

Annual General Meeting in ASSA ABLOY AB

ASSA ABLOY AB will hold the Annual General Meeting on Wednesday 29 April 2020 at 3.30 p.m., at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm, Sweden. Please note that the premises is different than previously set out. Due to the Covid-19 pandemic, ASSA ABLOY has decided to take the following precautionary measures in connection with the Annual General Meeting in consideration of the health and safety of our shareholders, employees and other stakeholders:

- Registration will not start until 3.00 p.m.
- No food or beverages will be served.
- There will be no display of products.
- In order to keep the duration of the Meeting at a minimum, the CEO speech will be substantially shortened. Speech by the CEO will be made available on ASSA ABLOY's website www.assaabloy.com after the Annual General Meeting.
- The presence of Board members and management will be limited. In case the Chairman of the Board and the CEO are not able to attend in person they will participate via telephone or video link.
- The number of staff will be limited and external guests will not be invited.

Due to instructions from Swedish authorities, shareholders are encouraged to consider the possibility to appoint a proxy holder to vote on their behalf instead of being physically present at the Meeting. Shareholders who are individuals can appoint a proxy holder and give instructions on how to vote through Euroclear. For more information on that possibility, offered free of charge by Euroclear, see www.euroclearproxy.se.

There is a proposal for a temporary change of law that would enable ASSA ABLOY to collect proxies from its shareholders and allow voting by post. If this law enters into force before the Annual General Meeting, the company intends to offer one or both of these options to its shareholders.

ASSA ABLOY will if necessary update the information regarding the Annual General Meeting on the company's website www.assaabloy.com.

See the full Notice to the Annual General Meeting below, or visit www.assaabloy.com.

For more information, please contact:

Nico Delvaux, President and CEO, tel. no: +46 8 506 485 82

Erik Pieder, CFO and Executive Vice President, tel. no: +46 8 506 485 72

Björn Tibell, Head of Investor Relations, tel. no: +46 70 275 67 68

Notice of Annual General Meeting in ASSA ABLOY AB

The shareholders of ASSA ABLOY AB (Reg. No. 556059-3575) are hereby invited to attend the Annual General Meeting to be held on Wednesday 29 April 2020 at 3.30 p.m., at Stockholm Waterfront Congress Centre, Nils Ericsons Plan 4, Stockholm, Sweden. Please note that the premises is different than previously set out. Registration for the Annual General Meeting starts at 3.00 p.m.

Notice of Attendance

Shareholders who wish to attend the Annual General Meeting must:

- be recorded in the share register kept by Euroclear Sweden AB on Thursday 23 April 2020, and
- notify ASSA ABLOY AB of their intent to attend no later than Thursday 23 April 2020. Notice of attendance can be given on the company's website *assaabloy.com*, by telephone +46 8 506 485 14 or in writing by mail to ASSA ABLOY AB, "Annual General Meeting 2020", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden.

When giving notice of attendance, please state name, personal or corporate identification number, address, telephone number and names of any assistants attending. An entrance card, to be shown at the registration for the Annual General Meeting, will be sent as confirmation of the notice of attendance.

Nominee registered shares

Shareholders whose shares are nominee registered must, in addition to giving notice of attendance, request that their shares be temporarily registered in their own name in the share register (so called voting right registration) in order to have the right to attend the Annual General Meeting. In order for such registration to be effected by Thursday 23 April 2020, shareholders should contact their bank or nominee well in advance of this date.

Proxy

If participation is by proxy, the proxy should be submitted in connection with the notice of attendance and the proxy must be presented in original at the latest at the Annual General Meeting. Proxy form is available on the company's website *assaabloy.com*.

Processing of personal data

For information on how your personal data is processed, see:

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Agenda

1. Opening of the Annual General Meeting.
2. Election of Chairman of the Annual General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of two persons to approve the Annual General Meeting minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. Speech by the President and CEO, Mr. Nico Delvaux.

8. Presentation of:
 - a) the Annual Report and the Audit Report as well as the Consolidated Accounts and the Audit Report for the Group,
 - b) the Auditor's statement regarding whether the guidelines for remuneration to senior executives adopted on the previous Annual General Meeting have been complied with, and
 - c) the Board of Directors proposal regarding distribution of profits and motivated statement.
9. Resolutions regarding:
 - a) adoption of the Statement of Income and the Balance Sheet as well as the Consolidated Statement of Income and the Consolidated Balance Sheet,
 - b) dispositions of the company's profit according to the adopted Balance Sheet, and
 - c) discharge from liability of the members of the Board of Directors and the CEO.
10. Determination of the number of members of the Board of Directors.
11. Determination of:
 - a) fees to the Board of Directors,
 - b) fees to the Auditor.
12. Election of:
 - a) the Board of Directors, Chairman of the Board of Directors and Vice Chairman of the Board of Directors,
 - b) the Auditor.
13. Resolution regarding guidelines for remuneration to senior executives.
14. Resolution regarding authorization to repurchase and transfer Series B shares in the company.
15. Resolution regarding long-term incentive program.
16. Resolution regarding change of the Articles of Association.
17. Closing of the Annual General Meeting.

Item 2 – Election of Chairman of the Annual General Meeting

The Nomination Committee, appointed in accordance with the instructions for the Nomination Committee adopted by the Annual General Meeting 2018 and consisting of Chairman Carl Douglas (Investment AB Latour), Mikael Ekdahl (Melker Schörling AB), Shireesh Vasupalli (GIC Pte Ltd), Marianne Nilsson (Swedbank Robur fonder) and Liselott Ledin (Alecta) proposes that Lars Renström is elected Chairman of the Annual General Meeting. In case Lars Renström is not able to attend the Annual General Meeting in person, the Nomination Committee proposes that lawyer Patrik Marcellius is elected Chairman of the Annual General Meeting.

Item 9 b) – Disposition of the company's profit according to the adopted Balance Sheet

The Board of Directors proposes a dividend of SEK 2.00 per share. As record date for the dividend, the Board of Directors proposes Monday 4 May 2020. Subject to resolution by the Annual General Meeting in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB on Thursday 7 May 2020.

The Board of Directors has presented a motivated statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act, the statement is available at the company and on the company's website *assaabloy.com*.

Items 10-12 – Determination of the number of members of the Board of Directors, determination of fees to the Board of Directors and the Auditor as well as election of the Board of Directors, Chairman of the Board of Directors, Vice Chairman of the Board of Directors and the Auditor

The Nomination Committee proposes that the Annual General Meeting resolves as follows.

- The number of members of the Board of Directors shall be eight.
- Fees to the Board of Directors shall be unchanged and amount to a total of SEK 7,360,000 (remuneration for committee work not included) to be distributed among the members of the Board of Directors as follows; SEK 2,350,000 to the Chairman, SEK 900,000 to the Vice Chairman and SEK 685,000 to each of the other members of the Board of Directors elected by the Annual General Meeting. As remuneration for the committee work, the Chairman of the Audit Committee is to receive SEK 275,000, the Chairman of the Remuneration Committee SEK 150,000, members of the Audit Committee (the Chairman excluded) SEK 200,000 each, and member of the Remuneration Committee (the Chairman excluded) SEK 75,000.
- Fees to the Auditor according to contract.
- Re-election of Lars Renström, Carl Douglas, Eva Karlsson, Birgitta Klasén, Lena Olving, Sofia Schörling Högberg and Jan Svensson as members of the Board of Directors.
- Election of Joakim Weidemanis as new member of the Board of Directors.
- Re-election of Lars Renström as Chairman of the Board of Directors and Carl Douglas as Vice Chairman.
- Election of the registered audit firm Ernst & Young AB as new Auditor for the time period until the end of the Annual General Meeting 2021, in accordance with the Audit Committee's recommendation, which is based on a tender process. Ernst & Young AB has notified that, provided that the Nomination Committee's proposal is adopted by the Annual General Meeting, authorized public accountant Hamish Mabon will be appointed as auditor in charge. Hamish Mabon is born 1965 and holds other significant audit assignments for Skanska AB, Essity AB, Husqvarna AB and SEB. Previous significant audit assignments include Vattenfall AB, Hexagon AB and Svenska Cellulosa Aktiebolaget SCA. Member of FAR since 1992 and of FAR Certified Financial Institution Auditor in Sweden. He holds no shares in ASSA ABLOY AB.

Joakim Weidemanis holds a Master of Science in Economics and Business. He is Executive Vice President and Corporate Officer of Danaher Corporation since 2017. Previously he has held various management positions within Danaher 2011-2017, he was Head of Product Inspection and Corporate Officer of Mettler Toledo 2005-2011 and before that he held various operating and corporate development roles within ABB 1995-2005.

More detailed information regarding the proposed members of the Board of Directors can be found in the Nomination Committee's proposal which is available at the company's website assaabloy.com.

Item 13 – Resolution regarding guidelines for remuneration to senior executives

Scope

The Board of Directors proposes that the Annual General Meeting adopts the following guidelines for the remuneration and other employment conditions of the President and CEO and other members of the ASSA ABLOY Executive Team (the "**Executive Team**").

These guidelines are applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the guidelines by the Annual General Meeting 2020. These guidelines do not apply to any remuneration decided or approved by the General Meeting.

Employment conditions of a member of the Executive Team that is employed or resident outside Sweden or that is not a Swedish citizen, may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Promotion of ASSA ABLOY's business strategy, long-term interests and sustainability

One of the strategies for value creation followed by ASSA ABLOY is *Evolution through people*. With the objective that ASSA ABLOY shall continue to be able to recruit and retain competent employees, the basic principle being that remuneration and other employment conditions shall be offered on market conditions and be competitive, taking into account both global remuneration practice and practice in the home country of each member of the Executive Team. These guidelines enable ASSA ABLOY to offer the Executive Team a total remuneration that is on market conditions and competitive. Prerequisites are thereby established for successful implementation of the Group's business strategy, which on overall level is to lead the trend towards the world's most innovative and well-designed access solutions, as well as safeguarding ASSA ABLOY's long-term interests, including its sustainability. More information about ASSA ABLOY's business strategy and ASSA ABLOY's sustainability report is available on ASSA ABLOY's website assaabloy.com.

ASSA ABLOY has on-going share-based long-term incentive programs in place that have been resolved by the General Meeting and which are therefore excluded from these guidelines. Future share-based long-term incentive programs proposed by the Board of Directors and submitted to the General Meeting for approval will be excluded for the same reason. The purpose of the share-based long-term incentive program is to strengthen ASSA ABLOY's ability to recruit and retain competent employees, to contribute to ASSA ABLOY providing a total remuneration that is on market conditions and competitive, and to align the interests of the shareholders with the interests of the employees concerned. Through a share-based long-term incentive program, the employees' remuneration is tied to ASSA ABLOY's future earnings and value growth. At present the performance criteria used is linked to earnings per share. The programs are further conditional upon the participant's own investment and holding period of several years. More information about these programs is available on ASSA ABLOY's website assaabloy.com.

Types of remuneration

The total yearly remuneration to the members of the Executive Team shall be on market conditions and be competitive and also reflect each member of the Executive Team's responsibility and performance. The total yearly remuneration shall consist of fixed base salary, variable cash remuneration, pension benefits and other benefits (which are specified below excluding social security costs). Additionally, the General Meeting may – and irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The variable cash remuneration shall be linked to predetermined and measurable targets, which are further described below, and may amount to not more than 75 percent of the yearly base salary.

The members of the Executive Team shall be covered by defined contribution pension plans, for which pension premiums are based on each member's yearly base salary and is paid by ASSA ABLOY during the period of employment. The pension premiums shall amount to not more than 35 percent of the yearly base salary.

Other benefits, such as company car, life insurance, extra health insurance or occupational healthcare, should be payable to the extent this is considered to be in line with market conditions in the market concerned for each member of the Executive Team. Premiums and other costs relating to such benefits may totally amount to not more than 10 percent of the yearly base salary. Furthermore, housing allowance benefit may be added in line with ASSA ABLOY's policies and costs relating to such benefit may totally amount to not more than 25 percent of the yearly base salary. Premiums and other costs relating to other benefits and housing allowance benefit may, however, totally amount to not more than 30 percent of the yearly base salary.

Criteria for awarding variable cash remuneration

The variable cash remuneration shall be linked to predetermined and measurable financial targets, such as earnings per share (EPS), earnings before interest and taxes (EBIT), cash flow and organic growth and can also be linked to strategical and/or functional targets individually adjusted on the basis of responsibility and function. These targets shall be designed so as to contribute to ASSA ABLOY's business strategy and long-term interests, including its sustainability, by for example being linked to the business strategy or promote the senior executive's long-term development within ASSA ABLOY.

The Remuneration Committee shall for the Board of Directors prepare, monitor and evaluate matters regarding variable cash remuneration to the Executive Team. Ahead of each yearly measurement period for the criteria for awarding variable cash remuneration the Board of Directors shall, based on the work of the Remuneration Committee, establish which criteria that are deemed to be relevant for the upcoming measurement period. To which extent the criteria for awarding variable cash remuneration has been satisfied shall be determined when the measurement period has ended. Evaluations regarding fulfilment of financial targets shall be based on determined financial basis for the relevant period.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. Paid variable cash remuneration can be claimed back when such right follows from general principles of law.

Duration of employment and termination of employment

The members of the Executive Team shall be employed until further notice. If notice of termination is made by ASSA ABLOY, the notice period may not exceed 12 months for the CEO and 6 months for the other members of the Executive Team. If the CEO is given notice, ASSA ABLOY is liable to pay, including severance pay and remuneration under the notice period, the equivalent of maximum 24 months' base salary and other employment benefits. If any other member of the Executive Team is given notice, ASSA ABLOY is liable to pay a maximum of 6 months' base salary and other employment benefits plus severance pay amounting to a maximum of an additional 12 months' base

salary. If notice of termination is made by a member of the Executive Team, the notice period may not exceed 6 months, with no right to severance pay.

A member of the Executive Team may, for such time when the member is not entitled to severance pay, be compensated for non-compete undertakings. Such compensation shall amount to not more than 60 percent of the monthly base salary at the time of the termination and shall only be paid as long as the non-compete undertaking is applicable, at longest a period of 12 months.

Remuneration and employment conditions for employees

In the preparation of the Board of Directors' proposal for these remuneration guidelines, remuneration and employment conditions for employees of ASSA ABLOY have been taken into account by including information on the employees' total remuneration, the components of the remuneration and increase and growth rate over time in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

The decision-making process to determine, review and implement the guidelines

The Remuneration Committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to the Executive Team. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the Annual General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration to the Executive Team, the application of the guidelines for remuneration to the Executive Team as well as the applicable remuneration structures and remuneration levels in ASSA ABLOY. The members of the Remuneration Committee are independent of the company and its management. The CEO and other members of the Executive Team do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

Deviation from the guidelines

The Board of Directors may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve ASSA ABLOY's long-term interests, including its sustainability, or to ensure ASSA ABLOY's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

Transitional provisions applicable for the Annual General Meeting 2020

The total expensed remuneration of the Executive Team, including previous commitments not yet due for payment is reported in the Annual Report 2019 in Note 34.

Item 14 – Resolution regarding authorization to repurchase and transfer Series B shares in the company

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to pass a resolution, on one or more occasions for the period up until the next Annual General Meeting, on repurchasing Series B shares in the company in accordance with the following.

- The repurchase may as a maximum comprise so many Series B shares that the company after each repurchase holds a maximum of 10 percent of the total number of shares in the company.
- The repurchase of Series B shares shall take place on Nasdaq Stockholm.
- The repurchase of Series B shares on Nasdaq Stockholm may only occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and the lowest selling price.
- Payment of the Series B shares shall be made in cash.

Furthermore, the Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to pass a resolution, on one or more occasions for the period up until the next Annual General Meeting, on transferring Series B shares in the company in accordance with the following.

- The maximum number of Series B shares to be transferred may not exceed the number of shares held by the company at the time of the Board of Directors resolution.
- Transfers of Series B shares shall take place:
 - (i) on Nasdaq Stockholm, or
 - (ii) in connection with acquisition of companies or businesses, on market terms.
- Transfers of Series B shares on Nasdaq Stockholm may only occur at a price within the share price interval registered at that time, where share price interval means the difference between the highest buying price and the lowest selling price.
- The authorization includes the right to resolve on deviation of the preferential rights of shareholders and that payment may be made in other forms than cash.

The purpose of the authorizations is to make possible the ability for the Board of Directors to continuously adapt the company's capital structure and thereby contribute to increased shareholder value, to be able to exploit attractive acquisition opportunities by fully or partly financing future acquisitions with the company's own shares, and to ensure the company's undertakings, including social security costs, in accordance with the Board of Directors' proposal for a long-term incentive program under Item 15.

The Board of Directors has presented a motivated statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act, the statement is available at the company and on the company's website *assaabloy.com*.

The proposal in this Item 14 requires an approval of shareholders representing at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting to be valid.

Item 15 – Resolution regarding proposal of long-term incentive program

Summary of the program

The Board of Directors proposes that the Annual General Meeting resolves to implement a new long-term incentive program for senior executives and key employees within the ASSA ABLOY Group (LTI 2020). LTI 2020 is based on the same principles as LTI 2019.

LTI 2020 is proposed to include a maximum of 115 senior executives and key employees within the ASSA ABLOY Group. In order to participate in LTI 2020 the participants will have to invest in Series B shares in ASSA ABLOY at market

price. For every Series B share purchased within the scope of LTI 2020, the company will grant so called performance awards free of charge in accordance with the terms stipulated below.

The rationale for the proposal

The purpose of LTI 2020 is to strengthen the ASSA ABLOY Group's ability to retain and recruit competent employees, to contribute to ASSA ABLOY providing a total remuneration that is on market conditions and competitive, and to align the interests of the shareholders with the interests of the employees concerned. Through a share-based long-term incentive program, the employees' remuneration is tied to ASSA ABLOY's future earnings and value growth. In light of the above, the Board of Directors believes that the implementation of LTI 2020 will have a positive effect on the long-term value growth of the Group, including its sustainability, and consequently that LTI 2020 is beneficial to both the shareholders and the company.

Personal investment

In order to participate in LTI 2020, the participants will have to invest in Series B shares in ASSA ABLOY at market price. The personal investment shall amount to a value corresponding to a minimum of 5 percent (all participants) and a maximum of 15 percent (CEO and other senior executives) or 10 percent (other participants), respectively, of the participant's base salary. If the participant has access to inside information and is therefore prevented from making the personal investment in connection with the application to participate in LTI 2020, the personal investment shall be made as soon as possible, but no later than before the next Annual General Meeting.

For employees who have not participated in previous LTI programs, the participation in LTI 2020 is in addition subject to renunciation of customary salary review for the year 2020.

Participants in LTI 2020 and allocation

LTI 2020 is proposed to include a maximum of 115 senior executives and key employees within the ASSA ABLOY Group, divided in three categories.

For each Series B share the CEO of the Group purchases under LTI 2020, the company will grant six performance awards. For each Series B share that other senior executives (currently nine individuals) purchase under LTI 2020, each such individual will be awarded five performance awards. For each Series B share that other participants (approximately 105 individuals) purchase under LTI 2020, each such individual will be awarded four performance awards.

Performance condition

The number of performance awards that gives right to receive Series B shares in the company depends on the annual development of ASSA ABLOY's earnings per share¹ based on the target levels, as defined by the Board of Directors, during the measurement period 1 January 2020 – 31 December 2022, where each year during the measurement period is compared to the previous year. The outcome is calculated yearly, whereby one third of the performance awards is measured against the outcome for 2020, one third is measured against the outcome for 2021 and one third is measured against the outcome for 2022.

The outcome for each year is measured linearly. Unless the minimum level is achieved for the year, none of the relevant performance awards will give right

¹ Earnings per share is defined as the company's earnings per share after tax and dilution, excluding items affecting comparability and currency effects.

to Series B shares, and if the maximum level is achieved each performance award linked to the relevant year will give right to one Series B share. The Board of Directors intends to present the fulfilment of the performance based condition in the Annual Report for the financial year 2022.

Other conditions

In addition to the above conditions, the following shall apply for the performance awards.

- The performance awards shall be granted free of charge after the 2020 Annual General Meeting.
- Each performance award entitles the holder to receive one Series B share free of charge three years after allotment of the award (vesting period), provided that the holder, with some exceptions, at the time of the release of the interim report for the first quarter 2023 still is employed by the ASSA ABLOY Group and has maintained the personal investment purchased under LTI 2020.
- To make the participants' interest equal with the shareholders' the company will compensate the participants for distributed dividend during the vesting period by increasing the number of Series B shares that each performance award gives right to after the vesting period.
- The performance awards are non-transferable and may not be pledged.
- The performance awards can be granted by the company or by any other company within the Group.

Preparation and administration

The Board of Directors shall be responsible for preparing the detailed terms and conditions of LTI 2020, in accordance with the mentioned 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 ASSA ABLOY Group, or its operating environment, would result in a situation where the decided terms and conditions for LTI 2020 no longer are appropriate.

In the event that the Board of Directors considers that the delivery of Series B shares under LTI 2020 cannot be achieved at reasonable cost, with reasonable administrative efforts or due to specific market conditions, participants may instead be offered a cash settlement.

Scope and cost of the program

LTI 2020 may, if the share price for the company's Series B share remains the same during the program's term, result in a maximum amount corresponding to 90 percent (CEO), 75 percent (other senior executives) or 40 percent (other participants), respectively, of the participants annual base salary (excluding social security costs). Such outcome is subject to a maximum personal investment, meaning that the participant must purchase Series B shares in the company for an amount corresponding to 15 percent (CEO and other senior executives) or 10 percent (other participants), respectively, of the participants annual base salary, maintain the initially purchased shares, that the performance based condition has been fully achieved and that the participant, with some exceptions, still is employed during the vesting period.

The total amount of Series B shares, which corresponds to the participant's total maximum personal investment, and thus the total amount of performance awards being allotted, depends on the share price for the company's Series B share at the time of allotment of performance awards under LTI 2020. The total

number of outstanding shares in the company amount to 1,112,576,334 shares.

Provided that the share price for the company's Series B share is traded at around SEK 167 at the time of allotment of performance awards under LTI 2020, LTI 2020 will, in accordance with the principles and assumptions set out above, comprise a maximum of 840,000 Series B shares in total, which corresponds to approximately 0.1 percent of the total outstanding shares and votes in the company.

LTI 2020 shall be expensed as personnel costs over the vesting period. Provided that the performance based condition is fully achieved, the cost for LTI 2020 before tax is, in accordance with the principles and assumptions set out above, estimated to approximately SEK 130 million, allocated over the vesting period. Estimated social security costs and financing cost are included in such amount.

The costs are expected to have marginal effect on key ratios of the ASSA ABLOY Group.

The Board of Directors deems that the positive effects on earnings that are expected to result from increased share ownership among senior executives and persons in senior managerial positions, which may be further increased through LTI 2020, outweighs the costs related to LTI 2020.

Information about LTI 2017, LTI 2018 and LTI 2019 can be found in the Annual Report 2019, Note 34.

Delivery of shares under LTI 2020

To ensure the delivery of Series B shares under LTI 2020, the company intends to enter into an agreement with a third party, under which the third party shall, in its own name, buy and transfer Series B shares in the company to the participants in accordance with LTI 2020.

Preparation of the proposal

LTI 2020 has been initiated by the Board of Directors of ASSA ABLOY, and has been structured in consultation with external advisers based on an evaluation of previous incentive programs. LTI 2020 has been prepared by the Remuneration Committee and reviewed at meetings of the Board of Directors.

Item 16 – Resolution regarding change of the Articles of Association

Due to previous and expected legislative amendments, the Board of Directors proposes that the Annual General Meeting resolves on formal changes to the Articles of Association as follows.

- That, although it is proposed that the formal Swedish version of § 1 of the Articles of Association shall be changed, § 1 of the English translation corresponds to the new Swedish version, why it shall continue to read as follows.

"The business name of the company is ASSA ABLOY AB. The company is a public limited company (publ)."

- That § 10 first paragraph of the Articles of Association change as follows.

"Shareholders wishing to attend the proceedings at a General Meeting must be registered in a transcription or other presentation of the entire share register as per the record date for the General Meeting, which is established

in accordance with the Swedish Companies Act, and must notify the company no later than the day stated in the notice of the General Meeting. The last mentioned day must not be a Sunday, any other public holiday, a Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not occur earlier than on the fifth weekday prior to the Meeting."

- That, although it is proposed that the formal Swedish version of § 12 fourth item of the Articles of Association shall be changed, § 12 fourth item of the English translation still corresponds to the new Swedish version, why it shall continue to read as follows.

"Election of one or two persons to check and sign the minutes together with the Chairman;"

- That § 13 second paragraph first sentence of the Articles of Association change as follows.

"As soon as the relevant Central Securities Depository has informed the Board of Directors of the transfer of title, the Board of Directors shall immediately inform the acquirer of its obligation to offer the shares for redemption by written notification to the Board of Directors.

- That § 14 of the Articles of Association change as follows.

"The shares of the company shall be registered in a CSD register in accordance with the Central Securities Depositories and Financial Instruments Accounts Act (1998:1479)."

The Board of Directors proposes that the CEO be authorized to make such minor amendments of the proposal as may be required in connection with the registration with the Swedish Companies Registration Office.

The proposal in this Item 16 requires an approval of shareholders representing at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting to be valid.

Shares and votes

The total number of shares in the company at the time for the notice to the Annual General Meeting amount to 1,112,576,334 shares, of which 57,525,969 are Series A shares and 1,055,050,365 Series B shares, which is equivalent to a total of 1,630,310,055 votes. ASSA ABLOY AB is holding at the time of the notice to the Annual General Meeting, 1,800,000 own Series B shares, corresponding to 1,800,000 votes that may not be represented at the Annual General Meeting.

Shareholders' right to request information

The shareholders are reminded of their right to request information from the Board of Directors and the CEO at the Annual General Meeting in respect of circumstances which may affect the assessment of a matter on the agenda, the company's or subsidiaries' financial position, the company's relationship to other group companies and the group accounts.

Additional information

The Annual Report and the Audit Report and the other documents concerning Items 8-16 above will be available at the company and on the company's website *assaabloy.com* at the latest on 8 April 2020. The Board of Directors' proposals according to Items 13-16 are also included in this notice. Copies of the documents will be sent free of charge to shareholders who so request and state their address and will also be available at the Annual General Meeting.

Welcome!

Stockholm in March 2020
The Board of Directors
ASSA ABLOY AB (publ)