

HUSQVARNA AB (publ)

Explanatory Statement of the Nomination Committee to the 2020 Annual General Meeting (“AGM”) (June 26, 2020)

*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 AGM¹. 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 2020 AGM was formed in September 2019, 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)
- Ricard Wennerklint (If Skadeförsäkring AB)
- Henrik Didner (Didner & Gerge Fonder AB)
- Tom Johnstone, Chair of the Husqvarna AB Board

The Nomination Committee has held two 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. 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. The Nomination Committee has also been active in evaluating benchmarking information on Board compensation and in making a recommendation on the Company’s external auditor.

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 2020 AGM:

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

¹ The AGM was originally scheduled to take place on April 2, 2020 and in connection therewith the Company issued a Notice of Meeting and other documents required by applicable law. Due to the COVID-19 situation, the AGM was postponed and then rescheduled for June 26, 2020. This document replaces and supersedes the corresponding document issued in connection with the original meeting date.

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 current 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 2020 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
Ulla Litzén	YES	YES
Bertrand Neuschwander	YES	YES
Christine Robins	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.

D. Statement re Election of Auditor

In accordance with Section 2.1 of the Swedish Code, the Nomination Committee is required to present proposals on the election and remuneration of the Company's external (statutory) auditor. Such proposals are normally based on a recommendation received from the Company's Audit Committee. In the case of the 2020 AGM, the Nomination Committee has adopted, in full, the Audit Committee's proposal and rationale, as more fully described below.

The term of appointment for the Company's current external auditor, Ernst & Young, will expire at the end of 2020 AGM. The Audit Committee is of the view that, during the current term of appointment, Ernst & Young has carried out its responsibilities well and at a reasonable cost. Accordingly, the Audit Committee has recommended that Ernst & Young be reappointed by the 2020 AGM as the Company's external auditor, with authorized public accountant, Hamish Mabon, continuing to act as auditor-in-charge.

Based on such recommendation, the Nomination Committee is proposing that Ernst & Young be appointed as the Company's external auditor, for a one-year term, i.e. until the end of the 2021 AGM.

The Nomination Committee further proposes (in accordance with the proposal received from the Audit Committee) that the external Auditors' fee shall be paid on the basis of approved invoice, in accordance with previous years' practice.

The Nomination Committee, May 2020