

*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 kept at the Annual General Meeting of the shareholders of Husqvarna AB (publ), Reg. No. 556000-5331, held at 4pm on April 23, 2008, at the Elmia Congress Centre, Elmiavägen, Jönköping

**Present shareholders:** In accordance with **appendix 1**, stating the number of shares and votes for each shareholder entitled to vote

### § 1

The Chairman of the Board of Directors, Lars Westerberg, opened the meeting.

### § 2

It was resolved to elect Lars Westerberg as Chairman of the meeting. It was noted that the Chairman had requested Olle Wallén to keep the minutes from the meeting.

It was resolved

To let guests and representatives from the press and the other media to be present at the AGM, however, without taking any photographs or making any TV or radio recordings of the AGM;

To approve that the Company, for its own internal use, make video recordings and take pictures during the AGM; and

To approve that the Company allows media access to video recordings of and slides from the CEO's speech.

The Chairman informed that, in accordance with the Swedish code on Corporate Governance, the minutes from the AGM will be posted on the Company's web page. In the minutes of the AGM, any questions, requests, reservations and other contributions made may be recorded by noting the name of the individual who made the contribution. By this notification to the AGM participants, the Company is of the opinion that consent to such treatment of personal information has been granted by the individuals who make any contribution at the AGM, unless the person who makes the contribution clearly states that such consent is not granted.

### § 3

The list of shareholders in attendance and those represented at the meeting, together with details of their corresponding votes (**appendix 1**), was drawn up and approved as the voting list for the meeting.

It was recorded that all board members elected by the AGM, all members of the group management (except for one person) as well as the responsible auditor were present at the AGM.

#### § 4

The attached agenda was approved, **appendix 2**.

#### § 5

Björn Franzon, Fjärde AP-fonden and Henrik Wiklund, Nordea Fonder, were appointed to check and approve the minutes from the meeting together with the Chairman. Björn Franzon and Henrik Wiklund were also appointed as moderators in the event of a vote.

#### § 6

It was recorded that the notice to the AGM had been published in *Post- och Inrikes Tidningar* (the *Official Gazette*), *Dagens Nyheter*, *Svenska Dagbladet* and in *Jönköpingsposten* on March 19, 2008.

The meeting was declared properly convened.

#### § 7

It was recorded that the accounts of the Board and the CEO for the administration of the Company's operations during 2007, which include the Board of Director's Report, Profit and Loss Statement and Balance Sheet as well as the Consolidated Profit and Loss Statement and the Consolidated Balance Sheet, and the report submitted by the Auditor on the audit of the Board of Director's and the CEO's administration, had been available at the Company as from April 9, 2008, had been sent to shareholders upon request and had been distributed at the meeting. The Annual Report and the Consolidated Accounts as well as the Audit Report were presented to the meeting. The reports are appended as **appendix 3**.

The CEO, Bengt Andersson, held a speech regarding the business of the Company for the financial year 2007. The shareholders were given the opportunity to ask questions.

#### § 8

It was resolved

- A. 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 2007.
- B. In accordance with the proposal of the Board, to dispose of the SEK 7,737,701,000, that was at the AGM's proposal, to allocate to the shareholders as dividend SEK 862,128,000, corresponding to SEK 2.25 per share. Thus SEK 6,875,573,000 should be brought forward. The record date for the dividend was set to Monday, April 28, 2008 and the estimated date for the payment of the dividend from VPC is Friday, May 2, 2008.

- C. To grant the Board members and the CEO discharge from liability for the financial year 2007. It was recorded that the decision was unanimous, except for the shareholders stated below, and that no Board member that represented own or shares held by others participated in the decision.

It was recorded that Mr. Olof Jisland, as representative for certain foreign shareholders in accordance with **appendix 4** registered a dissenting opinion to the decisions and also declined to vote.

## § 9

Petra Hedengran, Investor AB, chairman of the Nomination Committee, described the work and the conclusions of the Nomination Committee as well as the Nomination Committee's proposals to the AGM.

It was resolved that the Board, until the AGM next year, shall consist of nine members elected by the AGM with no deputies.

## § 10

The AGM approved a total Board remuneration of SEK 5,345,000 until the next AGM in accordance with the following: SEK 1,600,000 to the Chairman of the Board, SEK 460,000 to each of the Directors elected by the AGM and not employed by the Company. The Chairman of the Remuneration Committee shall receive SEK 100,000 and the two members SEK 50,000 each. The Chairman of the Audit Committee shall receive SEK 175,000 and the two members shall receive SEK 75,000 each. It was resolved that a part of the remuneration to the Board for their assignment shall be paid by allocation of synthetic shares in accordance with the proposal of the Nomination Committee, **appendix 5**, and the terms for the synthetic shares, **appendix 6**.

The Auditor's fee shall be paid on the basis of approved invoice.

It was recorded that Mr. Olof Jisland, as representative for certain foreign shareholders in accordance with **appendix 4**, declined to vote.

Further, it was recorded that Mr. Ossian Ek Dahl, as representative for Första AP-fonden, registered a dissenting opinion to the decision to provide Board remuneration by allocation of synthetic shares.

## § 11

It was resolved to, until the AGM next year, re-elect Lars Westerberg, Bengt Andersson, Peggy Bruzelius, Börje Ekholm, Tom Johnstone, Anders Moberg, Gun Nilsson, Robert F. Connolly and elect Ulf Lundahl to the Board. Peder Ramel declined re-election.

Lars Westerberg was elected Chairman of the Board.

## § 12

It was resolved:

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. The names of the four representatives and the names of the shareholders they represent shall be announced at the latest six months before the AGM 2009 and shall be based on the known number of votes as of August 29, 2009. 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, one or more of the shareholders having appointed a representative to the Nomination Committee no longer is among the four largest shareholders with regard to the number of votes held, representatives appointed by these shareholders shall resign and the shareholder or shareholders who then are among the four largest shareholders with regard to the number of votes held, may appoint their representatives. If there are only marginal changes in the number of votes held or if the change occurs later than three months before the AGM, 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 AGM 2009 for resolution:
  - a) Proposal regarding Chairman of the AGM;
  - 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 AGM of 2010.
4. That the Nomination Committee, when performing its duties, shall fulfill 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 fulfill 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 fulfill its assignment.

### § 13

It was resolved, in accordance with the Board's proposal, **appendix 7**, to approve the principles below for remuneration and other conditions of employment for Husqvarna Group Management.

It was recorded that Mr. Olof Jisland, as representative for certain foreign shareholders in accordance with **appendix 4** registered a dissenting opinion to the decision.

#### § 14

It was resolved unanimously with the exception below in accordance with the Board's proposal, **appendix 7**, to approve the Board's proposal for a performance based incentive program ("LTI 2008") for senior managers within the Husqvarna Group.

It was recorded that Mr. Olof Jisland, as representative for certain foreign shareholders in accordance with **appendix 4** registered a dissenting opinion to the decision.

It was recorded that Mr. Edin Paradzik, as representative for Sveriges Aktiesparares Riksförbund, registered a dissenting opinion regarding the part of the proposal that relates to options.

#### § 15

It was resolved unanimously with the exception below

1. To, in accordance with the Board's proposal, **appendix 7**, authorize the Board to resolve to acquire the Company's own shares until the next AGM in accordance with the following.
  - (a) The company may acquire a number of shares of class B so that the company holds no more than 3% of the total number of shares in the company after each acquisition.
  - (b) The shares shall be acquired at the OMX Nordic Exchange Stockholm.
  - (c) The acquisitions of shares over the stock exchange may only take place at a price within the registered spread at any given time.
  - (d) Payment for the shares shall be made in cash.
  
2. To, in accordance with the Board's proposal, **appendix 7**, authorize the Board to resolve to transfer the Company's own shares, until the next AGM, in accordance with the following.
  - (a) The company may transfer such own shares of class B that the company holds at the time of the Board of Directors' decision.
  - (b) The shares shall be transferred at the OMX Nordic Exchange Stockholm.
  - (c) The transfers of shares over the stock exchange may only take place at a price within the registered spread at any give time.
  - (d) Payment for the shares shall be made in cash.
  
3. To, in accordance with the Board's proposal, **appendix 7**, resolve to transfer no more than 624,000 shares the Company's own shares to persons participating in the Company's incentive programs, in accordance with the following.

- (a) The participants in the abovementioned program 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.
  - (b) A Participants right to receive shares is conditional upon that all conditions in the respective program are fulfilled.
  - (c) Transfers of shares under the Husqvarna Performance Share plan 2006 will be made without consideration.
  - (d) The number of shares that may be transferred in connection with the programs 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 programs.
4. To, in accordance with the Board's proposal, **appendix 7**, resolve to transfer no more than 1,426,000 shares the Company's own shares to persons participating in the Company's Long Term Incentive Program 2007, in accordance with the following.
- (a) The participants in the abovementioned program 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.
  - (b) A Participants right to receive shares is conditional upon that all conditions in the respective program are fulfilled.
  - (c) Transfers of shares under the Husqvarna Performance Share plan 2007 will be made without consideration.
  - (d) Transfers of shares in accordance with the employee stock options will be made at a price corresponding to 110% of the close price of the company's Class B share on the OMX Nordic Exchange Stockholm during a period of 10 trading days prior to the grant of options.
  - (e) The number of shares that may be transferred in connection with the programs 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 programs.
5. To, in accordance with the Board's proposal, **appendix 7**, resolve to transfer no more than 3,700,000 shares the Company's own shares to persons participating in the Company's Long Term Incentive Program 2008, in accordance with the following.
- (a) The participants in the abovementioned program 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.
  - (b) A Participants right to receive shares is conditional upon that all conditions in the respective program are fulfilled.
  - (c) Transfers of shares under the Husqvarna Performance Share plan 2008 will be made without consideration.
  - (d) Transfers of shares in accordance with the employee stock options will be made at a price corresponding to 110% of the close price of the company's Class B share on the OMX Nordic Exchange Stockholm during a period of 10 trading days prior to the grant of options.

- (e) The number of shares that may be transferred in connection with the programs 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 programs.

It was recorded that Mr. Olof Jisland, as representative for certain foreign shareholders in accordance with **appendix 4** registered a dissenting opinion to the decisions.

It was recorded that Mr. Edin Paradzik, as representative for Sveriges Aktiesparares Riksförbund, registered a dissenting opinion regarding section 1 above as to the repurchase of own shares and regarding section 5 above regarding the part of the proposal that relates to transfer of shares by exercising allocated options.

#### § 16

It was resolved in accordance with the Board's proposal, **appendix 7**, to authorize the Board to resolve to issue not more than 38,500,000 shares of class A and/or class B for payment in kind, on one or several occasions during the period until the next AGM. The division between shares of class A and class B shall substantially correspond to the division of shares at the time of the issue of new shares.

#### § 17

The meeting was closed.

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In fidem:

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Olle Wallén

Approved:

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Lars Westerberg

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Björn Franzon

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Henrik Wiklund

**Appendix 1  
Voting list**

## **Appendix 2 Agenda**

1. Opening of the Annual General Meeting
2. Election of Chairman of the meeting
3. Preparation and approval of the voting list
4. Approval of the agenda
5. Election of one or two minute-checkers
6. Determination as to whether the meeting has been properly convened
7. Presentation of the Annual Report and the Audit Report as well as the Consolidated Accounts and the Audit Report of the Group and in connection therewith, the President's business report
8. Resolution on
  - (a) adoption of the Profit and Loss Statement and the Balance Sheet as well as the Consolidated Profit and Loss Statement and the Consolidated Balance Sheet
  - (b) dispositions in respect of the company's profit or loss pursuant to the adopted Balance Sheet
  - (c) discharge from liability of the Directors and the President
9. Determination of the number of Directors and Deputy Directors to be elected.
10. Determination of fees payable to each of the Directors of the Board and the Auditor
11. Election of Directors and Deputies
12. Resolution on Nomination Committee
13. Resolution on principles for remuneration for the senior management of the company
14. Resolution on long term incentive program ("LTI 2008")
15. Resolution on acquisitions and transfers of own shares
16. Resolution on authorisation for the Board the resolve on new issues of shares
17. Other matters to be dealt with by the meeting pursuant to the Companies Act
18. Closing of the meeting

**Appendix 3**  
**Annual Report and the Audit Report as well as**  
**the Consolidated Accounts and the Audit Report**

Please refer to:

[http://corporate.husqvarna.com/index.php?p=ir&s=press&t=detail&afw\\_id=1066167&afw\\_lang=en](http://corporate.husqvarna.com/index.php?p=ir&s=press&t=detail&afw_id=1066167&afw_lang=en)

Aktier vid stämman/Shares at the AGM 64 686 367  
 Röster vid stämman/Votes at the AGM 64 686 367  
 Totalt antal aktier vid stämman/Total of shares at the AGM 202 629 410  
 Totalt antal röster vid stämman/Total of votes at the AGM 78 480 671

137 943 043  
 13 794 304

Punkt/Item	Aktieägare/shareholder	A-aktier/A-shares	Aktier/Shares %	Röster/Votes	Röster/Votes %	B-aktier/B-shares	Aktier/Shares %	Röster/Votes	Röster/Votes %
8a Avstår/ Abstain	Caisse de depot et placement du Quebec	48	0,00%	48	0,00%				
	Florida Retirement System					102 714	0,05%	10 271,40	0,01%
	Stichting Pensioenfonds ABP					54	0,00%	5,40	0,00%
	<b>Summa</b>	<b>48</b>	<b>0,00%</b>	<b>48</b>	<b>0,00%</b>	<b>102 768</b>	<b>0,05%</b>	<b>10 276,80</b>	<b>0,01%</b>

8c Avstår/ Abstain	Louisiana State Employees Retirement System					27 370	0,01%	2 737,00	0,00%
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8c Emot/ Against	Fire and Police Pension Association of Colorado					1 700	0,00%	170,00	0,00%
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10 Avstår/ Abstain	Portfolio 21 Investments Portfolio 21	54 000	0,03%	54 000	0,07%				
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13 Emot/ Against	Fire and Police Pension Association of Colorado					1 700	0,00%	170,00	0,00%
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14 Emot/ Against	California Public Employees Retirement System					126 965	0,06%	12 696,50	0,02%
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Punkt/Item	Aktieägare/shareholder	A-aktier/ A-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %	B-aktier/ B-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %
	California Public Employees Retirement System					20 400	0,01%	2 040,00	0,00%
	Fire and Police Pension Association of Colorado					1 700	0,00%	170,00	0,00%
	<b>Summa</b>					<b>149 065</b>	<b>0,07%</b>	<b>14 906,50</b>	<b>0,02%</b>

**15a Emot/  
Against**

	Caisse de depot et placements du Quebec	48	0,00%	48	0,00%				
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans	10 448	0,01%	10 448	0,01%				
	Teacher Retirement System of Texas, a public pension fund and agency of the State of Texas	12	0,00%	12	0,00%				
	Caisse de depot et placements du Quebec					31 585	0,02%	3 158,50	0,00%
	California State Teachers Retirement System					12	0,00%	1,20	0,00%
	California State Teachers Retirement System					13 617	0,01%	1 361,70	0,00%
	Common Trust Sweden Fund					46 312	0,02%	4 631,20	0,01%
	John Hancock Funds II International Equity Index Fund					6 593	0,00%	659,30	0,00%
	Monetary Authority of Singapore					3 920	0,00%	392,00	0,00%
	SPDR MSCI ACWI EX-US ETF					5 138	0,00%	513,80	0,00%
	SSGA MSCI EAFE Index Fund					15 278	0,01%	1 527,80	0,00%
	SSGA Sweden Index Fund					20 098	0,01%	2 009,80	0,00%
	SSTB: Federation of National Public Service Personnel Mutual Aid Associations					366	0,00%	36,60	0,00%
	SSTB: Government Pension Investment Fund					74 080	0,04%	7 408,00	0,01%
	SSTB: Government Pension Investment Fund					244 296	0,12%	24 429,60	0,03%
	SSTB: Pension Fund Association for Local Government Officials					646	0,00%	64,60	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					2 056	0,00%	205,60	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					10 341	0,01%	1 034,10	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					1 508	0,00%	150,80	0,00%

Punkt/Item	Aktieägare/shareholder	A-aktier/A-shares	Aktier/Shares %	Röster/Votes	B-aktier/B-shares	Aktier/Shares %	Röster/Votes	Röster/Votes %
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans				28 790	0,01%	2 879,00	0,00%
	State Street Trust & Banking Co Ltd Pension Investment Fund				1 734	0,00%	173,40	0,00%
	Teacher Retirement System of Texas, a public pension fund and agency of the State of Texas				12	0,00%	1,20	0,00%
	The Master Trust bank of Japan, Ltd Re: Hitachi Foreign Equity Index Mother Fund				3 373	0,00%	337,30	0,00%
	<b>Summa</b>	<b>10 508</b>	<b>0,00%</b>	<b>10 508</b>	<b>509 755</b>	<b>0,25%</b>	<b>50 975,50</b>	<b>0,06%</b>

**15b Emot/  
Against**

	Caisse de depot et placement du Quebec	48	0,00%	48				
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans	10 448	0,01%	10 448				
	Teacher Retirement System of Texas, a public pension fund and agency of the State of Texas	12	0,00%	12				
	Caisse de depot et placements du Quebec				31 585	0,02%	3 158,50	0,00%
	California State Teachers Retirement System				12	0,00%	1,20	0,00%
	California State Teachers Retirement System				13 617	0,01%	1 361,70	0,00%
	Common Trust Sweden Fund				46 312	0,02%	4 631,20	0,01%
	John Hancock Funds II International Equity Index Fund				6 593	0,00%	659,30	0,00%
	Monetary Authority of Singapore				3 920	0,00%	392,00	0,00%
	SPDR MSCI ACWI EX-US ETF				5 138	0,00%	513,80	0,00%
	SSGA MSCI EAFE Index Fund				15 278	0,01%	1 527,80	0,00%
	SSGA Sweden Index Fund				20 098	0,01%	2 009,80	0,00%
	SSTB: Federation of National Public Service Personnel Mutual Aid Associations				366	0,00%	36,60	0,00%
	SSTB: Government Pension Investment Fund				74 080	0,04%	7 408,00	0,01%
	SSTB: Government Pension Investment Fund				244 296	0,12%	24 429,60	0,03%
	SSTB: Pension Fund Association for Local Government Officials				646	0,00%	64,60	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans				2 056	0,00%	205,60	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans				10 341	0,01%	1 034,10	0,00%

Aktieägare/shareholder	A-aktier/ A-shares	Aktier/ Shares %	Röster/ Votes	B-aktier/ B-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %
State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans				1 508	0,00%	150,80	0,00%
State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans				28 790	0,01%	2 879,00	0,00%
State Street Trust & Banking Co Ltd Pension Investment Fund				1 734	0,00%	173,40	0,00%
Teacher Retirement System of Texas, a public pension fund and agency of the State of Texas				12	0,00%	1,20	0,00%
The Master Trust Bank of Japan, Ltd Re: Hitachi Foreign Equity Index Mother Fund				3 373	0,00%	337,30	0,00%
<b>Summa</b>	<b>10 508</b>	<b>0,01%</b>	<b>10 508</b>	<b>509 755</b>	<b>0,25%</b>	<b>50 976</b>	<b>0,06%</b>

Punkt/Item

15c Emot/  
Against

Caisse de depot et placement du Quebec	48	0,00%	48				
Duke Energy Qualified Nuclear Decommissioning Trust	1 348	0,00%	1 348				
Pacific Gas and Electric Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust	18 301	0,01%	18 301				
PanAgora Group Trust	180	0,00%	180				
PG & E Postretirement Medical Plan Trust - Management and Non-Bargaining Unit Retirees	234	0,00%	234				
Portfolio 21 Investments Portfolio 21	54 000	0,03%	54 000				
PSEG Nuclear LLC	40	0,00%	40				
San Diego Gas & Electric Company Nuclear Facilities Qualified Decommissioning Trust	480	0,00%	480				
Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust For San Onofre And Palo Verde Nuclear Generating Stations	3 742	0,00%	3 742				
State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans	10 448	0,01%	10 448				
Teacher Retirement System of Texas, a public pension fund and agency of the State of Texas	12	0,00%	12				
United Technologies Corporation Master Retirement Trust	6 148	0,00%	6 148				

Punkt/Item	Aktieägare/shareholder	A-aktier/ A-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %	B-aktier/ B-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %
	Wells Fargo Master Trust Diversified Stock Portfolio	1	0,00%	1	0,00%				
	Wells Fargo Master Trust International Index Portfolio	1	0,00%	1	0,00%				
	Caisse de depot et placement du Quebec					31 585	0,02%	3 158,50	0,00%
	California State Teachers Retirement System					12	0,00%	1,20	0,00%
	California State Teachers Retirement System					13 617	0,01%	1 361,70	0,00%
	Common Trust Sweden Fund					46 312	0,02%	4 631,20	0,01%
	Duke Energy Qualified Nuclear Decommissioning Trust					4 496	0,00%	449,60	0,00%
	Fire and Police Pension Association of Colorado					1 700	0,00%	170,00	0,00%
	Florida Retirement System					102 714	0,05%	10 271,40	0,01%
	John Hancock Funds II International Equity Index Fund					6 593	0,00%	659,30	0,00%
	Monetary Authority of Singapore					3 920	0,00%	392,00	0,00%
	Lazard Asset Management LLC Alaska Permanent Fund Corporation					9 902	0,00%	990,20	0,00%
	Lazard Asset Management LLC Alaska Public Employees Retirement System of Mississippi					2 164	0,00%	216,40	0,00%
	Louisiana State Employees Retirement System					27 370	0,01%	2 737,00	0,00%
	Mellon Bank NA Employee Benefit Collective Investment Fund Plan					75 849	0,04%	7 584,90	0,01%
	Mellon Bank NA Employee Benefit Collective Investment Fund Plan					50 890	0,03%	5 089,00	0,01%
	Ministers & Missionaries Benefit Board of American Baptist Churches					404	0,00%	40,40	0,00%
	Pacific Gas and Electric Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust					19 716	0,01%	1 971,60	0,00%
	PanAgora Group Trust					600	0,00%	60,00	0,00%
	Pension Reserves Investment Trust Fund					96 826	0,05%	9 682,60	0,01%
	PG & E Postretirement Medical Plan Trust - Management and Non-Bargaining Unit Retirees Portfolio 21 Investments Portfolio 21					782	0,00%	78,20	0,00%
	PSEG Nuclear LLC					180 000	0,09%	18 000,00	0,02%
	Public Employees' Retirement System of Nevada					506	0,00%	50,60	0,00%
	San Diego Gas & Electric Company Nuclear Facilities Qualified Decommissioning Trust					6 797	0,00%	679,70	0,00%
						1 600	0,00%	160,00	0,00%

Punkt/Item	Aktieägare/shareholder	A-aktier/ A-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %	B-aktier/ B-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %
	Schwab Fundamental International Large Company Index Fund					6 700	0,00%	670,00	0,00%
	Sempra Energy Pension Master Trust					8 503	0,00%	850,30	0,00%
	Southern California Edison Company Nuclear Facilities Qualified CPUC Decommissioning Master Trust For San Onofre And Palo Verde Nuclear Generating Stations					12 475	0,01%	1 247,50	0,00%
	SPDR MSCI ACWI EX-US ETF					5 138	0,00%	513,80	0,00%
	SSGA MSCI EAFE Index Fund					15 278	0,01%	1 527,80	0,00%
	SSGA Sweden Index Fund					20 098	0,01%	2 009,80	0,00%
	SSTB: Federation of National Public Service Personnel Mutual Aid Associations					366	0,00%	36,60	0,00%
	SSTB: Government Pension Investment Fund					74 080	0,04%	7 408,00	0,01%
	SSTB: Government Pension Investment Fund					244 296	0,12%	24 429,60	0,03%
	SSTB: Pension Fund Association for Local Government Officials					646	0,00%	64,60	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					2 056	0,00%	205,60	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					10 341	0,01%	1 034,10	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					1 508	0,00%	150,80	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					28 790	0,01%	2 879,00	0,00%
	State Street Trust & Banking Co Ltd Pension Investment Fund					1 734	0,00%	173,40	0,00%
	STI Classic International Equity 130/30 Fund					1 000	0,00%	100,00	0,00%
	Teacher Retirement System of Texas, a public pension fund and agency of the State of Texas					12	0,00%	1,20	0,00%
	Teachers Retirement System of Louisiana					2 213	0,00%	221,30	0,00%
	Texas Education Agency					749	0,00%	74,90	0,00%
	The Master Trust Bank of Japan, Ltd Re: Hitachi Foreign Equity Index Mother Fund					3 373	0,00%	337,30	0,00%
	United Technologies Corporation Master Retirement Trust					40 494	0,02%	4 049,40	0,01%
	Vanguard FTSE All-World Ex-US Index Fund, a series of Vanguard International Equity Index Funds					28 406	0,01%	2 840,60	0,00%

Punkt/Item	Aktieägare/shareholder	A-aktier/ A-shares	Aktier/ Shares %	Röster/ Votes	B-aktier/ B-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %
	Vanguard Tax-Managed International Fund				71 536	0,04%	7 153,60	0,01%
	Washington University				1 480	0,00%	148,00	0,00%

Punkt/Item	Aktieägare/shareholder	A-aktier/ A-shares	Aktier/ Shares %	Röster/ Votes	Röster/ B-aktier/ B-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %
	Wells Fargo Master Trust Diversified Stock Portfolio				4 105	0,00%	410,50	0,00%
	Wells Fargo Master Trust International Index Portfolio				109	0,00%	10,90	0,00%
<b>Summa</b>		<b>94 983</b>	<b>0,05%</b>	<b>94 983,00</b>	<b>1 269 841</b>	<b>0,63%</b>	<b>126 984,10</b>	<b>0,16%</b>

**15d Emot/  
Against**

Caisse de depot et placement du Quebec		48	0,00%	48		0,00%		
State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans	10 448		0,01%	10 448		0,01%		
Teacher Retirement System of Texas, a public pension fund and agency of the State of Texas	12		0,00%	12		0,00%		
Caisse de depot et placement du Quebec					31 585	0,02%	3 158,50	0,00%
California State Teachers Retirement System					12	0,00%	1,20	0,00%
California State Teachers Retirement System					13 617	0,01%	1 361,70	0,00%
Common Trust Sweden Fund					46 312	0,02%	4 631,20	0,01%
John Hancock Funds II International Equity Index Fund					6 593	0,00%	659,30	0,00%
Monetary Authority of Singapore					3 920	0,00%	392,00	0,00%
SPDR MSCI ACWI EX-US ETF					5 138	0,00%	513,80	0,00%
SSgA MSCI EAFE Index Fund					15 278	0,01%	1 527,80	0,00%
SSgA Sweden Index Fund					20 098	0,01%	2 009,80	0,00%
SSTB: Federation of National Public Service Personnel Mutual Aid Associations					366	0,00%	36,60	0,00%
SSTB: Government Pension Investment Fund					74 080	0,04%	7 408,00	0,01%
SSTB: Government Pension Investment Fund					244 296	0,12%	24 429,60	0,03%
SSTB: Pension Fund Association for Local Government Officials					646	0,00%	64,60	0,00%
State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					2 056	0,00%	205,60	0,00%
State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					10 341	0,01%	1 034,10	0,00%
State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					1 508	0,00%	150,80	0,00%

Punkt/Item	Aktieägare/shareholder	A-aktier/ A-shares	Aktier/ Shares %	Röster/ Votes	Röster/ B-aktier/ B-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans				28 790	0,01%	2 879,00	0,00%
	State Street Trust & Banking Co Ltd Pension Investment Fund				1 734	0,00%	173,40	0,00%
	Teacher Retirement System of Texas, a public pension fund and agency of the State of Texas				12	0,00%	1,20	0,00%
	The Master Trust Bank of Japan, Ltd Re: Hitachi Foreign Equity Index Mother Fund				3 373	0,00%	337,30	0,00%
	<b>Summa</b>	<b>10 508</b>	<b>0,01%</b>	<b>10 508,00</b>	<b>509 755</b>	<b>0,25%</b>	<b>50 975,50</b>	<b>0,06%</b>

15e Emot/  
Against

Caisse de depot et placement du Quebec		48	0,00%	48				
State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans		10 448	0,01%	10 448				
Teacher Retirement System of Texas, a public pension fund and agency of the State of Texas		12	0,00%	12				
Caisse de depot et placement du Quebec					31 585	0,02%	3 158,50	0,00%
California State Teachers Retirement System					12	0,00%	1,20	0,00%
California State Teachers Retirement System					13 617	0,01%	1 361,70	0,00%
Common Trust Sweden Fund					46 312	0,02%	4 631,20	0,01%
Fire and Police Pension Association of Colorado					1 700	0,00%	170,00	0,00%
John Hancock Funds II International Equity Index Fund					6 593	0,00%	659,30	0,00%
Monetary Authority of Singapore					3 920	0,00%	392,00	0,00%
SPDR MSCI ACWI EX-US ETF					5 138	0,00%	513,80	0,00%
SSGA MSCI EAFE Index Fund					15 278	0,01%	1 527,80	0,00%
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Punkt/Item	Aktieägare/shareholder	A-aktier/ A-shares	Aktier/ Shares %	Röster/ Votes	Röster/ B-shares	B-aktier/ B-shares	Aktier/ Shares %	Röster/ Votes	Röster/ Votes %
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					10 341	0,01%	1 034,10	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					1 508	0,00%	150,80	0,00%
	State Street Bank and Trust Company Investment Funds for Tax Exempt Retirement Plans					28 790	0,01%	2 879,00	0,00%
	State Street Trust & Banking Co Ltd Pension Investment Fund					1 734	0,00%	173,40	0,00%
	Teacher Retirement System of Texas, a public pension fund and agency of the State of Texas					12	0,00%	1,20	0,00%
	The Master Trust Bank of Japan, Ltd Re: Hitachi Foreign Equity Index Mother Fund					3 373	0,00%	337,30	0,00%
	<b>Summa</b>	<b>10 508</b>	<b>0,01%</b>	<b>10 508,00</b>	<b>0,01%</b>	<b>511 455</b>	<b>0,25%</b>	<b>51 145,50</b>	<b>0,07%</b>

***The Nomination Committees' proposals to  
the Husqvarna AB Annual General Meeting on April 23, 2008***

**Item 2 – Election of Chairman of the Meeting**

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

**Item 9 – Determination of the number of Directors**

The Nomination Committee proposes that the Board of Directors shall comprise nine Directors without Deputies.

**Item 10 – Determination of the remuneration payable to each Director of the Board and the Auditor**

*A. Determination of remunerations payable*

The Nomination Committee proposes a total Board remuneration of SEK 5,345,000 to be divided in accordance with the following: SEK 1,600,000 to the Chairman of the Board, SEK 460,000 to each of the Directors elected by the General Meeting and not employed by the Company. The Chairman of the Remuneration Committee shall receive SEK 100,000 and the two members SEK 50,000 each. The Chairman of the Audit Committee shall receive SEK 175,000 and the two members shall receive SEK 75,000 each.

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

*B. Payment of remuneration to the Board of Directors in the form of synthetic shares*

The Nomination Committee proposes that part of the remuneration to the Board Directors for their assignment, excluding remuneration for committee work, may be paid by allocation of synthetic shares. Each Director shall have the option to choose between receiving 50% of the remuneration in cash and 50% in the form of synthetic shares or to receive 75% in cash and 25% of the remuneration in the form of synthetic shares. Directors being non-Swedish tax subjects can choose to receive 100% of the remuneration in cash. However, if the total remuneration is obtained in cash, such Director is expected to invest 25% of the net remuneration after tax in the Company's shares. The number of synthetic shares allocated to the Director is determined based on a volume-weighted average of the quoted price of series B shares on the OMX Nordic Exchange Stockholm during five trading days immediately following the announcement of the Company's first quarterly report of the year, when the Director is elected or re-elected.

The right to synthetic shares incurs a right to receive, during the fifth calendar year after the beginning of the Board Director's tenure at each of four occasions, an amount, for 25% of the allocated synthetic shares, an amount in cash per synthetic share that corresponds to the quoted price of series B shares in the Company on the OMX Nordic Exchange Stockholm at each point in time for payment.

The synthetic shares are regarded as accrued continuously during the tenure, with 25% quarterly. Each Director holding synthetic shares shall be credited additional synthetic shares corresponding to dividends paid on series B shares in the Company.

In the event that a Director resigns prior to four full years' tenure, a cash payment may be requested during the year after the resignation.

The Company's payment obligations for synthetic shares shall be hedged by the Company; either by way of re-purchased shares, which may be sold in the market in connection with payments to the Board Directors or by hedge arrangements with a bank. The financial impact on the Company of synthetic share program compared to payment in cash, is, according to the Nomination Committee, very limited, if properly hedged.

**Item 11 – Election of Directors**

The Nomination Committee proposes re-election of the Directors Lars Westerberg, Bengt Andersson, Peggy Bruzelius, Börje Ekholm, Tom Johnstone, Anders Moberg, Gun Nilsson, Robert F. Connolly and election of Ulf Lundahl. Ulf Lundahl is born 1952, is the executive vice president and deputy president of LE Lundbergföretagen AB and is a member of the board in i.e. Holmen AB and Indutrade AB. Peder Ramel has declined re-election.

The Nomination Committee considers that the nine Board Members proposed by the Nomination Committee are very well suited for carrying out Husqvarna's Board work over their coming term of office.

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

**Item 12 – Nomination Committee**

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 repre-

sent shall be announced at the latest six months before the Annual General Meeting 2009 and shall be based on the known number of votes as of August 29, 2008. 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, one or more of the shareholders having appointed a representative to the Nomination Committee no longer is among the four largest shareholders with regard to the number of votes held, representatives appointed by these shareholders shall resign and the shareholder or shareholders who then are among the four largest shareholders with regard to the number of votes held, may appoint their representatives. 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 2009 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 2010.

4. That the Nomination Committee, when performing its duties, shall fulfill 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 fulfill 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 fulfill its assignment.



## **Terms for Payment of Directors' Remuneration by Allocation of Synthetic Shares**

### **1. Background and purpose**

In Sweden, Directors' Remuneration has traditionally been defined and paid in cash, after authorization by the Annual General Meeting of the Shareholders ("AGM"). Lately, Husqvarna's Directors have followed a recommendation to acquire shares in Husqvarna corresponding to an amount of 25 per cent of the net (after-tax) individual Directors' Remuneration.

It is considered that Directors' long-term commitment and interest in a positive value development for Husqvarna AB (the "Company") would be enhanced by allocation of part of the Directors' Remuneration in the form of Synthetic Shares. The right to Synthetic Shares incurs a right to obtain a future payment corresponding to the market value of a series B share in the Company at the time of payment.

Synthetic Shares are comparable to promissory notes and are thus not bearers of any other rights than obtaining payment under these Terms.

### **2. Directors' Remuneration in the form of Synthetic Shares**

The Board of Directors will obtain 75 per cent of their remuneration in cash and a number of Synthetic Shares, which in value corresponds to 25 per cent of the Directors' remuneration at the moment of allocation. The Directors can also, before the AGM, at which they are elected, request to obtain 50 per cent of their remuneration in cash and 50 per cent in the form of Synthetic shares.

Furthermore, foreign Directors can elect to not obtaining any remuneration at all in the form of Synthetic Shares. However, if the total remuneration is obtained in cash, such Directors are expected to invest 25 per cent of the net remuneration after tax in the Company's shares.

Such acquired shares shall, if feasible in the individual Director's reasonable judgment, be held as long as the Director is a member of the Company's Board.

The number of Synthetic Shares allocated to the Director is determined based on a volume-weighted average of the quoted series B share price during five trading days immediately following the announcement of the Company's first quarter report of the year, when the Director is elected or re-elected.

The Director shall inform the Company of his / her choice in writing, in a prescribed format. The choice is irrevocable and is valid for the whole term of office. The form shall be filed with the Company before the opening of the AGM resolving on Directors' remuneration in the form of Synthetic Shares.

### **3. Vesting period**

The Directors' right to full allocation of Synthetic Shares depends on whether the Director remains a Board member for the whole term of office or only a part

thereof. The vesting is made to 25 per cent per each commenced calendar quarter, during which the Director remains a Board member.

#### **4. Payment**

The Director's right to obtain payment arises, in respect of each 25 per cent of the allocated Synthetic Shares, after each announcement of the year-end and the three quarterly reports, during the fifth year after the shareholders' resolution on allocation of such Synthetic Shares. The amount is determined based on a volume-weighted average of the quoted series B share price during five trading days immediately following the announcement of the Company's year-end or quarterly reports, as applicable, and the amount shall be paid within five banking days after its determination.

Dividends paid on the Company's series B shares during the vesting period shall entitle the Director to an adjustment in the form of allocation of additional Synthetic Shares, based on a volume-weighted average of the quoted series B share price during five trading days immediately following the first day when the shares are quoted without the right to dividend. Payment pertaining to such additional Synthetic Shares shall be made on the fourth and last payment day.

#### **5. Conversion**

If the Company's share capital is increased or decreased, convertible bonds or options are issued, extraordinary dividends are made, or the Company is liquidated or merged, or similar changes are made, the number of Synthetic Shares and / or the value per Synthetic Share must be converted in order to assure the Director the same financial rights as if the Director had held actual series B shares since the allocation day or the dividend payment day in accordance with section 4, second paragraph, above. Thereby, Swedish market practice for conversion of similar instruments shall be applied as far as possible. In the event a conversion is not possible or an action or transaction regarding the Company is complicated due to that the Synthetic Shares are outstanding, payment related to, at that time outstanding Synthetic Shares, can be made in advance, based on the valid share price for the Company's series B shares at that point in time.

Conversion according to the paragraph above shall be made by a, from the Company, independent accounting company to be appointed by the Stockholm Chamber of Commerce. The conversion shall be binding for the Company and the Board of Directors.

#### **6. Prepayment**

In the event that the Director resigns as a Board member prior to the payment day as per above, the Director may, within three months of the resignation, request prepayment, which is due, in relation each to 25 per cent of all allocated Synthetic Shares, immediately after the announcement of the Company's year-end report or the three quarterly reports, as applicable, during the first year after the Director's resignation. The amount to be paid out shall be based on a volume-weighted average of the quoted series B share price during five trading days immediately following the announcement of the Company's year-end or quarterly reports, as applicable, and the amount shall be paid five banking days



after its determination. The corresponding right to request prepayment shall apply for a deceased Director's estate.

**7. Prohibition on pledging and assignment rights**

The right accompanying the Synthetic Share cannot be mortgaged, pledged, assigned or otherwise disposed of. However, if a Director dies, the right is transferred to the estate of the deceased.

**8. Changes and amendments**

Any changes of these terms shall be approved by a General Meeting of the shareholders of the Company.

**9. Disputes and applicable law**

Disputes arising from the interpretation or the implementation of these terms shall be settled in accordance with the Swedish Arbitration Act in Stockholm and by application of Swedish law. The costs for arbitration shall be borne by the Company, except for such arbitration that according to the arbitration award has been initiated by a Director, without reasonable grounds.

These terms shall be governed by Swedish law.

***The Board of Directors proposals to the Husqvarna AB  
Annual General Meeting on April 23, 2008***

**Item 8b – Disposition in respect of the company's profit**

The Board of Directors proposes a dividend for the financial year 2007 of SEK 2.25 per share and Monday, April 28, 2008 as record date for the dividend. If the Annual General Meeting resolves in accordance with the Board of Directors proposal, the estimated date for the payment of the dividend is Friday, May 2, 2008.

**Item 13 – Principles for remuneration for the senior management of the company**

The Board of Directors proposes that the Annual General Meeting approves the principles below for remuneration and other conditions of employment for Husqvarna ABs Senior Management (the "Group Management"). These principles shall apply to remuneration and other conditions of employment for the CEO and President as well as for other members of the Group Management. The principles shall apply to contracts of employment entered into after the Annual General Meeting 2008 and also to amendments made thereafter to contracts of employment which are in force. Remuneration to the Group Management is determined by the Husqvarna's Board of Directors based on proposals from the Board of Directors Remuneration Committee.

Guidelines

The overall principles for remuneration to the Group Management shall be based on the position, individual performance, Group performance, and remuneration shall be competitive in relation to the country of employment. Total remuneration to a member of Group Management shall consist of a fixed salary, variable salary in the form of short-term incentives based on yearly 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 "performance-related payment". This means that variable remuneration can constitute a substantial component of total remuneration.

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 regularly (usually through an annual salary review) 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 receive STI in addition to the fixed salary. The emphasis in STI shall be on the financial result for the Group or for the sector or function for which the member is responsible. In addition, performance indicators can be used in order to focus on questions of special interest to the company. Clearly defined objectives for "target" and "stretch" levels of performance shall be stated at the start of every 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, which also is the cap for the 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 salary on attainment of the "stretch" level. The Board of Directors decides if the full 50/100/150% shall be utilized or if a lower number shall be used.

Long-term incentive

The Board of Directors will evaluate on a yearly basis whether or not a long-term incentive program (e.g. share or share price based) shall be proposed to the Annual General Meeting.

Pensions and insurance

Pension and sickness 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 within the country. If possible, pension plans shall be defined-contribution 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 periods of notice 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 principal conditions for remuneration to the Group Management in the current contracts of employment may be seen in note 24 in the Annual Report for 2007 with references.

Authority for the Board to deviate from the guidelines

If special circumstances exist, the Board of Directors shall be able to deviate from these guidelines. In the event of such a deviation, the next Annual General Meeting shall be informed of the reasons.

**Item 14 – Long term incentive program (“LTI 2008”)***Summary of the program*

The Board of Directors proposes that the Annual General Meeting resolves to adopt a performance based incentive program (LTI 2008). The terms and conditions for LTI 2008 are similar to those for the incentive program that was approved by the Annual General Meeting in 2007 (LTI 2007). LTI 2008 is proposed to include in total approximately 50 senior managers within the Husqvarna Group. LTI 2008 entails that the participants will, at market price, invest in series B shares in Husqvarna. This personal investment will thereafter be matched by the company free of charge through grants by conditioned so called share awards (“restricted share awards”) and performance based employee stock options, on the terms stipulated below.

*The personal investment*

In order to participate in the program, the employees shall purchase series B shares in Husqvarna corresponding to a value of a minimum of 5% and a maximum of 10% of their annual target income (fixed salary plus yearly performance bonus). The personal investment will be carried out through a central purchase by a bank.

The personal investment in series B shares will be matched by the company after three years subject to the participant maintaining the personal investment and the employment within the Group during the three year period. For each series B share which the employee purchases within the framework of LTI 2008, the company will grant at most one share award and a number of employee stock options. The matching 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 55 per share, which means that the number of shares can amount to no more than 5-10% of the target salary divided by 55. This limitation as to the purchase price enables control and predictability over the maximum scope and cost of the incentive program. Each matching share award entitles the holder to one series B share free of charge, and each stock

option entitles the holder to purchase one series B share.

*The matching share awards*

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

- Granted free of charge.
- May be exercised three years after grant.
- Carry no right to compensation for dividends on the underlying shares.
- Non-transferable.
- May only be exercised provided that the holder is still employed by the Husqvarna Group and has maintained the personal investment for three years from the day of grant.
- May be granted by Husqvarna or any other company within the Husqvarna Group.

*The employee stock options*

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

- Granted free of charge.
- Each stock option entitles the holder to purchase one series 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 series B share at the OMX Nordic Exchange Stockholm, during a period of 10 trading days prior to the day of grant.
- May be exercised at the earliest four years and at the latest eight years from the day of grant.
- Carry no right to compensation for dividends on the underlying shares.
- Non-transferable.
- May only be exercised provided that the holder is still employed by the Husqvarna Group, and has maintained the personal investment for three years from the day of grant.
- May be granted by Husqvarna or any other company within the Husqvarna Group.

The number of employee stock options that may be exercised depends on the number of series B shares that the employee has purchased within the framework of LTI 2008, as well as the company's earnings per share increasing, during 2008-2010, to certain levels determined by the Board of Directors. These determined levels are; Entry, Target and Stretch, with a linear progression between each performance level. Entry constitutes a minimum level which must be exceeded in order to enable exercise of the employee stock options. The levels correspond to the following numbers of stock options:

- Entry: 5 options/purchased series B share + 2,000 options
- Target: 10 options/purchased series B share + 5,000 options

- Stretch: 15 options/purchased series B share + 8,000 options

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

#### *Preparation and administration*

The Board of Directors, or a committee established by the Board, shall be responsible for preparing the detailed terms and conditions of the incentive program, in accordance with the terms and guidelines resolved by the Annual General Meeting. 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 circumstances, would result in a situation where the decided terms and conditions for matching and for the possibility to exercise the share awards and employee stock options under the incentive program, become inappropriate to use.

#### *Allocation*

LTI 2008 is proposed to comprise a maximum of 3,700,000 series B shares, assuming a price of SEK 70 each for the series B shares purchased as part of the personal investment. In accordance with the above, LTI 2008 will comprise the following number of series B shares for the different categories of participants: the CEO, approximately 237,000 series B shares, members of Group Management, each approximately an average of 115,000 series B shares, corresponding to a total of approximately 918,000 series B shares, and other participants, each approximately an average of 62,000 series B shares, corresponding to a total of approximately 2,545,000 series B shares. The above described numbers are conditional upon the participants investing 10% of their annual target salary and the fulfilment of Stretch as described above.

#### *Scope and costs of the program*

At full exercise of all share awards and stock options, and assuming a price of SEK 70 each for the shares purchased as part of the personal investment, LTI 2008 is estimated to comprise no more than 0.97% of the share capital. Considering the previously issued and outstanding options and rights to shares in accordance with previous incentive programs, the company's incentive programs correspond to approximately 1.43% 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 2007, note 19, pages 70-71, and the company's website.

LTI 2008 will be accounted for in accordance with IFRS 2 – Share-based Payment. IFRS 2 stipulates that share awards and employee stock options should be expensed as personnel costs over the vesting period and will

be reported directly against equity. Based on the assumptions that the share price is SEK 70 at the time of the personal investment, that each participant make a maximum personal investment, and that the annual employee turnover is 5% among the participants of the program, the total cost for the program is estimated to approximately SEK 41 million before tax, if the performance level Target is reached. The cost will be allocated over the years 2008-2012. The corresponding cost at performance level Stretch is estimated to SEK 57 million. Social security charges are included in the estimated amounts.

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 the company's own 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 the company's own shares, already issued shares will be repurchased and then transferred to employees, or alternatively be sold on the market in order to cover the costs for social security charges.

#### *The rationale for the proposal*

The purpose of the proposed incentive program is to maintain and recruit competent managers to the Group. LTI 2008 has been designed based on the view that it is desirable that managers within the Group become shareholders in the company to a larger extent than today, which is expected to have a positive impact on their long term performances. By connecting the employees' remuneration to the results and value increase of the company, employee loyalty is encouraged, which in turn promotes the long term value growth of the company. LTI 2008 is also designed with the aim to offer competitive remuneration for managers in comparison to other comparable companies in the industry. In the light of the above, the Board of Directors believes that adopting the incentive program 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*

The incentive program that is based on the terms and conditions of the incentive program of the previous year, LTI 2007, 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 a meeting of the Board of Directors during the spring of 2008.

*Majority requirement*

For a valid resolution in accordance with this proposal, a shareholder majority of nine tenths of the shares as well as the votes represented at the Annual General Meeting is required.

**Item 15 – Acquisitions and transfer of own shares***A. Acquisition of the company's own shares*

The Board of Directors proposes that the Annual General Meeting authorizes the Board 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 a number of shares of series B 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 the OMX Nordic Exchange 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.
4. Payment for the shares shall be made in cash.

The acquisitions may only take place in order to hedge the company's obligations (including social charges) pursuant to the program proposed in item 14.

*B. Transfer of the company's own shares*

The Board of Directors proposes that the Annual General Meeting authorizes the Board 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 such own shares of series B that the company holds at the time of the Board of Directors decision.
2. The shares shall be transferred at the OMX Nordic Exchange Stockholm.
3. The transfers 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 reason for the Board of Directors proposal is that the company shall have the opportunity to, on an ongoing basis, adapt the number of shares that is held by the company as a hedge of the company's obligations pursuant to implemented incentive programs.

*C. Transfer of own shares by reason of Husqvarna Performance Share Plan 2006*

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 624,000 shares of series B may be transferred.

2. The participants in the abovementioned program (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. A Participants right to receive shares is conditional upon that all conditions of the program are fulfilled.
4. Transfers of shares under the Husqvarna Performance Share plan 2006 will be made without consideration.
5. 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 the performance share program for Husqvarna, resolved by the Annual General Meeting of AB Electrolux (publ) in 2006.

*D. Transfer of own shares by reason of LTI 2007*

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 1,426,000 shares of series B may be transferred.
2. The participants in the abovementioned program (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. A Participants 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 2007 will be made without consideration.
5. Transfers of shares in accordance with the employee stock options granted under LTI 2007 will be made at a price corresponding to 110% of the close price of the company's series B share on the OMX Nordic Exchange 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 the performance share program for LTI 2007 resolved by Husqvarna AB's Annual General Meeting in 2007.

*E. Transfer of own shares by reason of LTI 2008 as proposed in item 14*

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 3,700,000 shares of series B may be transferred.
2. The participants in the abovementioned program (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. A Participant's 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 2008 will be made without consideration.
5. Transfers of shares in accordance with the employee stock options granted under LTI 2008 will be made at a price corresponding to 110% of the close price of the company's series B share on the OMX Nordic Exchange 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 2008 as proposed by the Board in item 14.

#### *Majority Requirements*

For a valid resolution in accordance with the Board of Directors proposal pursuant to item A and B above, a shareholder majority of two thirds of the votes and two thirds 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 the items C-E above, a shareholder majority of nine tenths of the votes and nine tenths of the shares represented at the Annual General Meeting is required.

#### **Item 16 – Authorization for the Board to resolve on new issues of shares**

The Board of Directors proposes that the Annual General Meeting authorizes the Board to resolve to issue not more than 38,500,000 shares of series A and series B for payment in kind, on one or several occasions during the period until the next Annual General Meeting.

The division between shares of series A and series B shall substantially correspond to the division of shares at the time of the issue of new shares.

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 own shares.