

Notice of Annual General Meeting of Husqvarna AB (publ)

The shareholders of Husqvarna AB (publ) are hereby invited to participate in the 2021 Annual General Meeting (“AGM”), which will be held on Wednesday, April 14, 2021. Due to the Covid-19 pandemic, the AGM will be conducted pursuant to so called mail-in procedures, meaning that no shareholders will attend the AGM in person or through proxy. Instead, shareholders can participate in the AGM by voting and submitting questions in advance pursuant to the instructions described below.

In order to participate in the AGM, a shareholder must

- a. be registered in the register of shareholders maintained by Euroclear Sweden AB as of Tuesday, April 6, 2021, and
- b. notify attendance at the AGM no later than Tuesday, April 13, 2021. 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 Thursday, April 8, 2021. To ensure that such registration is in place as of Thursday, April 8, 2021, shareholders must inform the nominee well in advance of that date.

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 of Husqvarna AB has resolved on extraordinary meeting procedures pursuant to Section 22 of the temporary act on general meetings (2020:198) (the “Temporary Act. Specifically, the following procedures will apply:

1. The AGM will take place on Wednesday, April 14, 2021. However, no shareholders, proxy holders or other external persons will 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 as 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 2020 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, on April 14, 2021. 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 111,688,331 A-shares and 464,655,447 B-shares, corresponding to 158,153,875.7 votes in total. The Company holds no A-shares or B-shares as of the date of this notice.

B. Process for Advanced 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.

Any registered shareholder intending to participate in the AGM (via advanced voting or questions), must submit the following information in connection with their respective submissions:

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

The data received will be computerized and used solely for the purpose of the 2021 AGM.

For shareholders wishing to participate through an authorized representative (i.e., where such authorized representative is the one submitting advanced 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 Thursday, March 11, 2021 until Tuesday, April 13, 2021. 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
2. *Email Voting:* Voting may be submitted by completing the advance voting form available on the Company's website www.husqvarnagroup.com and then emailing such form to the following email address 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 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 2021 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 advanced voting form. A vote (i.e. the postal voting 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 Tuesday, April 13, 2021. 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 Sunday, April 4, 2021. 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.
2. *Regular Mail:* Questions may be submitted by regular mail to the following address, Husqvarna AB, "AGM 2021", 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 organization number. While not formally required, we also ask that all submission 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 Sunday, April 4, 2021, and will be responded to and published not later than on Friday, April 9, 2021. 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, 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 on remuneration guidelines for Group Management
- 14. Resolution regarding the adoption of a long-term incentive program (LTI 2021)
- 15. Resolution on authorization to enter into equity swap arrangements to cover obligations under LTI 2021 and any previously resolved LTI programs
- 16. Resolution on authorization to resolve on the issuance of new shares
- 17. Resolution to amend the Articles of Association
- 18. 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.

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 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 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)

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)

a) Individual election of Directors

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 and that all other current members be re-elected. Thus, the Nomination Committee proposes the election of:

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

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 appointed 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 after having conducted a formal tender process, the election of KPMG as external Auditor 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.

Resolution on remuneration guidelines for Group Management (item 13)

The Board of Directors proposes that the following remuneration guidelines, for the 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 Company'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 Company'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 Company's strategy and financial targets can be found on the Company's website <http://www.husqvarnagroup.com/en/financial-targets>.

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 is able to recruit and retain qualified personnel. To this end, it is necessary that the Company 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 Company'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 the guidelines – resolve on, among other things, share-related or share price-related remuneration.

The Company 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 104.48¹
- 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.

¹ Corresponding to the average closing price of Husqvarna's B-share at Nasdaq Stockholm during December 2020, January 2021 and February 2021.

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 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
<p>Article 13</p> <p>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.</p>	<p>Article 13</p> <p>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.</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>

Other information

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 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. 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. 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.

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Stockholm in March 2021
Husqvarna AB (publ)
THE BOARD OF DIRECTORS