

## Notice of Annual General Meeting of Husqvarna AB (publ)

The shareholders of Husqvarna AB (publ) are hereby invited to participate in the 2022 Annual General Meeting (“AGM”), which will be held on Thursday, April 7, 2022.

Due to the ongoing Covid-19 situation, the AGM will be conducted in accordance with so called mail-in procedures, meaning that shareholders and representatives will not be able attend the AGM in person. Instead, shareholders can only participate in the AGM by voting and submitting questions in advance pursuant to the instructions described below.

In order to participate in the AGM via mail voting, a shareholder must:

- a. be registered in the register of shareholders maintained by Euroclear Sweden AB as of Wednesday, March 30, 2022, and
- b. notify attendance at the AGM no later than Wednesday, April 6, 2022. The exercise of voting rights in accordance with the mail-in procedure will be considered as a notification from the shareholder to attend the meeting.

Shareholders whose shares are registered in the names of banks or other nominees must temporarily register the shares in their own name in order to be entitled to participate in the AGM via the mail-in process not later than on Friday, April 1, 2022. To ensure that such registration is in place as of Friday, April 1, 2022, shareholders must inform the nominee in accordance with the nominee’s routines and at such time in advance as is decided by the nominee.

### A. Overview of Mail-In Procedures for the AGM

Due to the Covid-19 pandemic and in order to ensure the health and safety of the Company’s shareholders, employees and other stakeholders, the Board of Directors has resolved on extraordinary meeting procedures in accordance with Section 22 of the temporary act on general meetings (2021:121). Specifically, the following procedures will apply:

1. The AGM will take place on Thursday, April 7, 2022. However, shareholders, proxy holders and other external persons will not be able to attend in person.
2. Shareholders will only be able to participate in the AGM by voting on the matters and the proposals on the meeting agenda and submitting questions to the Company in advance. See **Section B**, below, for more details on how.
3. The Agenda for the AGM is set forth below in **Section C**, with certain items being further explained in **Section D**.
4. A press release will be issued following the AGM informing of those material items that are approved by the AGM as soon as the outcome of the mail-in voting procedure has been finally established. Details of the actual voting results will be included in the minutes of the meeting and will be published within two weeks thereafter.
5. While not technically part of the AGM, we note that a pre-recorded presentation of the year 2021 by the President and CEO (“CEO”) and the Chair of our Board (the “Chair”)

will be available on Husqvarna Group's website, [www.husqvarnagroup.com](http://www.husqvarnagroup.com), on April 7, 2022. In that presentation, questions submitted in connection with the AGM may be addressed.

At the time of the issue of this Notice of AGM, the total number of shares in the Company amounts to 110,109,715 A-shares and 466,234,063 B-shares, corresponding to 156,733,121.3 votes in total. The Company holds no A-shares or B-shares as of the date of this notice.

## **B. Process for Advance Voting and Questions**

A shareholder can exercise his/her/its shareholder's rights at the AGM by in advance (A) voting on the items on the agenda of the AGM, and (B) submitting questions to the Company.

Registered shareholders intending to participate in the AGM (via advance voting or questions), must submit the following information in connection with their respective submissions:

- the shareholder's name,
- personal or organizational number,
- postal address,
- email address, and
- telephone number.

The data received will be computerized and used solely for the purpose of the 2022 AGM.

For shareholders wishing to participate through an authorized representative (i.e., where such authorized representative is the one submitting advance voting or questions on behalf of such shareholder), the Company will provide power of attorney templates on the Company's website. Shareholders participating through an authorized representative must submit the power of attorney together with the voting form or question. If the shareholder is a legal entity, a copy of a registration certificate or a corresponding document for the legal entity shall be enclosed.

### *B1. Advance voting*

Advance voting will be available as of Friday, March 4, 2022 until Wednesday, April 6, 2022. A shareholder can vote in advance by any of the following three methods:

1. *Website Voting*: Voting may be done electronically through signing with BankID on the Company's website [www.husqvarnagroup.com](http://www.husqvarnagroup.com)
2. *Email Voting*: Voting may be submitted by completing the advance voting form available on the Company's website [www.husqvarnagroup.com](http://www.husqvarnagroup.com) and then emailing such form to the following email address [GeneralMeetingService@euroclear.eu](mailto:GeneralMeetingService@euroclear.eu), together with any power of attorney and/or other authorization documents (See Section B, above).
3. *Regular Mail*: Voting may be submitted by completing the advance voting form available on the Company's website [www.husqvarnagroup.com](http://www.husqvarnagroup.com) and after completion sending a physical copy (i.e., printed out) of such form, together with any power of attorney and/or other authorization documents (See Section B, above) to the following address, Husqvarna AB (publ), "Advance voting 2022 AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden.

A shareholder cannot give any other instructions than selecting one of the options specified at each point in the advance voting form. A vote (i.e. the mail-in vote in its entirety) is invalid if the shareholder has modified the form to provide specific instructions or conditions or if pre-printed text is amended or supplemented.

An email or regular mail voting form, together with any enclosed power of attorney and other authorization documentation, must have been received by Husqvarna no later than on Wednesday, April 6, 2022. If received later, the vote will be disregarded.

For questions regarding advance voting, please contact Euroclear Sweden AB, ph.+46 36 14 70 10, between 9:00 a.m. and 4:00 p.m. (CET) weekdays.

## *B2. Questions*

Questions to the Company in connection with the AGM can be submitted to Husqvarna up until Monday, March 28, 2022. Shareholders wishing to pose questions may do so by any of the following methods:

1. *Email:* Questions may be submitted by emailing to the following email address [ir@husqvarnagroup.com](mailto:ir@husqvarnagroup.com).
2. *Regular Mail:* Questions may be submitted by regular mail to the following address, Husqvarna AB, "AGM 2022", P.O. Box 7454, SE-103 92 Stockholm, Sweden.

In order for questions so submitted to be accepted, such submission must include the name of the shareholder, including such shareholder's personal or organizational number. While not formally required, we also ask that all submissions include the submitting shareholder's postal address, email address and telephone number.

Questions submitted by shareholders must have been received by Husqvarna no later than on Monday, March 28, 2022, and will be responded to and published not later than on Saturday, April 2, 2022. The questions and responses will be available at the Company, Husqvarna AB, Regeringsgatan 28, SE-111 53 Stockholm, Sweden and on the Company's website, [www.husqvarnagroup.com](http://www.husqvarnagroup.com), and will be sent to the shareholder provided the shareholder's address is known by the Company or provided by the shareholder together with the question.

The Board of Directors and the CEO shall, upon request of a shareholder, and provided that the Board of Directors deems this can be done without causing major harm to the Company, inform about matters which might affect the assessment of an item on the agenda or circumstances affecting Husqvarna's or its subsidiaries' financial situation or about Husqvarna's relation to another Group entity, or in relation to the consolidated Annual Report.

## **C. AGM Agenda**

1. Opening of the AGM
2. Election of Chair of the Meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two minute-checkers

6. Determination as to whether the Meeting has been duly convened
7. Resolutions concerning
  - a) adoption of the Profit and Loss Statement and the Balance Sheet as well as the Consolidated Profit and Loss Statement and the Consolidated Balance Sheet
  - b) proposed distribution of earnings (allocation of the Company's profit or loss pursuant to the adopted Balance Sheet)
  - c) discharge from liability of the Directors and the CEO
8. Determination of the number of Directors and Auditors to be elected
  - a) number of Directors
  - b) number of Auditors
9. Determination of remuneration to the Directors
10. Election of Directors and Chair of the Board
  - a) individual election of Directors
  - b) election of Chair of the Board
11. Election of, and remuneration to, external Auditors
  - a) election of external Auditors
  - b) determination of remuneration to external Auditors
12. Resolution to approve the Remuneration Report
13. Resolution regarding the adoption of a long-term incentive program (LTI 2022)
14. Resolution on authorization to enter into equity swap arrangements to cover obligations under LTI 2022 and any previously resolved LTI programs
15. Resolution on authorization to resolve on the issuance of new shares
16. Closing of the Meeting

#### **D. Explanation of Certain AGM Proposals**

##### ***Election of Chair of the Meeting (item 2)***

The Nomination Committee proposes that Björn Kristiansson be elected Chair of the AGM, or, if he is unable to attend the meeting, any other person proposed by Husqvarna's Nomination Committee.

##### ***Preparation and approval of the voting list (item 3)***

The voting list that is proposed to be approved is the voting list that has been prepared by Euroclear Sweden AB, based on the general meeting share register and votes received, checked by the minute-checkers.

##### ***Election of one or two minute-checkers (item 5)***

The Board of Directors proposes that two minute-checkers be elected, and that Henrik Didner, Didner & Gerge Fonder AB and Ricard Wennerklint, If Skadeförsäkring AB are elected, or, if someone or both of them are unable to attend the meeting, any other person proposed by Husqvarna's Nomination Committee.

##### ***Proposed distribution of earnings (item 7 b)***

The Board of Directors proposes a dividend for financial year 2021 of SEK 3.00 per share, to be paid in two installments, firstly SEK 1.00 per share with Monday, April 11, 2022 as the first record day, and secondly SEK 2.00 per share with Tuesday, October 11, 2022 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 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 1.00 per share)	Second Installment (SEK 2.00 per share)
Last day for trading	April 7, 2022 (Thursday)	October 7, 2022 (Friday)
Record Day	April 11, 2022 (Monday)	October 11, 2022 (Tuesday)
Payment Date	April 14, 2022 (Thursday)	October 14, 2022 (Friday)

***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 nine 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 2022 (plus applicable additional remuneration for committee work):

	Proposal 2022	2021	Percentage Increase
Chair of the Board	SEK 2,175,000	SEK 2,075,000	4.8%
Director	SEK 630,000	SEK 600,000	5.0%
Audit Committee Chair	SEK 280,000	SEK 275,000	1.8%
Audit Committee member	SEK 180,000	SEK 175,000	2.9%
People & Sustainability Committee Chair	SEK 145,000	SEK 145,000	0%
People & Sustainability Committee member	SEK 85,000	SEK 85,000	0%

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)***

***a) Individual election of Directors***

The Nomination Committee proposes the election of:

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

The proposed Directors are presented in more detail on the Company's website.

***b) Election of Chair of the Board***

The Nomination Committee proposes that Tom Johnstone be re-elected Chair of the Board.

***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, the re-election of KPMG as external Auditors for the period from the 2022 AGM up until the end of the 2023 AGM.

KPMG has informed that the registered auditor-in-charge will be authorized public accountant Joakim Thilstedt.

***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.

***Resolution regarding the adoption of a long-term incentive program (LTI 2022) (item 13)***

*Summary of the program*

The Board of Directors proposes that the 2022 AGM resolves to adopt a performance-based long-term incentive program ("LTI 2022") in line with the following description. The program is based on the same principles as the incentive program granted in 2021 (LTI 2021).

LTI 2022 is proposed to be offered to a maximum of 135 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 2022 will vest and give right to Husqvarna B-shares in accordance with the following.

Participants in LTI 2022 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 2022.

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), weight 90%, and certain levels for reducing the company's carbon dioxide emissions, weight 10%, during the calendar years 2022-2024, 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 131.20<sup>1</sup>
- Target: 33% of annual target income / the share price SEK 131.20<sup>1</sup>
- Stretch: 66% of annual target income / the share price SEK 131.20<sup>1</sup>

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 2022, 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 2022 no longer being appropriate to apply.

#### *Allotment*

In accordance with the above principles and assumptions, LTI 2022 will comprise the following number of B-shares for the different categories of participants: the CEO, approximately 80,000 B-shares, other members of Group Management, each approximately an average of 27,000 B-shares, corresponding to a total of approximately 216,000 B-shares, and other participants, each approximately an average of 10,000 B-shares, corresponding to a total of approximately 1,260,000 B-shares. The above stated numbers are calculated assuming the attainment of performance level Stretch as described above.

#### *Scope and costs of LTI 2022*

LTI 2022 is estimated to comprise a maximum of 1.6 million B-shares, which corresponds to less than 0.3% of the total number of outstanding shares. The Company has approximately

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<sup>1</sup> Corresponding to the average closing price of Husqvarna's B-share at Nasdaq Stockholm during December 2021, January 2022 and February 2022.

576 million shares outstanding. The issued and outstanding rights to shares in accordance with the Company's previous outstanding incentive programs (LTI 2019, LTI 2020 and LTI 2021) 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 2019, LTI 2020 and LTI 2021 can be found in the Annual Report for 2021, note 4, and on the Company's website, [www.husqvarnagroup.com](http://www.husqvarnagroup.com).

LTI 2022 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 recorded as a personnel expense in the income statement by current reservations. The cost for LTI 2022 is estimated to amount to SEK 99m before tax, if the performance level Target is reached, and is allocated over the years 2022-2025. The corresponding cost at performance level Stretch is estimated to SEK 198m. 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 130 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 20% and that the annual employee turnover is 5% among the participants of LTI 2022.

In order to ensure delivery of Husqvarna B-shares under LTI 2022 and to limit the costs, including social security charges, for LTI 2022, 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 2022 provided that the AGM resolves in accordance with Item 13 on the agenda. The hedging options are described below under Item 14 of the agenda. The intention is to not issue new shares as a result of LTI 2022.

#### *The rationale for the proposal*

The purpose of LTI 2022 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 2022 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 2022 is based on the same principles as LTI 2021 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 2022 has been reviewed at meetings of the Board of Directors in 2021 and 2022.

#### ***Resolution on authorization to enter into equity swap arrangements to cover obligations under LTI 2022 and any previously resolved LTI programs (item 14)***

The Board of Directors proposes that the 2022 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 into 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 2022 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 15)***

The Board of Directors proposes that the 2022 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.

**Other information**

For a valid resolution under all the agenda items above except elections, a shareholder majority of half of the votes cast at the AGM is required. For elections, the person(s) receiving the highest number of votes is elected.

Information on the proposed Board of Directors of Husqvarna AB as well as the proposed external auditor and the Nomination Committee's Explanatory Statement etc. are available on the Company's website, [www.husqvarnagroup.com](http://www.husqvarnagroup.com). The Annual Report and the Audit Report as well as the Auditors report on the guidelines adopted regarding remuneration are presented by being available at the Company and on the Company's website, [www.husqvarnagroup.com](http://www.husqvarnagroup.com). They will, on request, be sent to shareholders at the address provided. The share register will be available at Husqvarna AB, Regeringsgatan 28, SE-111 53 Stockholm, Sweden.

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Stockholm in March 2022  
Husqvarna AB (publ)  
THE BOARD OF DIRECTORS