

This is a non-official translation of the Swedish original wording. In case of differences between the English translation and the Swedish original, the Swedish text shall prevail.

Minutes of the Annual General Meeting of
Shareholders of Husqvarna AB (publ),
Reg. No. 556000-5331, on April 9, 2019 at
4 pm in Jönköping, Sweden

Present: As per Appendix 1, which states 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 Chair of the Board Tom Johnstone, Directors of the Board Ulla Litzén, Katarina Martinson, Bertrand Neuschwander, Daniel Nodhäll, Lars Pettersson, President & CEO Kai Wärn, CFO Glen Instone, authorized public accountant Hamish Mabon and General Counsel Brian Belanger.

§ 1

The Chair of the Board, Tom Johnstone, opened the meeting and welcomed the shareholders.

§ 2

It was resolved to elect Erik Sjöman as Chair of the meeting, in accordance with the proposal from the Nomination Committee.

It was resolved to allow representatives from the media and other guests having no voting rights to attend the meeting, and to allow access to video recordings and presentations from the President & CEO's report to the public.

It was noted that the Chair had requested Husqvarna's General Counsel Brian Belanger to act as secretary and to keep the minutes of the meeting.

§ 3

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

§ 4

It was resolved to approve the agenda, as proposed in the notice to the meeting.

§ 5

Caroline Sjösten, from *Swedbank Robur Fonder AB*, and Oskar Börjesson, from *Livförsäkringsbolaget Skandia, ömsesidigt*, were appointed, together with the Chair, to act as minute checkers and to approve the minutes of meeting.

§ 6

It was noted that the notice to the Annual General Meeting had been made via publication in the Post- och Inrikes Tidningar (the Official Gazette) on March 8, 2019, and on the Company's website on March 6, 2019, and that an announcement that such notice had been published was made in Svenska Dagbladet and Jönköpingsposten on March 8, 2019.

It was determined that the meeting was properly convened.

§ 7

The Annual Report and the Consolidated Accounts including Profit and Loss Statements and Balance Sheets and the Auditors' Report and Consolidated Auditors' Report regarding the financial year 2018 were presented.

The CEO, Kai Wörn, and the Chair of the Board, Tom Johnstone, gave presentations regarding the Company's business as well as the Board of Directors' work during the financial year 2018.

Authorized public accountant Hamish Mabon from the auditing company Ernst & Young AB described the audit process and presented the Audit Report for the Company and the Group.

§ 8 a

It was resolved to adopt the Profit and Loss Statements and the Balance Sheets as well as the Consolidated Profit and Loss Statements and the Consolidated Balance Sheets for the financial year 2018 as presented under § 7.

§ 8 b

The Secretary presented the Board of Directors' proposal for distribution of the Company's earnings as stated in the Annual Report and recommended by the auditors.

It was resolved, in accordance with the proposal from the Board of Directors, to allocate the funds available for distribution by the Annual General Meeting as follows:

Net income for 2018	TSEK	54,771	
Total profit available for allocation	TSEK	20,332,857	
Dividend to be distributed to the shareholders (SEK 2.25 per share)	TSEK	1,286,265	
Total	TSEK	19,046,592	to be carried forward.

It was resolved that the dividend shall be paid in two installments, firstly SEK 0.75 per share with Thursday, April 11, 2019 as the first record day, and secondly SEK 1.50 per share with Friday, October 11, 2019 as the second record day. It was noted that the estimated dates for payment from Euroclear will be Tuesday, April 16, 2019 and Wednesday, October 16, 2019, respectively.

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

§ 8 c

It was resolved, in accordance with the auditors recommendation, to discharge the Directors and the CEO from liability for the administration of the company's affairs during the financial year 2018. It was noted that Directors representing their own and others' shares at the meeting, as well as the CEO, did not participate in the resolution.

§ 9

Petra Hedengran, Chair of the Nomination Committee, presented the Nomination Committee's proposal concerning election of Directors and Board fees, as well as election of, and remuneration to, external auditors, [Appendix 2a-b](#).

It was resolved, in accordance with the Nomination Committee's proposal, that the Board of Directors should consist of eight Directors without deputies, for the period until the end of the next Annual General Meeting.

§ 10

It was resolved, in accordance with the Nomination Committee's proposal, to approve remuneration to the Board of SEK 6,290,000 in total, whereof SEK 2,000,000 would be paid to the Chair of the Board, and SEK 580,000 to each of the Directors elected by the Annual General Meeting and not employed by the Company. In addition, it was resolved that, for work within the Remuneration Committee, the Chair of the Committee shall receive a remuneration of SEK 140,000 and the two other members of the Committee shall receive a remuneration of SEK 80,000 each and that for work within the Audit Committee, the Chair of the Committee shall receive a remuneration of SEK 240,000 and the two other members of the Committee shall receive a remuneration of SEK 135,000 each.

It was resolved, in accordance with the Nomination Committee's proposal, to approve a separate remuneration to be paid for attending meetings in addition to the basic remuneration and compensation for travel related costs in accordance with the following:

For attendance at a physical Board meeting in Sweden a remuneration per meeting in accordance with the below will be paid:

- a) For a Director with residence within the Nordic countries; no extra meeting remuneration;
- b) For a Director with residence outside the Nordic countries but within Europe; SEK 10,000;
- c) For a Director with residence outside Europe; USD 3,500.

The Nomination Committee declared its expectation that the elected Board Members engage themselves financially in the Company by each member acquiring Husqvarna shares within a period of five years, corresponding to approximately one year's remuneration, calculated before tax.

§ 11

The Chair presented information regarding the proposed Directors' other assignments in other companies by referring to the presentation handed out at the meeting.

It was resolved, in accordance with the Nomination Committee's proposal, to re-elect Tom Johnstone, Ulla Litzén, Katarina Martinson, Bertrand Neuschwander, Daniel Nodhäll, Lars Pettersson, Christine Robins and Kai Wörn as Directors of the Board for the period until the end of the next Annual General Meeting.

It was resolved to re-elect Tom Johnstone as the Chair of the Board.

§ 12

It was resolved, in accordance with the Nomination Committee's proposal, to elect Ernst & Young as external Auditor for the period from the 2019 AGM up until the end of the 2020 AGM.

It was resolved, in accordance with the Nomination Committee's proposal, that the auditors' fees shall be paid in accordance with approved invoices, as per the prior years' practice.

§ 13

The auditors' statement in accordance with Chapter 8, Section 54 of the Companies Act was presented. The Board's proposal for principles for remuneration and other terms of employment for senior managers, as per [Appendix 3](#), was presented.

The Board of Directors' proposal was approved.

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

§ 14

The Board of Directors' proposal regarding the adoption of a long-term incentive program (LTI 2019), as per [Appendix 3](#), was presented.

The Board of Directors' proposal was approved.

Livförsäkringsbolaget Skandia, ömsesidigt, had informed in advance its request that the meeting minutes reflect that it voted against the proposal.

§ 15

The Board of Directors' proposal regarding authority of the Board to decide to allow the Company enter one or more equity swap agreements in order to hedge the obligations of the Company under the LTI 2019 and previously resolved incentive programs, as per Appendix 3, was presented.

The Board of Directors' proposal was approved.

§ 16

The Board of Directors' proposal regarding authority to issue new shares "in kind", as per Appendix 3, was presented.

The Board of Directors' proposal was approved.

§ 17

The Chair thanked those present for their attention and interest and closed the meeting.

As above

/Brian Belanger/
Brian Belanger

Approved:

/Erik Sjöman/
Erik Sjöman

/Caroline Sjösten/
Caroline Sjösten

/Oskar Börjesson/
Oskar Börjesson

Appendix 1

Voting List

Appendix 2a

HUSQVARNA AB (publ) Proposals of the Nomination Committee to the 2019 Annual General Meeting (“AGM”) (April 9, 2019)

This document is provided in accordance with Section 4.1 of the Swedish Code of Corporate Governance (the “**Swedish Code**”), and sets forth each proposal made by the Nomination Committee to the 2019 Annual General Meeting (“**AGM**”). The rationale behind these proposals, together with an explanation of the Nomination Committee’s work, can be found in a separate document (the “**Nomination Committee’s Explanatory Statement**”) that has been published in connection with the Notice of AGM.

The below proposals correspond with the numbering (items) set forth in the agenda for the 2019 AGM proposed by the Board of Directors.

Election of Chair of the Meeting (item 2)

The Nomination Committee proposes that Erik Sjöman be elected Chair of the AGM.

Determination of the number of Directors to be elected (item 9)

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

Determination of remuneration to the Directors (item 10)

The Nomination Committee proposes that Directors receive the following basic compensation for their board work (plus the indicated additional remuneration for committee work):

	Proposal 2019	2018	Percentage Increase
Chair of the Board	SEK 2,000,000	SEK 1,900,000	5%
Director	SEK 580,000	SEK 545,000	6%
Remuneration Committee Chair	SEK 140,000	SEK 120,000	17%
Remuneration Committee Member	SEK 80,000	SEK 60,000	33%
Audit Committee Chair	SEK 240,000	SEK 200,000	20%
Audit Committee Member	SEK 135,000	SEK 105,000	29%

In addition to the compensation described above, and reimbursement for travel expenses, the Nomination Committee proposes that the following compensation be paid to 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 11)

The Nomination Committee proposes re-election of Tom Johnstone, Ulla Litzén, Katarina Martinson, Bertrand Neuschwander, Daniel Nodhäll, Lars Petterson, Christine Robins and Kai Wörn.

The Nomination Committee proposes that Tom Johnstone be appointed Chair of the Board.

Presentation of all proposed Directors, along with an evaluation of such proposed Directors’ independence is set forth in **Appendix 1**.

Election of, and remuneration to, external Auditor (item 12)

The Nomination Committee proposes the election of Ernst & Young as external Auditor for the period from the 2019 AGM up until the end of the 2020 AGM.

Ernst & Young AB has informed that, provided that the AGM adopts the Nomination Committee's proposal regarding election of Auditors (item 12), the registered auditor-in-charge will be authorized public accountant Hamish Mabon.

The Nomination Committee proposes that the Auditors' fee shall be paid on the basis of approved invoice, in accordance with previous years' practice.

The Nomination Committee of Husqvarna AB (publ)
March 2019

Annual General Meeting 2019

Proposal on the Board of Directors by the Nomination Committee



Tom Johnstone, CBE, born 1955

Chair of the Board

M.A., University of Glasgow, Scotland, Hon. Doc. in B.A., University of South Carolina, US, Hon. Doc. in Science, Cranfield University, UK. Elected 2006. Chair of the Remuneration Committee.

Other important board engagements: Board Chair of Combient AB and of the British-Swedish Chamber of Commerce. Vice Board Chair of Wärtsilä Corporation. Board member of Investor AB, Northvolt AB and Volvo Cars.

Previous positions: President & CEO of AB SKF 2003-2014, Executive Vice President of AB SKF 1999–2003. President Automotive Division, AB SKF 1995–2003.

Shareholding in Husqvarna: 990 A-shares, 14,800 B-shares, and 384,024 call options¹.



Ulla Litzén, born 1956

B. Sc., Stockholm School of Economics, Sweden and MBA, Massachusetts Institute of Technology, US. Elected 2010. Chair of the Audit Committee.

Other important board engagements: Board member of AB Electrolux, Epiroc AB, NCC AB and Ratos AB.

Previous positions: President of W Capital Management AB, 2001–2005. Senior management positions and member of the Management Group, Investor AB 1996–2001. Managing Director, responsible for Core Holdings 1999–2000. President of Investor Scandinavia AB 1996–1998.

Shareholding in Husqvarna: 10,000 B-shares.



Katarina Martinson, born 1981

M. Sc., Stockholm School of Economics, Sweden. Elected 2012. Member of the Audit Committee.

Portfolio management for the Lundberg Family.

Other important board engagements: Board Chair of Indutrade AB. Board member of L E Lundbergföretagen AB, Fastighets AB L E Lundberg, Förvaltnings AB Lunden, L E Lundberg Kapitalförvaltning AB, Fidelio AB and AniCura AB.

Previous positions: Analyst at Handelsbanken Capital Markets 2008, Vice President at Strategas Research Partners LLC, New York, US 2006–2008. Investment research at ISI, International Strategy & Investment Group, New York, US 2005-2006.

Shareholding in Husqvarna: 113,478 A-shares, 378,737 B-shares.

¹ Consisting of (A) 192,012 call options issued by Investor AB entitling to purchase Husqvarna B-shares, and (B) 192,012 call options issued by L E Lundbergföretagen AB entitling to purchase Husqvarna B-shares.



Bertrand Neuschwander, born 1962

Graduate engineer, Institut National Agronomique de Paris-Grignon, France, with an MBA from INSEAD. Elected 2016. Member of the Remuneration Committee.

Chief Operating Officer, Groupe SEB, France.

Other important board engagements: Board Chair of SEB Alliance (Groupe SEB Corporate Venture). Board Chair of WMF Group Supervisory Board. Board member of Groupe SEB Denmark, Groupe SEB Finland, Groupe SEB Norway, Serge Ferrari Group SA, Tefal OBH Group AB and Zhejiang Supor Co., Ltd.

Previous positions: Senior Executive Vice President for Business Units Brands, Innovation & Strategy, Groupe SEB 2012-2014, Senior Executive Vice President for Business Units Brands & Innovation, Groupe SEB 2010-2012, CEO, Devanlay/Lacoste 2004-2009, Chair and Chief Executive Officer, Aubert Group 2001-2004.

Shareholding in Husqvarna: 0



Daniel Nodhäll, born 1978

M. Sc., Stockholm School of Economics, Sweden. Elected 2013. Member of the Audit Committee.

Managing Director, Head of Listed Core Investments at Investor AB.

Other important board engagements: Board member of SAAB AB.

Previous positions: Analyst focused on the engineering sector at Investor AB since 2002.

Shareholding in Husqvarna: 10,000 B-shares.



Lars Pettersson, born 1954

M. Sc. in Applied Physics, Material Sciences, Uppsala University, Sweden. Hon. Doc. at Uppsala University, Sweden. Elected 2014. Member of the Remuneration Committee.

Other important board engagements: Board Chair of KP-Komponenter A/S. Board member of Festo AG, AB Industrivärden, Indutrade AB and L E Lundbergföretagen AB.

Previous positions: President & CEO of AB Sandvik 2002-2011 and various positions within AB Sandvik 1978-2002.

Shareholding in Husqvarna: 5,000 B-shares.



Christine Robins, born 1966

BBA in Marketing and Finance, University of Wisconsin, Madison, US and MBA at Marquette University, Milwaukee, WI, US. Elected 2017.

President & CEO of Char-Broil LLC, Columbus, GA, US.

Previous positions: President & CEO of BodyMedia, Pittsburgh, PA, US 2009-2014. President & CEO of Philips Oral Healthcare, Seattle, WA, US 2005-2009. Marketing and Finance positions within S.C. Johnson company 1988-2005.

Shareholding in Husqvarna: 0



Kai Wörn, born 1959

M. Sc. in Mechanical Engineering, KTH Royal Institute of Technology, Stockholm, Sweden. Elected 2014.

President & CEO of Husqvarna AB.

Other important board engagements: Board member of AB Electrolux.

Previous positions: Operations partner at IK Investment Partners Norden AB 2011-2013. President & CEO of Seco Tools AB 2004-2010. Various positions within ABB 1985-2004.

Shareholding in Husqvarna: 314,261 B-shares (Own), 100,000 B-shares (Legal person).

Requirements for independence

According to the Swedish Code, a majority of the directors of the Board elected at the General Meeting should be independent in relation to the Company and the Company's management, and at least two of those Directors who are independent in relation to the Company and the Company's management should also be independent in relation to the Company's major shareholders.

The Nomination Committee is of the opinion that the proposed Board of Directors fulfils the requirements of the Swedish Code.

Name		Nationality	Independence in relation to the company and management	Independence in relation to major shareholders
Tom Johnstone	Chair of the Board and Chair of the Remuneration Committee	UK	Yes	No
Ulla Litzén	Chair of the Audit Committee	SE	Yes	Yes
Katarina Martinson	Member of the Audit Committee	SE	Yes	No
Bertrand Neuschwander	Member of the Remuneration Committee	FR	Yes	Yes
Daniel Nodhäll	Member of the Audit Committee	SE	Yes	No
Lars Pettersson	Member of the Remuneration Committee	SE	Yes	No
Christine Robins		US	Yes	Yes
Kai Wörn		SE	No	Yes

Appendix 2b

HUSQVARNA AB (publ)

Explanatory Statement of the Nomination Committee to the 2019 Annual General Meeting (“AGM”) (April 9, 2019)

*This document is provided in accordance with Section 2.6 of the Swedish Code of Corporate Governance (the “**Swedish Code**”), and explains how the Nomination Committee has conducted its work and the reasoning behind certain of the Nomination Committee’s proposals to the AGM. The full list of such proposals is contained in a separate document (the “**Nomination Committee Proposals**”) that has been published in connection with the Notice of AGM.*

A. Establishment and Work of the Nomination Committee

According to the process first established at its 2013 AGM, Husqvarna AB has a five-member Nomination Committee that is established each year, and which consists of (A) one representative from each of the four largest shareholders in terms of voting rights, and (B) the Company’s Chair of the Board. The Nomination Committee for the 2019 AGM was formed in October 2018, and consists of the following persons (with nominating shareholder shown in parenthesis):

- Petra Hedengran (Investor AB), Chair of the Nomination Committee
- Claes Boustedt (L E Lundbergföretagen AB)
- Ricard Wennerklint (If Skadeförsäkring AB)
- Henrik Didner (Didner & Gerge Fonder AB)
- Tom Johnstone, Chair of the Husqvarna AB Board

The Nomination Committee has held two formal meetings and has had ongoing communication in between such meetings. The main work of the Nomination Committee has been to assess, and make proposals with respect to, the composition of, and compensation to, the Board. To assist the Nomination Committee in its work, the Chair of the Board has presented to the Committee (A) an evaluation of the current Board and its work, and (B) a report on the Company’s operations, objectives and strategies. The Nomination Committee has also been active in evaluating benchmarking information on Board compensation and in making a recommendation on the Company’s external auditor.

B. Explanation of Proposals regarding the Board of Directors

Actual Proposals

The Nomination Committee has proposed that the following eight persons be re-elected as Directors by the 2019 AGM:

1. **Tom Johnstone**
2. **Ulla Litzén**
3. **Katarina Martinson**
4. **Bertrand Neuschwander**
5. **Daniel Nodhäll**
6. **Lars Pettersson**
7. **Christine Robins**
8. **Kai Wörn**

Further information about all individuals proposed for election can be found in the separate “Nomination Committee Proposals” document.

The Nomination Committee has proposed that Tom Johnstone be re-elected as Chair of the Board of Directors.

Diversity & Breadth of Competence

The Nomination Committee’s view, consistent with the Swedish Code, is that the composition of the Board should exhibit diversity and breadth, and that the Directors elected by the AGM should reflect

those skills, experiences, and backgrounds needed for the Company's operations, growth, and other conditions. The Nomination Committee has applied Section 4.1 of the Swedish Code as its diversity policy.

In carrying out its work, the Nomination Committee paid particular attention to the following factors:

- The extent to which the current Board of Directors meets the requirements that are placed on the Board in light of the Company's situation, strategic development and future direction.
- The goal of having a diverse, gender-balanced Board.

The Nomination Committee believes that the current Directors are very well suited for carrying out Husqvarna AB's board work over the coming term of office. The Nomination Committee considers that the eight proposed Directors, together, have an appropriate composition to meet the Company's needs with respect to its operations and its competitive situation over the coming term.

Regarding diversity, the Nomination Committee noted that, of the non-management Board members proposed to be elected by the 2019 AGM (i.e., excluding the President & CEO):

- three of seven (43%) are women, and
- three of seven (43%) have a non-Swedish nationality.

Independence Requirements

Under the Swedish Code, a majority of the Directors to be elected by shareholders must be independent from the Company and its executive management (herein, "Company Independent"). Furthermore, at least two of those Directors deemed Company Independent must also be independent in relation to the Company's major shareholders (herein "Shareholder Independent"). The Nomination Committee has assessed each proposed Director and concluded that the Swedish Code's independence requirements are satisfied, as shown in the below chart:

Proposed Director	Company Independent	Shareholder Independent
Kai Wörn	NO	YES
Tom Johnstone	YES	NO
Katarina Martinson	YES	NO
Daniel Nodhäll	YES	NO
Lars Pettersson	YES	NO
Ulla Litzén	YES	YES
Bertrand Neuschwander	YES	YES
Christine Robins	YES	YES

C. No Changes to "Criteria and Duties of the Nomination Committee"

The Nomination Committee has also reviewed the Criteria and Duties of the Nomination Committee, as last revised in 2013, and determined that no changes are needed at this time.

D. Statement re Election of Auditor

In accordance with Section 2.1 of the Swedish Code, the Nomination Committee is required to present proposals on the election and remuneration of the Company's external (statutory) auditor. Such proposals are normally based on a recommendation received from the Company's Audit Committee. In the case of the 2019 AGM, the Nomination Committee has adopted, in full, the Audit Committee's proposal and rationale, as more fully described below.

The term of appointment for the Company's current external auditor, Ernst & Young, will expire at the end of 2019 AGM. The Audit Committee is of the view that, during the current term of appointment, Ernst & Young has carried out its responsibilities well and at a reasonable cost. Accordingly, the Audit Committee proposes that Ernst & Young be reappointed by the 2019 AGM as the Company's external auditor, with authorized public accountant, Hamish Mabon, continuing to act as auditor-in-charge.

Based on such recommendation, the Nomination Committee is proposing that Ernst & Young be appointed as the Company's external auditor, for a one-year term, i.e. until the end of the 2020 AGM.

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

The Nomination Committee, March 2019

Appendix 3

Proposals by the Board of Directors to be presented at the Annual General Meeting ("AGM") of shareholders of Husqvarna AB (publ) on Tuesday, April 9, 2019

The below proposals correspond with the numbering set forth in the agenda proposed by the Board of Directors, as set forth in the separate Notice of AGM.

Proposed distribution of earnings (item 8 b)

The Board of Directors proposes a dividend for financial year 2018 of SEK 2.25 per share, to be paid in two installments, firstly SEK 0.75 per share with Thursday, April 11, 2019 as the first record day, and secondly SEK 1.50 per share with Friday, October 11, 2019 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 AB 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 0.75 per share)	Second Installment (SEK 1.50 per share)
Last day for trading	April 9, 2019 (Tuesday)	October 9, 2019 (Wednesday)
Record Day	April 11, 2019 (Thursday)	October 11, 2019 (Friday)
Payment Date	April 16, 2019 (Tuesday)	October 16, 2019 (Wednesday)

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

For the President & CEO (hereinafter "CEO") and other members of Group Management, the principles for remuneration as set out below and approved by the 2018 AGM currently apply. The Board of Directors proposes that the corresponding principles should be approved by the 2019 AGM for the period up to and including the 2020 AGM.

The principles set forth in this item shall apply to remuneration and other employment conditions of Group Management. The principles shall apply to contracts of employment entered into after the 2019 AGM and also to amendments made thereafter to contracts of employment which are in force. Remuneration to Group Management is determined by the Board of Directors based on proposals from the Remuneration Committee.

Principles

In general, remuneration to members of Group Management shall be 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 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 Group shall aim to offer a competitive total remuneration level with a primary focus on "pay for performance".

Fixed salary

Fixed salary shall constitute 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 regularly (normally through an annual evaluation of salaries) in order to ensure continued competitiveness and in order to correctly reward performance.

Variable salary (Short-term Incentive, "STI")

Members of 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 matters 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 of

Directors. 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 US, the STI component is normally higher and may 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 Pension and other Benefits 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.

Authority for the Board to deviate from the principles

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

The main conditions for remuneration to Group Management in the current employment agreements are stated in note 4 in the Annual Report for 2018.

Estimated remuneration to the CEO and other members of Group Management for the business year 2019

The total remuneration to members of Group Management for 2019 is estimated to amount to between SEK 56m and SEK 105m depending on the degree to which the targets (entry-target-stretch) of the variable remuneration (variable salary and long term incentive cost) will be reached.

Group Management shareholding requirement

The CEO and other members of Group Management are expected, during the first five years in the position, to build up a personal holding of Husqvarna B-shares corresponding to a value of one annual salary (fixed gross salary) which is applicable for a particular year and then maintain such value throughout his/her time as a Group Management member.

Resolution regarding the adoption of a long term incentive program (LTI 2019) (item 14)

Summary of the program

The Board of Directors proposes that the 2019 AGM resolves to adopt a performance-based long term incentive program ("LTI 2019"). The program is based on the same principles as the incentive program granted in 2018 (LTI 2018).

LTI 2019 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 2019 will vest and give right to Husqvarna B-shares in accordance with the following.

Participants in LTI 2019 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 2019.

The number of performance share awards that vest and give rights to receive B-shares further depends on the fulfilment of the Company’s long term financial objectives specified as certain levels of increase of the Company’s operating margin (weight 40%), net sales (weight 30%) and decrease of operating working capital in relation to net sales (weight 30%), 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 price¹
- Target: 33% of annual target income / the share price¹
- Stretch: 66% of annual target income / the share price¹

Regarding the CEO, such levels are increased to 40% of annual target income at Target, and 80% for Stretch.

If the price for the B-shares would increase more than 100% during the three year vesting period, the number of performance share awards that vest and give right to B-shares will be reduced, whereby the maximum value to be received by each participant under LTI 2019 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 the program.

Additional terms and 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 2019, 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 2019 no longer being appropriate to apply.

Allotment

In accordance with the above principles and assumptions, LTI 2019 will comprise the following number of B-shares for the different categories of participants: the CEO, approximately 183,000 B-shares, other members of Group Management, each approximately an average of 39,000 B-shares, corresponding to a total of approximately 390,000 B-shares, and other participants, each approximately an average of 19,000 B-shares, corresponding to a total of approximately 1,691,000 B-shares. The above stated numbers are calculated assuming the attainment of performance level Stretch as described above.

¹ Corresponding to the average closing price of Husqvarna’s B-share at Nasdaq Stockholm during February 2019.

Scope and costs of LTI 2019

LTI 2019 is estimated to comprise a maximum of 2.3 million B-shares, which corresponds to less than 0.4% 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 2016, LTI 2017 and LTI 2018) correspond to approximately 0.8% of the total number of outstanding shares. The Company's incentive programs' effect on important key figures is only marginal. Information on LTI 2016, LTI 2017 and LTI 2018 can be found in the Annual Report for 2018, note 4, and on the Company's website, www.husqvarnagroup.com.

LTI 2019 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 2019 is estimated to amount to SEK 79m before tax, if the performance level Target is reached, and is allocated over the years 2019-2022. The corresponding cost at performance level Stretch is estimated to SEK 158m. 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 70 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 2019.

In order to ensure delivery of Husqvarna B-shares under LTI 2019 and to limit the costs, including social security charges, for LTI 2019, 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 2019 provided that the AGM resolves in accordance with Item 14 on the agenda. The hedging options are described below under Item 15 of the agenda. The intention is to not issue new shares as a result of LTI 2019.

The rationale for the proposal

The purpose of LTI 2019 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 2019 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 2019 is based on the same principles as LTI 2018 and has in accordance with guidelines set out by the Remuneration Committee been prepared by Group Management in consultation with external advisors, taking into consideration evaluations of previous incentive programs. LTI 2019 has been reviewed at meetings of the Board of Directors in 2018 and 2019.

Resolution on authorization to enter into equity swap arrangements to cover obligations under LTI 2019 and any previously resolved programs (item 15)

The Board of Directors proposes that the 2019 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 2019 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 2019 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.

Majority Requirements

For a valid resolution of all agenda items above, a shareholder majority of half of the votes cast at the AGM 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 Swedish Companies Act.

The reasons for the Board of Directors view that the proposed dividend is compliant with the provisions of Chapter 17 Section 3 Paragraphs 2 and 3 of the Swedish 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 18,000t 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 2018. 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 2018 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 2.25 per share, to be paid in two installments, firstly SEK 0.75 per share with Thursday, April 11, 2019 as the first record day, and secondly SEK 1.50 per share with Friday, October 11, 2019 as the second record day. The total proposed dividend represents 5.7% of the Company's equity and 8.0% of the Group's equity.

The Annual Report shows that the Parent Company's equity/assets ratio amounts to 51% and the Group's equity/assets ratio is 41%. The Company's and the Group's equity/assets ratio does not differ from what is common within the industry. The proposed dividend does not jeopardize the investments which are deemed necessary for the business.

The proposed dividend does not affect the Company's and the Group's ability to fulfil 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 fulfil 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.

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 is justifiable in light of the provisions of Chapter 17 Section 3 Paragraph 2 and 3 of the Swedish Companies Act.

Stockholm in March 2019
Husqvarna AB (publ)
The Board of Directors