

**The Husqvarna Board's report
on the People & Sustainability Committee's evaluation
of remuneration for senior managers**

The Board of Husqvarna AB has established a People & Sustainability Committee (formerly, the "Remuneration Committee")¹, which prepares matters related to the principles of remuneration for Group Management as well as to the employment conditions of the President & CEO. The principles of remuneration for Group Management shall be submitted to the Board, which shall submit a proposal for such remuneration principles to the Annual General Meeting for approval. The employment conditions of the President & CEO shall be approved by the Board. According to the Swedish Code of Corporate Governance, the People & Sustainability Committee shall monitor and evaluate programs of variable remuneration for Group Management, the application of the principles of remuneration for Group Management, and applicable remuneration structures and levels of the Company.

The People & Sustainability Committee continuously monitors and evaluates the Husqvarna Group's remuneration package for Group Management. In the People & Sustainability Committee's opinion, the applicable principles of remuneration for Group Management are well functioning and balanced, aiming to ensure that the Husqvarna Group can attract and retain the best people for the Group. The variable elements create a clear link between the remuneration of the individual, the Group's performance and shareholder value creation. In its assessment of the application of Husqvarna's principles for remuneration for the Group Management, the Board has found that the existing structure for remuneration follows and is on par with the principles resolved by the Annual General Meeting and the overall principles that shall apply to remuneration guidelines for senior executives pursuant to the Swedish Code of Corporate Governance.

Market benchmarks are regularly conducted on remuneration structures and levels, and it is the opinion of the People & Sustainability Committee that the remuneration structures and levels applied by the Husqvarna Group are in line with market practice.

Stockholm in May 2020
Husqvarna AB (publ)
Board of Directors

¹ This Committee is intended to be a "remuneration committee", within the meaning of Section 9 of the Swedish Code of Corporate Governance.