

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 from the Annual General Meeting of the Shareholders in Husqvarna AB (publ), reg. no. 556000-5331, on May 4, 2011 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, the Directors of the Board Robert F. Connolly, Börje Ekholm, Magdalena Gerger, Tom Johnstone, Ulla Litzén, Ulf Lundahl, Anders Moberg, Magnus Yngen, CFO Bernt Ingman, Chartered Accountants Anders Lundin and Christine Rankin Johansson and General Counsel Olle Wallén.

§ 1

The Chairman of the Board of Directors, 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.

§ 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

Göran Villner, representing Swedbank, and Fredrik Ahlin, representing IF Skadeförsäkring, were appointed as vote controllers, and as minute checkers, together with the Chairman.

§ 6

It was noted that the notice to the AGM had been published in Post- och Inrikes Tidningar (the Official Gazette) on April 1, 2011, and on the Company's website on March 30, 2011. The publication of the notice was announced in Svenska Dagbladet and Jönköpingsposten on April 1, 2011.

It was resolved to declare the meeting properly convened.

§ 7

The CEO Magnus Yngen and the Chairman Lars Westerberg presented the Company's business and the Board of Directors' work during the financial year 2010. Questions from the shareholders were answered.

The Board's and the CEO's annual accounts and the consolidated annual accounts including Profit and Loss Statement and Balance Sheet regarding the financial year 2010 were presented.

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

§ 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 2010 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	SEK 15,460,917,000
Net income for 2010	SEK 2,050,517,000
Dividend to be distributed to the shareholders	SEK 858,657,000 (1.50 SEK/per share)
Total	SEK 16,652,777,000 should be carried forward.

The record date for the dividend was set to Monday, May 9, 2011 and the estimated date for the payment of the dividend from Euroclear is Thursday, May 12, 2011.

§ 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 2010.

It was unanimously resolved to discharge the Directors and CEO from liability for the administration of the company for the calendar year 2010. 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 3** hereto.

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

§ 10

It was resolved to approve a total fee to the Board of Directors of SEK 5,975,000, whereof SEK 1,650,000 to the Chairman of the Board, and SEK 475,000 to each of the Directors elected by the AGM 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 3**, hereto.

It was resolved that the previous Board remuneration partly paid in synthetic shares should not be renewed. However, Board members are expected to engage themselves financially in Husqvarna by acquiring Husqvarna shares within a period of five years, corresponding to one year's Board fee.

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, Peggy Bruzelius, Robert F. Connolly, Börje Ekholm, Magdalena Gerger, Tom Johnstone, Ulla Litzén, Ulf Lundahl, Anders Moberg and Magnus Yngen It was resolved to re-elect Lars Westerberg as the Chairman of 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 for the Annual General Meeting 2012.

In accordance with the proposal from the Nomination Committee, it was resolved that:

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, together with the Chairman of the Board of Directors. The names of the four representatives and the names of the shareholders they represent shall be announced at the latest six months before the Annual General Meeting 2012 and shall be based on the known number of votes as of August 31, 2011. The term of office for the Nomination Committee shall be for the period until a new Nomination Committee has been 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. If, during the term of office of the Nomination Committee, shareholder having appointed a representative to the Nomination Committee no longer is among the four largest shareholders with regard to the number of votes held, representative appointed by such shareholder shall resign and the shareholder who then are among the four largest shareholders with regard to the number of votes held, may appoint its 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 committee. Changes in the composition of the Nomination Committee shall be announced as soon as they have occurred.
3. The Nomination Committee shall prepare the below proposals to be submitted to the Annual General Meeting 2012 for resolution:

- a) Proposal regarding Chairman of the Annual General Meeting;
 - b) Proposal regarding number of Directors and Directors on the Board;
 - c) Proposal regarding Chairman of the Board of Directors;
 - d) Proposal regarding Directors' fees and remuneration for committee work; stating the distribution between each member of the Board of Directors;
 - e) Proposal regarding Auditor's fees; and
 - f) Proposal regarding Nomination Committee for the Annual General Meeting of 2013.
4. The Nomination Committee, when performing its duties, shall fulfil the tasks that rest upon the Nomination Committee under the Swedish Code on Corporate Governance including, i.a. to provide the Company with certain information in order to enable the Company to fulfil its information 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.

§ 13

The Chairman of the Board of Directors referred to the Board of Directors' proposal regarding remuneration principles for senior management as presented in the notice to the AGM, and which was handed out at the meeting. In connection with this the Chairman of the Remuneration Committee, Tom Johnstone, answered questions from the shareholders.

It was resolved, in accordance with the proposal by the Board of Directors, to approve the remuneration principles for senior management as set forth in **appendix 4**.

§ 14

The Chairman of the Board of Directors referred to the Board of Directors' proposal regarding the adoption of a long term incentive program (LTI 2011) as presented in the notice to the AGM and which was handed out at the meeting. In connection therewith the Chairman of the Remuneration Committee, Tom Johnstone, answered questions from the shareholders.

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 2011) as set forth in **appendix 4**.

§ 15 a

It was resolved, with requisite majority, to authorize the Board of Directors to resolve to acquire the Company's own shares until the next Annual General Meeting in accordance with the following.

1. The Company may acquire so many B-shares that the Company holds no more than 3% of the total number of shares in the Company after each acquisition.
2. The shares shall be acquired at NASDAQ OMX Stockholm.
3. The acquisitions of shares over the stock exchange may only take place at a price within the registered spread at any given time, meaning the difference between the highest buying price and lowest selling price.
4. Payment for the shares shall be made in cash.

The purpose of the authorization is to hedge the Company's undertakings (including social costs) for proposed and existing 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 resolve to transfer the Company's own shares until the next Annual General Meeting in accordance with the following.

1. The Company may transfer so many such own B-shares that the Company holds at the time of the Board of Directors' decision.
2. The shares shall be transferred at NASDAQ OMX Stockholm.
3. The transfer of shares over the stock exchange may only take place at a price within the registered spread at any given time.
4. Payment for the shares shall be made in cash.

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

§ 15 c

It was resolved, with requisite majority, to transfer the Company's own shares in accordance with the following.

1. At most 4,420,000 B-shares may be transferred.
2. The participants in the above mentioned long term incentive programs (the "Participants") shall be entitled to receive the shares. Each Participant shall be entitled to a maximum number of shares in accordance with the conditions of the program.
3. The right to receive shares is conditional upon that all conditions of the program are fulfilled.
4. Transfers of shares in accordance with share awards granted under LTI 2011 will be made free of charge.
5. Transfers of shares in accordance with the employee stock options granted under LTI 2011 will be made at a price corresponding to 110% of the close price of the Company's B-share on NASDAQ OMX Stockholm during a period of 10 trading days prior to the grant of options.
6. The number of shares that may be transferred in connection with the program will be subject to recalculation in case the Company carries out a bonus issue, a split, a rights issue or similar, all in accordance with the conditions of the program.

The transfer of own shares is a part of LTI 2011 as resolved under item 14.

§ 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 payment in kind, on one or several occasions during the period until the next AGM.

§ 17

It was resolved, with requisite majority and in accordance with the proposal from the Board of Directors, **appendix 4**, to change Article 7 of the Articles of Association by adding a new section as follows.

The term of office for the Auditors is four years up to and including the Annual General Meeting after the appointment of the Auditor.

The Board of Directors, or any other person that the Board of Directors appoints, shall be entitled to decide upon the minor changes that, due to the decision, may be required in connection with the registration of the same with the Swedish Companies Register.

§ 18

As no further items were addressed, the Chairman closed the meeting.

As above

/Olle Wallén/

Olle Wallén

Verified:

/Lars Westerberg/

Lars Westerberg

/Göran Villner/

Göran Villner

/Fredrik Ahlin/

Fredrik Ahlin

Appendix 1

Voting List

Appendix 2 Annual Report

www.husqvarna.com/ir

Appendix 3

Proposals by the Nomination Committee to be presented at the Annual General Meeting of shareholders of Husqvarna AB (publ) on 4 May 2011

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 ten Directors without Deputies.

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

Remuneration

The Nomination Committee proposes a total Board remuneration of SEK 5,975,000, whereof SEK 1,650,000 to the Chairman of the Board and SEK 475,000 to each of the Directors 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. For work within the Audit Committee, the Chairman shall receive SEK 175,000 and the two members shall receive SEK 75,000 each.

The Nomination Committee proposes that the previous set-up with a remuneration partly paid by way of synthetic shares not be renewed. However, the Nomination Committee 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 re-election of the Directors Lars Westerberg, Peggy Bruzelius, Robert F. Connolly, Börje Ekholm, Magdalena Gerger, Tom Johnstone, Ulla Litzén, Ulf Lundahl, Anders Moberg and Magnus Yngen.

The Nomination Committee considers that the ten Board Members proposed by the Nomination Committee are very well suited for carrying out Husqvarna's Board work and have an appropriate composition to meet Husqvarna's needs with respect to its operations, its strategy and direction. Thus no proposal for new election has been made. The Nomination Committee has paid particular attention to the company's strategic development and the importance of having a competent and well composed board of directors from a governance and supervision point of view. The Nomination Committee has also paid attention to the Board Members diversity for instance in background and experience.

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

Nomination Committee (item 12)

The Nomination Committee proposes:

1. That 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, together with the Chairman of the Board of Directors. The names of the four representatives

and the names of the shareholders they represent shall be announced at the latest six months before the Annual General Meeting 2012 and shall be based on the known number of votes as of August 31, 2011. The term of office for the Nomination Committee shall be for the period until a new Nomination Committee has been 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. That if, during the term of office of the Nomination Committee, shareholder having appointed a representative to the Nomination Committee no longer is among the four largest shareholders with regard to the number of votes held, 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, may appoint its 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 committee. Changes in the composition of the Nomination Committee shall be announced as soon as they have occurred.
 3. That the Nomination Committee shall prepare the below proposals to be submitted to the Annual General Meeting 2012 for resolution:
 - a) Proposal regarding Chairman of the Annual General Meeting;
 - b) Proposal regarding number of Directors and Directors on the Board;
 - c) Proposal regarding Chairman of the Board of Directors;
 - d) Proposal regarding Directors' fees and remuneration for committee work; stating the distribution between each member of the Board of Directors;
 - e) Proposal regarding Auditor's fees; and
 - f) Proposal regarding Nomination Committee for the Annual General Meeting of 2013
 4. That the Nomination Committee, when performing its duties, shall fulfil the tasks that rest upon the Nomination Committee under the Swedish Code on Corporate Governance including, i.a. to provide the Company with certain information in order to enable the Company to fulfil its information 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.
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Appendix 4

Proposals by the Board of Directors to be presented at the Annual General Meeting of shareholders of Husqvarna AB (publ) on 4 May 2011

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 2010 of SEK 1,50 per share and Monday, May 9, 2011 as record date for the dividend. If the Annual General Meeting ("AGM") resolves in accordance with the Board of Directors proposal, the estimated date for the payment of the dividend is Thursday, May 12, 2011.

Principles for remuneration for the Group Management of the Company (item 13)

For the Husqvarna CEO and other members of the Group Management (the "Group Management"), the principles for remuneration approved by the AGM 2010 applies. The Board of Directors proposes that the corresponding principles should be approved by the AGM 2011 for the period up to and including AGM 2012.

These principles 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 2011 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 salary on attainment of the "target" level and a maximum of 100% of the salary on attainment of "stretch" level. 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 salary on attainment of the "stretch" level. The Board of Directors decides whether the maximum levels 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 Annual General Meeting.

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 24 in the Annual Report for 2010 with references.

Authority for the Board to deviate from the principles

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

Long term incentive program ("LTI 2011") (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 2011. The terms and conditions for LTI 2011 are similar to those for the incentive programs that was approved by the Annual General Meetings in 2007, 2008, 2009 and 2010. LTI 2011 is proposed to include a maximum of 50 senior managers within the Husqvarna Group. The program implies that the participants will invest in B-shares in Husqvarna. Subject to the fulfilment of certain performance targets and conditions three years later, in 2014, the personal investment will be matched by the Company through allocation of share awards and performance based stock options, in accordance with the following.

The personal investment and share matching

In order to participate in the program, the employees must purchase B-shares in Husqvarna of minimum 5% and maximum 10% of their annual target income (fixed salary plus variable salary on target level).

For each B-share which the employee purchases, as personal investment within the framework of LTI 2011, the Company will grant one share award and a number of performance based stock options. Each share award entitles the holder to one B-share free of charge, three years after grant, provided that the participant is still employed by the Husqvarna Group and has maintained the personal investment.

The share match will be based on the amount of shares which the employee purchases, however the purchase price will be assumed to correspond to a minimum of SEK 33 per share, which means that the number of shares can amount to no more than 10% of the annual target income divided by 33. This limitation as to the purchase price enables control and predictability over the maximum scope and cost of the incentive program.

The share awards

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

- Are vested three years after grant.
- Are granted free of charge.
- Share match entitlement requires that the participant is still employed by the Husqvarna Group and has maintained the personal investment for three years from the day of grant.
- Carry no right to compensation for dividends on the underlying shares.
- Are non-transferable.
- May be granted by Husqvarna or any other company within the Husqvarna Group.

The stock options

The stock options shall be governed by the following terms and conditions:

- Are vested three years after grant.
- Are granted free of charge.
- Each stock option entitles the participant to purchase one B-share in the Company. The purchase price when exercising a stock option shall correspond to 110% of the average volume weighted closing price of the Company's B-share at NASDAQ OMX Stockholm, during a period of 10 trading days prior to the day of grant.
- Exercisable at the earliest three years and latest eight years from the day of grant.
- Carry no right to compensation for dividends on the underlying shares.
- Are non-transferable.
- Exercise of the options requires that the holder is still employed by the Husqvarna Group, and has maintained the personal investment for three years from the day of grant.
- Can be granted by Husqvarna or any other company within the Husqvarna Group.

The number of stock options that may be exercised depends on the number of B-shares that the participant has purchased under the framework of LTI 2011 and fulfilment of certain levels of increase of the Company's earnings per share, during 2011-2013, as determined by the Board of Directors. These determined levels are; Entry, Target and Stretch, with a linear progression between each level. Entry constitutes a minimum level which must be exceeded in order to enable exercise of the stock options. The levels correspond to the following numbers of stock options:

- Entry: 5 options per purchased B-share + 2,000 options
- Target: 10 options per purchased B-share + 5,000 options
- Stretch: 15 options per purchased B-share + 8,000 options

Consequently, the total number of stock options that can be exercised is limited to 15 options per purchased B-share plus an additional 8,000 options per participant.

Terms 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 share matching and for exercisability of the stock options under the incentive program would become inappropriate to apply.

Allocation

LTI 2011 is proposed to comprise a maximum of 4,240,000 B-shares, assuming a price of SEK 50 each for the B-shares purchased as part of the personal investment under LTI 2011. In accordance with the above, LTI 2011 will comprise the following number of B-shares for the different categories of participants: the CEO, approximately 305,600 B-shares, other members of Group Management, each approximately an average of 124,160 B-shares, corresponding to a total of approximately 993,280 B-shares, and other participants, each approximately an average of 71,735 B-shares, corresponding to a total of approximately 2,941,120 B-shares. The above described numbers are conditional upon the participants investing 10% of their annual target salary and the fulfilment of target level Stretch as described above.

Scope and costs of the program

Assuming a price of SEK 50 each for the B-shares purchased as part of the personal investment, LTI 2011 is estimated to comprise no more than 0.92% of the share capital. Considering the issued and outstanding options and rights to shares in accordance with previous incentive programs, the Company's incentive programs (LTI 2008, LTI 2009, LTI 2010 and LTI 2011) correspond to approximately 1.99% 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 2010, note 19, and the Company's website, www.husqvarna.com.

LTI 2011 will be accounted for in accordance with IFRS 2 – Share-based Payment. IFRS 2 stipulates that share awards and stock options should be expensed as personnel costs over the vesting period and will be reported directly against equity. The accounting cost for the program is estimated to MSEK 50 before tax, if the performance level Target is reached. The cost will be allocated over the years 2011-2014. The corresponding cost at performance level Stretch is estimated to MSEK 70. 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 50 at the time of the personal investment, that each participant makes a maximum personal investment, and that the annual employee turnover is 5% among the participants of the program.

In order to limit the costs, including social security charges, for the program, the Board of Directors will adopt security measures, such as share swaps, with unrelated parties and/or on the condition that the Annual General Meeting resolves in accordance with item 15 on the agenda regarding the repurchase of Husqvarna shares, which can be transferred to the participants of the program. 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 costs.

The rationale for the proposal

The purpose of the total remuneration 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 2011 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 2011 is based on the terms and conditions of the incentive program of the previous year (LTI 2010) 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 2011.

Acquisition and transfer of Husqvarna B-shares (item 15)

Authorization to acquire Husqvarna B-shares (item 15 a)

The Board of Directors proposes that the Annual General Meeting authorizes the Board to resolve to acquire Husqvarna B-shares until the next Annual General Meeting in accordance with the following.

1. The Company may acquire a number of B-shares so that the Company holds no more than 3% of the total number of shares in the Company after each acquisition.
2. The shares shall be acquired at NASDAQ OMX Stockholm.
3. The acquisitions of shares over the stock exchange may only take place at a price within the registered spread at any given time, meaning the difference between the highest buying price and lowest selling price.
4. Payment for the shares shall be made in cash.

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

Authorization to transfer of Husqvarna B-shares (item 15 b)

The Board of Directors proposes that the Annual General Meeting authorizes the Board to resolve to transfer Husqvarna's own shares until the next Annual General Meeting in accordance with the following.

1. The Company may transfer such Husqvarna B-shares that the Company holds at the time of the Board of Directors decision.
2. The shares shall be transferred at NASDAQ OMX Stockholm.
3. The transfer of shares over the stock exchange may only take place at a price within the registered spread at any given time.
4. Payment for the shares shall be made in cash.

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

Transfer of Husqvarna B-shares in accordance with LTI 2011 (item 15 c)

The Board of Directors proposes that the Annual General Meeting resolves to transfer the Company's own shares in accordance with the following.

1. At most 4,240,000 B-shares may be transferred.
2. The participants in the above mentioned programs (the "Participants") shall be entitled to receive the shares. Each Participant shall be entitled to a maximum number of shares in accordance with the conditions of the program.
3. The right to receive shares is conditional upon that all conditions of the program are fulfilled.
4. Transfers of shares in accordance with share awards granted under LTI 2011 will be made free of charge.
5. Transfers of shares in accordance with the employee stock options granted under LTI 2011 will be made at a price corresponding to 110% of the closing price of the Company's B-share on NASDAQ OMX Stockholm during a period of 10 trading days prior to the grant of options.
6. The number of shares that may be transferred in connection with the program will be subject to recalculation in case the Company carries out a bonus issue, a split, a rights issue or similar, all in accordance with the conditions of the program.

The transfer of Husqvarna B-shares is a part of LTI 2011 as proposed by the Board in item 14.

Authorization to the Board of Directors to resolve on an 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 57.634.377B-shares for 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 shares. The purpose of the authorization is to facilitate acquisitions where the consideration will be paid with Husqvarna shares.

Resolution on change of the Articles of Association regarding term of office for the Auditors (item 17)

The Board of Directors further proposes that the Annual General Meeting resolves to change Article 7 of the Articles of Association by adding a new section as follows.

- Proposed wording of added section in Article 7: The term of office for the Auditors is four years up to and including the Annual General Meeting after the appointment of the Auditor.

The Board of Directors, or any other person that the Board of Directors appoints, shall be entitled to decide upon the minor changes that, due to the decision, may be required in connection with the registration with the Swedish Companies Register.

Majority Requirements

For a valid resolution in accordance with the Board of Directors' proposal pursuant to items 14 and 15 c) above, a shareholder majority of nine tenths of the votes and nine tenths of the shares represented at the Annual General Meeting is required. For a valid resolution in accordance with the Board of Directors' proposal pursuant to items 15 a) and b) and 17 above, a shareholder majority of two thirds of the votes 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 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 to repurchase Husqvarna shares are in accordance with the provisions of Chapter 17, Section 3, para. 2 and 3 of the Companies Act are the following.

The assets and liabilities have been valued at their actual value in accordance with Chapter 4, Section 14a of the Annual Accounts Act (1995:1554). If the valuation had not been made at actual value the equity would have been SEK 23,410,000 lower.

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 a business. As regards material events, reference is made to the report by the Board of Directors. The effects on the Company and the Group from changes of business cycles do not differ from what is otherwise the case 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 2010 is described in the most recent annual report. The annual report also states which accounting principles that have been applied when valuing of assets, reserves and liabilities.

From the Board's dividend proposal, it follows that the Board proposes a dividend distribution of SEK 1.50 per share. The proposed dividend represents 4.6% of the Company's equity and 7.1% of the Group's equity. The Board has also proposed that the Board is authorized to resolve to acquire B-shares in the Company up to a maximum of 3% of the Company's total number of shares.

The annual report shows that the Company's equity/debt ratio amounts to 53.7% and the Group's equity/debt ratio is 42.8%. The Company's and the Group's equity/debt ratio does not differ from what is common within the industry. The proposed dividend distribution and a full utilization of the proposed authorization to acquire the Company's own shares do not jeopardize the investments which are deemed necessary for the business.

The proposed dividend distribution and a 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 course 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 and the Group will be able to continue its business and that the Company can be expected to fulfill its obligations on both a short and long-term basis.

Taking into account the proposed dividend distribution and a full utilization of the proposed authorization to repurchase the Company's own shares, 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 connected with the Company's business.

Conclusion

With reference to the above, and to what has otherwise come to the knowledge of the Board of Directors, the Board of Directors is of the opinion that the dividend distribution and the authorization is justifiable in light of the provisions of Chapter 17, Section 3, para. 2 and 3 of the Companies Act.

Stockholm in March 2011
Husqvarna AB (publ)
The Board of Directors