tax, if the performance level Target is reached, and is allocated over the years 2021-2024. The corresponding cost at performance level Stretch is estimated to SEK 176m. Financing costs and social security charges are included in the estimated amounts. The estimation of cost above is based on the assumptions that the share price is SEK 105 at the time of grant of the performance share awards, that the annual share price increase for the Company's B-shares is 5%, that social security charges amount to 25% and that the annual employee turnover is 5% among the participants of LTI 2021.

In order to ensure delivery of Husqvarna B-shares under LTI 2021 and to limit the costs, including social security charges, for LTI 2021, the Board of Directors will adopt hedging measures, such as equity swap agreements with third parties, under which the third party would in its own name buy and transfer Husqvarna B-shares to the participants in accordance with LTI 2021 provided that the AGM resolves in accordance with Item 15 on the agenda. The hedging options are described below under Item 16 of the agenda. The intention is to not issue new shares as a result of LTI 2021.

The rationale for the proposal

The purpose of LTI 2021 is to influence and award long term performance, align shareholders' and managements' interest, attract and retain key employees and provide variable remuneration instead of fixed salary. In light of the above, the Board of Directors believes that adopting LTI 2021 will have a positive effect on the development of the Husqvarna Group and consequently that it will be beneficial to both the shareholders and the Company.

Preparation

LTI 2021 is based on the same principles as LTI 2020 and has in accordance with guidelines set out by the People & Sustainability Committee been prepared by Group Management in consultation with external advisors, taking into consideration evaluations of previous incentive programs. LTI 2021 has been reviewed at meetings of the Board of Directors in 2020 and 2021.

Resolution on authorization to enter into equity swap arrangements to cover obligations under LTI 2021 and any previously resolved LTI programs (item 15)

The Board of Directors proposes that the 2021 AGM authorizes the Board of Directors to pass a resolution, on one or more occasions, for the period up until the next AGM, to direct the Company to enter one or more equity swap agreements with a third party (e.g., a bank), on terms and conditions in accordance with market practice, to hedge the obligations of the Company under LTI 2021 and any previously resolved incentive programs (the “**Covered Programs**”). Under such equity swap arrangements, in exchange for certain fees paid by the Company, the third party acquires (in its own name) such number of Husqvarna B-shares as are necessary to cover the Company's obligations under the Covered Programs and then, transfer (in its own name) such shares to the participants per the terms of the Covered Programs.

Resolution on authorization to resolve on the issuance of new shares (item 16)

The Board of Directors proposes that the 2021 AGM authorizes the Board to resolve to issue not more than 57,634,377 B-shares, which represents 10% of the total number of shares in the Company, against payment in kind, on one or several occasions, during the period until the next AGM.

The price for the new shares shall be based on the market price of the Company's B-shares. The purpose of the authorization is to facilitate acquisitions where the consideration will be paid with own shares.

Resolution to amend the Articles of Association (item 17)

The Board of Directors proposes that Company's Articles of Association be amended as follows:

Present wording	New Wording
Article 13	Article 13
The Board of Directors may collect proxies in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act. The Board of Directors has the right before a shareholders meeting to decide	The Board of Directors may collect proxies in accordance with the procedure described in Chapter 7, section 4, second paragraph of the Companies Act. The Board of Directors has the right before a shareholders meeting

<p>that shareholders shall be able to exercise their voting rights by regular mail before the shareholders meeting.</p>	<p>to decide that shareholders shall be able to exercise their voting rights by regular mail before the shareholders meeting.</p> <p>Persons who are not shareholders of the company shall, in accordance with terms stipulated by the Board of Directors, be entitled to attend or in some other manner monitor the proceedings of the General Meetings of Shareholders.</p>
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Majority Requirements

For a valid resolution under the agenda item 17 a shareholder majority of two-thirds of the votes cast and the shares represented at the AGM is required. For all other agenda items above, a shareholder majority of half of the votes cast at the AGM is required.

The Board of Directors' statement in accordance with Chapter 18 Section 4 of the Swedish Companies Act (2005:551)

Background

The Board of Directors hereby presents the following statement in accordance with Chapter 18 Section 4 of the Swedish Companies Act.

The reasons for the Board of Directors view that the proposed dividend is compliant with the provisions of Chapter 17 Section 3 Paragraphs 2 and 3 of the Swedish Companies Act are the following.

The assets and liabilities have been valued at actual value pursuant to Chapter 4 Section 14a of the Annual Reports Act (1995:1554). If the valuation had not been made at actual value, the equity would have been SEK 23,000t higher.

The nature, scope and risks of the business

The nature and scope of the Company's and the Group's business are set out in the Articles of Association and previous annual reports. The business carried out by the Company and the Group does not entail greater risks than risks that exist or is likely to exist in the industry or such risks which are generally associated with running business operations. As regards material events, reference is made to the Report by the Board of Directors in the Annual Report for 2020. The Company's and the Group's dependence on business cycles does not deviate from what is otherwise common in the industry.

The financial position of the Company and the Group

The financial position of the Company and the Group as of 31 December 2020 is described in the most recent Annual Report. The Annual Report also states the accounting principles that have been applied for valuation of assets, reserves and liabilities.

From the Board of Directors' dividend proposal, it follows that the Board of Directors proposes a dividend of SEK 2.40 per share, to be paid in two installments, firstly SEK 0.80 per share with Friday, April 16, 2021 as the first record day, and secondly SEK 1.60 per share with Monday, October 18, 2021 as the second record day. The total proposed dividend represents 4.4% of the Company's equity and 8.1% of the Group's equity.

The Annual Report shows that the Parent Company's equity/assets ratio amounts to 59% and the Group's equity/assets ratio is 39%. The Company's and the Group's equity/assets ratio does not differ from what is common within the industry. The proposed dividend does not jeopardize the investments which are deemed necessary for the business.

The proposed dividend does not affect the Company's and the Group's ability to fulfil its current and future payment obligations in a timely manner. The Company's and the Group's liquidity forecast comprises a readiness to handle variations in the ordinary payment obligations of the Company.

The Company's and the Group's financial position does not give rise to any other conclusion than that the Company will be able to continue its business and that the Company and the Group can be expected to fulfil its obligations on both a short and long-term basis.

The Board of Directors makes the assessment that the size of the Company's and the Group's equity is reasonable in relation to the scope of the Company's and the Group's business and the risks tied to the Company's business when taking into account the proposed dividend.

Conclusion

With reference to the above, and to what otherwise has been brought to the attention of the Board of Directors, the Board of Directors is of the opinion that the dividend is justifiable in light of the provisions of Chapter 17 Section 3 Paragraph 2 and 3 of the Swedish Companies Act.

Stockholm in March 2021
Husqvarna AB (publ)
The Board of Directors