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Minutes from the Annual General Meeting of the Shareholders in Husqvarna AB (publ), Reg. No. 556000-5331, on April 11, 2013 at 4 pm in Jönköping

Present: In accordance with Appendix 1, stating the number of shares, class of shares and votes for each shareholder entitled to vote.

In addition it was noted that the following individuals were present: the Chairman of the Board Lars Westerberg, Börje Ekholm, Magdalena Gerger, Tom Johnstone, Ulla Litzén, Ulf Lundahl, Katarina Martinson, Anders Moberg, Daniel Nodhäll, President and CEO Hans Linnarson, CFO Ulf Liljedahl, authorized public accountants Anders Lundin and Johan Engstam and General Counsel Olle Wallén.

§ 1

The Chairman of the Board, Lars Westerberg, opened the meeting and welcomed the shareholders. It was resolved to allow representatives from the media to participate in the meeting.

§ 2

In accordance with the proposal from the Nomination Committee, it was resolved to elect Lars Westerberg as Chairman of the meeting. It was noted that the Chairman had requested Husqvarna's General Counsel, Olle Wallén, to keep the minutes from the meeting.

It was noted that some institutional shareholders on beforehand had announced that they abstained from voting or voted against certain proposals.

§ 3

It was resolved to approve the proposal according to Appendix 1 as the voting list for the meeting.

§ 4

It was resolved to approve the agenda handed out today to the participants at the meeting and which was included in the notice to the meeting.

§ 5

Anthony Mickelson, representing Livförsäkrings AB Skandia, and Åsa Nisell, representing Swedbank Robur Fonder AB, were appointed as minute checkers, together with the Chairman.

§ 6

It was noted that the notice to the Annual General Meeting had been published in Post- och Inrikes Tidningar (the Official Gazette) on March 12, 2013, and on the Company's website on March 8, 2013. An announcement to the effect that the notice had been published was made in Svenska Dagbladet and Jönköpingsposten on March 12, 2013.

It was resolved to declare the meeting properly convened.

§ 7

The CEO Hans Linnarson and the Chairman of the Board Lars Westerberg presented the Company's business and the Board of Directors' work during the financial year 2012. Questions from the shareholders were answered.

The annual report and the consolidated accounts including Profit and Loss Statement and Balance Sheet and the auditors' report and consolidated auditors' report regarding the financial year 2012 were presented.

The authorized public accountant Anders Lundin from the auditing company PricewaterhouseCoopers AB outlined the audit process and presented the audit report for the Company and the Group.

The Company's newly appointed CEO, Kai Wörn, admittance to office July 1, 2013, presented himself.

The authorized public accountant Anders Lundin was thanked for his work.

§ 8 a

It was resolved to adopt the Profit and Loss Statement and the Balance Sheet as well as the Consolidated Profit and Loss Statement and the Consolidated Balance Sheet for the financial year 2012 presented under item 7. The documents are attached hereto as [Appendix 2](#).

§ 8 b

The secretary presented the Board of Directors' and the CEO's proposal for distribution of the Company's earnings as stated in the Annual Accounts and accepted by the auditors.

It was resolved in accordance with the proposal from the Board of Directors and the CEO as accepted by the auditors, that the Annual General Meeting's distributable funds should be distributed as follows:

Retained earnings	TSEK 16,475,911
Net income for 2012	TSEK 908,469
Dividend to be distributed to the shareholders	TSEK 858,870 (1.50 SEK/per share)
Total	TSEK 16,525,510 should be carried forward.

The record date for the dividend was set to Tuesday April 16, 2013 and it was stated that the estimated date for payment of the dividend from Euroclear is Friday, April 19, 2013.

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

§ 8 c

It was noted that the auditors had accepted that the Directors and the CEO should be discharged from liability for the administration during 2012.

It was resolved to discharge the Directors and CEO from liability for the administration of the company for the financial year 2012. It was noted that Directors representing own and others' shares, as well as the CEO, did not participate in the resolution.

§ 9

Petra Hedengran, Chairman of the Nomination Committee, presented the proposal from the Nomination Committee concerning election of Directors and Board fees and auditors' fees, Appendix 3a hereto. Petra Hedengran also gave a presentation on how the Committee's work has been conducted and motivated the Committee's proposal, Appendix 3b. Questions from the shareholders were answered.

It was resolved that the Board of Directors should consist of nine Directors without deputies, for the period until the end of the next Annual General Meeting.

§ 10

It was resolved to approve an unchanged Board remuneration of SEK 5,500,000 in total, whereof SEK 1,650,000 to the Chairman of the Board, and SEK 475,000 to each of the Directors elected by the Annual General Meeting and not employed by the Company. For work within the Remuneration Committee, the Chairman shall receive SEK 100,000 and the two members SEK 50,000 each and for work within the Audit Committee, the Chairman shall receive SEK 175,000 and the two members shall receive SEK 75,000 each, according to Appendix 3a, hereto.

The Nomination Committee declared that it expects the Board members to engage themselves financially in Husqvarna by acquiring Husqvarna shares within a period of five years, corresponding to one year's remuneration.

The auditors' fees shall be paid on the basis of approved invoices.

§ 11

The Chairman presented the proposed Directors' other Board assignments by referring to the presentation handed out at the meeting.

It was resolved to re-elect the following Directors for the period until the end of the next Annual General Meeting: Lars Westerberg, Magdalena Gerger, Tom Johnstone, Hans Linnarson, Ulla Litzén, Ulf Lundahl, Katarina Martinson and Anders Moberg and to elect Daniel Nodhäll as new board member. It was resolved to re-elect Lars Westerberg as the Chairman of the Board.

The Chairman of the Board thanked Börje Ekholm for his meritorious services in the Board.

§ 12

Ramsay Brufer, member of the Nomination Committee, presented the proposal from the Nomination Committee on appointment of members of the nomination committee.

It was resolved to approve the proposal from the Nomination Committee, Appendix 3a.

§ 13

The Chairman of the Board, Lars Westerberg, referred to the Board of Directors' proposal regarding remuneration principles and other conditions of employment for senior management as presented in the notice to the Annual General Meeting, and which also was handed out at the meeting. It was noted that the auditors had issued a statement in accordance with Chapter 8, Section 54 of the Companies Act and that the opinion had been available to shareholders prior to the meeting and was included in the presentation handed out at the meeting. It was also noted that the Board's report on the Remuneration Committee's evaluation of remuneration for senior managers and the application of the guidelines adopted at the Annual General Meeting 2012 have been available to shareholders prior to the meeting and were included in the presentation handed out at the meeting.

It was resolved, in accordance with the proposal by the Board of Directors, to approve the remuneration principles and other conditions of employment for senior management as set forth in Appendix 4.

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

§ 14

The Chairman of the Board, Lars Westerberg, referred to the Board of Directors' proposal regarding the adoption of a long-term incentive program (LTI 2013) as presented in the notice to the Annual General Meeting and which was handed out at the meeting.

It was resolved, with requisite majority and in accordance with the proposal from the Board of Directors, to adopt a long-term incentive program (LTI 2013) as set forth in Appendix 4.

§ 15 a

It was resolved, with requisite majority, to authorize the Board of Directors to pass a resolution, on one or more occasions, for the period up until the next Annual General Meeting on repurchasing the Company's own shares in accordance with the terms and conditions in the proposal of the Board of Directors, Appendix 4.

The purpose of the authorization is to hedge the Company's undertakings (including social security charges) for resolved incentive programs and to continuously adapt the number of shares held for these purposes.

§ 15 b

It was resolved, with requisite majority, to authorize the Board of Directors to pass a resolution, on one or more occasions, for the period up until the next Annual General Meeting on transfer of the Company's own shares in accordance with the terms and conditions in the proposal of the Board of Directors, Appendix 4.

The purpose of the authorization is to hedge the Company's undertakings (including social security charges) for resolved incentive programs and to continuously adapt the number of shares held for these purposes.

§ 15 c

It was resolved, with requisite majority, in accordance with the Board's proposal, Appendix 4, that not more than 1,400,000 B-shares, which are held by the Company, may be transferred free of charge to employees in accordance with the terms of LTI 2013. The number of shares that may be subject to transfer under LTI 2013 may be recalculated as a result of bonus issues, splits, rights issues and similar measures, under the terms of the program.

The transfer of shares is part of the Company's fulfilment of its obligations in accordance with LTI 2013.

§ 16

It was resolved, in accordance with the Board's proposal, Appendix 4, to authorize the Board to resolve to issue not more than 57,634,377 B-shares, which represents 10% of the shares in the Company, against payment in kind, on one or several occasions, during the period until the next Annual General Meeting.

§ 17

As no further items were addressed, the Chairman thanked everyone for their attendance and closed the meeting.

As above

/Olle Wallén/

Olle Wallén

Verified:

/Lars Westerberg/

Lars Westerberg

/Anthony Mickelson/

Anthony Mickelson

/Åsa Nisell/

Åsa Nisell

Appendix 1

Voting List

Appendix 2 Annual Report

www.husgvarnagroup.com/ir

Appendix 3a

Proposals by the Nomination Committee to be presented at the Annual General Meeting of shareholders of Husqvarna AB (publ) on Thursday April 11, 2013

The below proposals correspond with the numbering set forth in the agenda proposed by the Board of Directors.

Election of Chairman of the Meeting (item 2)

The Nomination Committee proposes that Lars Westerberg is elected chairman of the Annual General Meeting.

Determination of the number of Directors (item 9)

The Nomination Committee proposes that the Board of Directors shall comprise nine Board Members to be elected by the AGM, and no deputies.

Determination of remuneration to the Directors and the Auditors (item 10)

The Nomination Committee proposes an unchanged Board remuneration of SEK 5,500,000 in total, whereof SEK 1,650,000 to the Chairman of the Board and SEK 475,000 to each of the other Directors elected by the AGM and not employed by the Company. For work within the Remuneration Committee, it is proposed that the Chairman shall receive SEK 100,000 and the two members SEK 50,000 each. For work within the Audit Committee, it is proposed that the Chairman shall receive SEK 175,000 and the two members shall receive SEK 75,000 each.

The Nomination Committee declares that it expects the Board members to engage themselves financially in Husqvarna by acquiring Husqvarna shares within a period of five years, corresponding to one year's remuneration.

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

Election of Directors and Chairman of the Board (item 11)

The Nomination Committee proposes that the current Board Members Lars Westerberg, Magdalena Gerger, Tom Johnstone, Hans Linnarson, Ulla Litzén, Ulf Lundahl, Katarina Martinson and Anders Moberg are re-elected. The Nomination Committee proposes new election of Daniel Nodhäll.

Börje Ekholm has declined re-election.

Daniel Nodhäll is born in 1978 and holds an exam from the Master of Science Program at the Stockholm School of Economics. Daniel Nodhäll is Investment Manager and Head of Capital Goods at Investor AB. Daniel Nodhäll has worked within Investor AB in various positions since 2002.

The Nomination Committee proposes that Lars Westerberg is appointed Chairman of the Board.

Presentation of all proposed Directors including evaluation of the Directors' independence is set forth in Appendix 1.

Resolution on Nomination Committee (item 12)

In accordance with the AGM's previous resolution, the Nomination Committee shall prepare and submit proposals to the AGM concerning the procedures for establishing a nomination committee and issues pertaining thereto. The Nomination Committee proposes that the AGM 2013 adopt the following principles and procedures with respect to the establishment of a nomination committee and its work:

1. The Company shall have a Nomination Committee consisting of one representative of each of the four largest shareholders in the Company with regard to the number of votes held, who

have upon request expressed a wish to participate in the nomination committee work, together with the Chairman of the Board of Directors. The names of the four shareholder representatives and the names of the shareholders they represent shall be announced at the Company's website latest six months before the Annual General Meeting. The term of office for the Nomination Committee shall be for the period until a new Nomination Committee is appointed. Unless the members of the Nomination Committee agree otherwise, the Chairman of the Nomination Committee shall be the member that represents the largest shareholder with regard to the number of votes held.

2. The Nomination Committee shall be composed based on statistics of the ownership structure from Euroclear Sweden AB as of the last banking day of August and other reliable shareholder information provided to the Company at this point in time. If any of the abovementioned shareholders waives its right to appoint a member of the nomination committee, such right shall be passed to the shareholder who, based on the ownership structure as of the last banking day of August, represents the largest shareholding in terms of voting rights after the abovementioned shareholders.
3. If, during the term of office of the Nomination Committee, a shareholder who has expressed a wish to participate in the nomination committee work, and who has appointed a representative to the Nomination Committee, is no longer among the four largest shareholders with regard to the number of votes held, the representative appointed by such shareholder shall resign and the shareholder who is among the four largest shareholders with regard to the number of votes held, and has expressed a wish to participate in the nomination committee work, may appoint a representative. If there are only marginal changes in the number of votes held or if the change occurs later than three months before the Annual General Meeting, no changes shall be made in the composition of the Nomination Committee unless there are special circumstances. A shareholder who has appointed a representative as member of the Nomination Committee has the right to dismiss such member and appoint a new representative as member of the Nomination Committee. Changes in the composition of the Nomination Committee shall be announced on the Company's website as soon as they have occurred.
4. The Nomination Committee shall prepare the below proposals to be submitted to the Annual General Meeting for resolution:
 - a) Proposal regarding Chairman of the Annual General Meeting;
 - b) Proposal regarding Directors of the Board;
 - c) Proposal regarding Chairman of the Board of Directors;
 - d) Proposal regarding Directors' fees, to each of the Directors elected by the AGM and not employed by the Company, distinguishing between the Chairman of the Board of Directors and other Members of the Board of Directors, and remuneration for committee work; stating the distribution between each member of the Board of Directors;
 - e) Proposal regarding Auditors (if appropriate);
 - f) Proposal regarding Auditor's fees; and
 - g) To the extent deemed necessary, proposals on amendments to this instruction for the Nomination Committee.
5. The Nomination Committee, when performing its duties, should fulfil the duties that rest upon the Nomination Committee under the Swedish Code on Corporate Governance including, i.e., to provide the Company with certain information in order to enable the Company to fulfil its disclosure obligation under the Code and for the Company to, upon request of the Nomination Committee, provide personnel resources such as secretary function for the Nomination Committee to facilitate the work of the committee. If needed, the Company shall also be able to pay reasonable costs for external consultants that the Nomination Committee deems necessary in order for the Committee to be able to fulfil its assignment.
6. This instruction for the Nomination Committee applies until the AGM resolves otherwise.

At the AGM in April 2010 PricewaterhouseCoopers AB was appointed as the Company's external Auditor, with Anders Lundin as the auditor-in-charge, for the period until the AGM in 2014. Election is therefore not an issue this year. The assignment as auditor-in-charge may be held for up to seven years. As a result hereof, PricewaterhouseCoopers AB has informed that new auditor-in-charge will be Johan Engstam for the period until the AGM 2014.

Appendix 3b

Husqvarna AB's Nomination Committee's motivated opinion regarding proposal of the Board of Directors at the Annual General Meeting on Thursday April 11, 2013

Background

In accordance with the decision by the Annual General Meeting in March 2012, Husqvarna shall have a Nomination Committee consisting of representatives of each of the four largest shareholders in terms of voting rights, who have expressed a wish to participate in the nomination committee work, and the Chairman of the Board.

The four largest shareholders have appointed the following representatives who, together with Husqvarna's Board Chairman, will form the Nomination Committee.

The Nomination Committee's members are:

- Petra Hedengran, Investor AB, Chairman of the Nomination Committee
- Thomas Ehlin, Nordea Investment Funds
- Claes Boustedt, L E Lundbergföretagen AB
- Ramsay J. Brufer, Alecta
- Lars Westerberg, Chairman of the Husqvarna Board

The Nomination Committee's proposal regarding the Board of Directors:

- Nine Board Members to be elected by the AGM, and no deputies.
- Re-election of Lars Westerberg, Magdalena Gerger, Tom Johnstone, Hans Linnarson, Ulla Litzén, Ulf Lundahl, Katarina Martinson and Anders Moberg.
- New election of Daniel Nodhäll.
- Börje Ekholm has declined re-election.
- Re-election of Lars Westerberg as Chairman of the Board of Directors.

Motivated opinion

The Nomination Committee's view is that – in accordance with existing regulations, i.a. the Swedish Code of Corporate Governance – the composition of the Board should exhibit diversity and breadth, and members elected by the AGM should reflect the various skills, experiences, and backgrounds needed for the Company's operations, growth, and other conditions.

The Nomination Committee has been presented with an evaluation of the Board and its work as well as the Chairman's report on the operations, objectives and strategies of the Company. To assess the degree to which the current Board of Directors meets the requirements that are placed on the Board following the Company's situation and future direction, the Board's size and composition, as regards, for example, diversity, industry experience and skills, has been discussed.

The Nomination Committee proposes that the current Board Members Lars Westerberg, Magdalena Gerger, Tom Johnstone, Hans Linnarson, Ulla Litzén, Ulf Lundahl, Katarina Martinson and Anders Moberg are re-elected. The Nomination Committee proposes that Daniel Nodhäll, is new elected to fill the vacancy after departing Board Member.

It is the opinion of the Nomination Committee that the proposed nine Board Members are very well suited for carrying out Husqvarna's Board work over the coming term of office.

The Nomination Committee considers that the proposed Board of Directors has an appropriate composition to meet the Company's needs with respect to its operations and its competitive situation. The Nomination Committee has paid particular attention to the increasing international competition and the demands it places on the Board's skills, knowledge about the different operations and the ability to foresee the outcome and risks at different markets. The Nomination Committee has also paid attention to the Board Members' diversity, for instance, in background and experience.

The proposal for the composition of the Board meets the requirements of NASDAQ OMX Stockholm and the Swedish Code of Corporate Governance for independent Board Members. Information about all individuals proposed as Members of Husqvarna AB's Board, and the Nomination Committee's evaluation of each Member's independence, can be found on the Company's website.

The Nomination Committee, February 2013

Appendix 4

Proposals by the Board of Directors to be presented at the Annual General Meeting of shareholders of Husqvarna AB (publ) on Thursday April 11, 2013

The below proposals correspond with the numbering set forth in the agenda proposed by the Board of Directors.

Disposition in respect of the Company's profit (item 8 b)

The Board of Directors proposes a dividend for the financial year 2012 of SEK 1.50 per share and Tuesday, April 16, 2013 as record date for the dividend. If the Annual General Meeting resolves in accordance with the Board of Directors' proposal, the estimated date for payment of the dividend from Euroclear Sweden AB is Friday April 19, 2013.

Resolution on principles for remuneration for the Group Management (item 13)

For the Husqvarna CEO and other members of the Group Management (the "Group Management"), the principles for remuneration approved by the AGM 2012 applies. The Board of Directors proposes that the corresponding principles should be approved by the AGM 2013 for the period up to and including the AGM 2014.

These principles set forth in this item shall apply to remuneration and other employment conditions of the Group Management. The principles shall apply to contracts of employment entered into after the Annual General Meeting 2013 and also to amendments made thereafter to contracts of employment which are in force. Remuneration to the Group Management is determined by the Board of Directors based on proposals from the Board of Directors' Remuneration Committee.

Principles

The overall principles for remuneration to the Group Management shall be based on the position held, individual performance, Group performance and remuneration shall be on a competitive basis in the country of employment. The overall remuneration package for Group Management comprises fixed salary, variable salary 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.

Husqvarna shall aim to offer a competitive total remuneration level with a primary focus on "pay for performance".

Fixed salary

Fixed salary shall comprise the basis for total remuneration. The salary shall be related to the relevant market and shall reflect the degree of responsibility involved in the position. The salary levels shall be reviewed annually in order to ensure continued competitiveness and in order to correctly reward performance.

Variable salary (Short-term Incentive "STI")

Members of the Group Management shall be entitled to STI in addition to the fixed salary. The STI shall be based on the financial result for the Group and/or for the business unit for which the member of Group Management is responsible. In addition, performance indicators can be used in order to focus on improvement areas of special interest to the Company. Clearly defined objectives for "target" and "stretch" levels of performance shall be stated in the beginning of the year and reflect the plans approved by the Board. STI shall be dependent on the position and may amount to a maximum of 50% of the fixed salary on attainment of the "target" level and a maximum of 100% of the fixed salary on attainment of "stretch" level, which also is the maximum STI. In the USA, the STI component is normally higher and may in some cases amount to a maximum of 100% on attainment of the "target" level and a maximum of 150% of the fixed salary

on attainment of the "stretch" level. The Board of Directors decides whether the maximum levels, 50/100/150%, shall be utilized or if a lower level shall be used.

Long-term incentive

The Board of Directors will annually evaluate if a long-term incentive program (e.g. share or share price based) should be proposed to the AGM.

Pensions and insurance

Pension and disability benefits shall be designed to reflect regulations and practice in the country of employment and the value of the benefits shall match normally accepted levels in the country. If possible, pension plans shall be defined contribution plans in accordance with the Group Pension Policy.

Other benefits

Other benefits can be provided in accordance with normal practice in the country where the member of Group Management is employed. However, these benefits shall not constitute a significant part of the total remuneration.

Notice of termination and severance pay

Members of Group Management shall be offered notice periods and levels of severance pay which are in line with accepted practice in the country where the member is employed. 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 payment may be applied also after the end of the notice period. Such non-compete obligation shall not apply for more than 24 months from the end of the notice period.

Previously determined remuneration which has not become payable

The main conditions for remuneration to the Group Management in the current employment agreements should be clear from note 27 in the Annual Report for 2012 with references.

Authority for the Board to deviate from the principles

Under special circumstances, the Board of Directors may deviate from these guidelines. In case of such deviation, the next AGM shall be informed of the reasons.

Estimated remuneration to CEO and other members of Group Management for the business year 2013

Remuneration to the CEO and other members of Group Management comprise of fixed salary, variable salary in the form of short term incentive (STI) based on annual targets, long term incentive (LTI) and benefits such as pension etc.

Total remuneration for 2013 to members of Group Management is estimated to amount to between MSEK 32 and 76 depending on the degree to which the targets (entry-target-stretch) of the variable remuneration will be reached. Variable remuneration is thus estimated to amount to max MSEK 44.

Previously decided remuneration which has not become payable

In 2011 decisions were taken on payment of severance pay, with deduction for other income, to former members of Group Management who have been made redundant. These payments will be paid during 2012 and 2013. Severance pay which has not become payable amounts to a maximum of MSEK 7.

Resolution regarding the adoption of a long term incentive program (LTI 2013) (item 14)

Summary of the program

The Board of Directors proposes that the Annual General Meeting resolves to adopt a performance based long term incentive program, LTI 2013. The program is proposed to include a maximum of 50 senior managers within the Husqvarna Group. LTI 2013 implies that the participants must own shares in Husqvarna. Subject to the fulfilment of certain performance targets and conditions during a three year vesting period, matching share awards and

performance based share awards, to be granted in 2013, will vest and give right to Class B-shares in Husqvarna in accordance with the following.

The personal investment and share awards

In order to participate in the program, the employees must own shares in Husqvarna. The employee is entitled to participate with such number of shares amounting to a minimum 5% and maximum 10% of his or her annual fixed salary in 2013, divided by the share price SEK 39.24¹. The shares used for the personal investment can either be shares already held or shares purchased on the market in connection with the application to participate in LTI 2013.

For each share which the employee participates with within the framework of LTI 2013, the Company will grant one matching share award.

In addition, the Company will grant a number of performance based share awards. The grant of performance based share awards is linked to the participant's annual target income in 2013 (fixed salary plus variable salary at a target level).

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

- Are granted free of charge
- Are vested three years after grant (vesting period)
- Vesting of share awards and allocation of Class B-shares in Husqvarna requires that the participant is, with certain exceptions, still employed by the Husqvarna Group and has maintained the personal investment for three years from the date of grant
- Carry no right to compensation for dividends on the underlying shares
- Are non-transferable
- Can be granted by Husqvarna or any other company within the Husqvarna Group

The number of performance based share awards that vest and give right to Class B-shares further depend 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 2013-2015, as determined by the Board of Directors. These levels are "Entry", "Target" and "Stretch", with a linear progression between each level. Entry constitutes a minimum level which must be exceeded in order for the performance based share awards to vest and give right to Class B-shares. The levels correspond to the following number of right to Class B-shares:

- Entry: Nil (only delivery under matching share awards)
- Target: 25% of annual target income / the share price SEK 39.24¹
- Stretch: 40% of annual target income / the share price SEK 39.24¹

If the price for the Class B-shares would increase more than 100% during the three year vesting period, the number of performance based share awards that vest and give right to Class B-shares will be reduced, whereby the maximum value to be received by each participant under LTI 2013 will be limited to the value of the maximum allocation at Stretch level at a share price increase of 100% during the vesting period. This limitation enables control and predictability over the maximum scope and cost of LTI 2013.

Design and administration

The Board of Directors, or a committee established by the Board, shall be responsible for the detailed design and administration of the incentive program, in accordance with the presented terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to meet 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 2013 no longer being appropriate to apply.

¹ Corresponding to the average closing price of the Company's Class B-share at NASDAQ OMX Stockholm, during the period February 14-27, 2013.

Allocation

In accordance with the above, LTI 2013 will comprise the following number of Class B-shares for the different categories of participants: the CEO, approximately 116,500 Class B-shares, other members of Group Management, each approximately an average of 42,100 Class B-shares, corresponding to a total of approximately 421,000 Class B-shares, and other participants, each approximately an average of 22,000 Class B-shares, corresponding to a total of approximately 858,000 Class B-shares. The above stated numbers are calculated assuming all participants participate with maximum personal investment and the fulfilment of performance level Stretch as described above.

Scope and costs of the program

LTI 2013 is estimated to comprise a maximum of 1,400,000 Class B-shares, which corresponds to 0.3% of the total number of shares. Considering the issued and outstanding options and rights to shares in accordance with previous incentive programs, the Company's incentive programs (LTI 2009, LTI 2010 and LTI 2011) correspond to approximately 0.2% of the total number of shares. For a description of the Company's other share related incentive programs, reference is made to the annual report for 2012, note 23, and the Company's website, www.husqvarnagroup.com.

LTI 2013 will be accounted for in accordance with IFRS 2 – Share-based Payment. IFRS 2 stipulates that share awards should be expensed as personnel costs over the vesting period and will be reported directly against equity. Social security charges will be recorded as a personnel expense in the income statement by current reservations. The accounting cost for the program is estimated to MSEK 38 before tax, if the performance level Target is reached. The cost will be allocated over the years 2013-2016. The corresponding cost at performance level Stretch is estimated to MSEK 55. 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 40 at the time of grant of share awards, that each participant participates with a maximum personal investment, that the annual share price increase for the Company's Class B-shares is 5%, that social security charges amount to 25% and that the annual employee turnover is 5% among the participants of LTI 2013.

In order to limit the costs, including social security charges, for the program, the Board of Directors will adopt security measures, such as equity swaps with unrelated parties, or the repurchase of Husqvarna shares that can be transferred to the participants of the program on the condition that the Annual General Meeting resolves in accordance with item 15 on the agenda. The intention is to not issue new shares as a result of the program. At a possible repurchase of Husqvarna shares, already issued shares will be repurchased and then transferred to employees, or alternatively be sold on the market in order to cover the social security charges.

The rationale for the proposal

The purpose of LTI 2013 is to create conditions to retain and recruit competent managers, provide competitive remuneration and to align the interests of the managers with the interests of the shareholders. In light of the above, the Board of Directors believes that adopting the incentive program LTI 2013 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 2013 is based on similar terms and conditions as the incentive program granted in 2011 (LTI 2011) and has in accordance with guidelines set out by the Remuneration Committee been prepared by the Group Management on consultation with external advisors. The incentive program has been reviewed at meetings of the Board of Directors in 2013.

Authorization to repurchase and transfer Husqvarna B-shares (item 15)

a) Resolution on authorization to repurchase Husqvarna B-shares

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to pass a resolution, on one or more occasions, for the period up until the next Annual General Meeting on repurchasing so many B-shares that the Company's holding does not at any time exceed 3% of the total number of shares in the Company. The purchase of shares shall take place on the NASDAQ OMX Stockholm and may only occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and lowest selling price.

The purpose of the authorization is to hedge the Company's undertakings (including social security charges) for resolved incentive programs and to continuously adapt the number of shares held for these purposes.

b) Resolution on authorization to transfer Husqvarna B-shares

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to pass a resolution on one or more occasions for the period up until the next Annual General Meeting, on transfer of B-shares in Husqvarna on the NASDAQ OMX Stockholm. The number of shares to be transferred may not exceed the number of shares that the Company holds at the point in time of the Board's resolution. Transfer of shares may only be in consideration of cash payment at a price within the share price interval registered at that time.

The purpose of the authorization is to transfer repurchased shares to hedge costs for, including social security charges, resolved incentive programs and to continuously adapt the number of shares held in order to hedge the undertakings within the framework of the Company's incentive programs.

c) Resolution to transfer Husqvarna B-shares in relation to LTI 2013

The Board of Directors proposes that the Annual General Meeting resolves that not more than 1,400,000 B-shares, which are held by the Company, may be transferred free of charge to employees in accordance with the terms of LTI 2013. The number of shares that may be subject to transfer under LTI 2013 may be recalculated as a result of bonus issues, splits, rights issues and similar measures, under the terms of the program.

The transfer of shares is part of the Company's fulfilment of its obligations in accordance with LTI 2013.

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

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

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 Husqvarna shares.

Majority Requirements

For a valid resolution in accordance with the proposals pursuant to items 14 and 15 c) above, a shareholder majority of nine tenths of the votes cast and nine tenths of the shares represented at the Annual General Meeting is required. For a valid resolution in accordance with the proposals pursuant to items 15 a) and 15 b) above, a shareholder majority of two thirds of the votes cast and two thirds of the shares represented at the Annual General Meeting is required.

The Board of Directors' reasoned statement is set forth in **appendix A**.

The Board of Directors' statement in accordance with Chapter 18 Section 4 and Chapter 19 Section 22 of the Swedish Companies Act (2005:551)

Background

The Board of Directors hereby presents the following statement in accordance with Chapter 18 Section 4 and Chapter 19 Section 22 of the Companies Act.

The reasons for the Board of Directors view that the proposed dividend and the proposed authorization of the Board of Directors to repurchase Husqvarna shares are compliant with the provisions of Chapter 17 Section 3 Paragraphs 2 and 3 of the 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 47,196,000 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 2012. 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 2012 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 1.50 per share. The proposed dividend represents 4.6% of the Company's equity and 7.4% of the Group's equity. The Board of Directors has also proposed that the Board of Directors shall be authorized to resolve upon acquisition of B-shares in the Company to such extent that the Company, following each acquisition, holds maximum of 3% of the total number of shares in the Company.

The Annual Report shows that the Company's equity/debt ratio amounts to 48.7% and the Group's equity/debt ratio is 41.3%. The Company's and the Group's equity/debt ratio does not differ from what is common within the industry. The proposed dividend and a full utilization of the proposed authorization to repurchase the Company's own shares do not jeopardize the investments which are deemed necessary for the business.

The proposed dividend and full utilization of the proposed authorization to acquire the Company's own shares do not affect the Company's and the Group's ability to fulfill 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 fulfill 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 and a full utilization of the proposed authorization to repurchase the Company's own shares.

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 and the authorization to repurchase the Company's own shares is justifiable in light of the provisions of Chapter 17 Section 3 Paragraph 2 and 3 of the Swedish Companies Act.

Stockholm in March 2013
Husqvarna AB (publ)
The Board of Directors