

Press release

Stockholm March 14, 2024

Notice of Annual General Meeting of Husqvarna AB (publ)

The shareholders of Husqvarna AB (publ) are hereby invited to participate in the 2024 Annual General Meeting (“AGM”), which will be held on Thursday, April 18, 2024 at the Jönköping Concert & Congress hall at Elmia, Hammarskjöld Hall, Elmiavägen 15 in Jönköping, Sweden from 16:00 – 18:00 (CET).

Jönköping Concert & Congress entrance opens for entry at 15:00 and the AGM starts at 16:00. Shareholders may participate in the AGM either by attending the meeting venue in person or by proxy or via the advanced voting procedures described in the Notice of Annual General Meeting to follow.

Husqvarna AB (publ)

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Husqvarna Group

Founded in 1689, Husqvarna Group has evolved into a global leader in manufacturing innovative products and solutions for managing forests, parks, and gardens. Our diverse product range includes robotic lawnmowers, chainsaws, trimmers, riding lawnmowers, and watering solutions. Husqvarna Group is also a leader in equipment and diamond tools for the light construction industry and diamond tools for the natural stone industry. Operating mainly under the global brands of Husqvarna and Gardena, our products and solutions reach consumers and professional users through direct sales, dealers, and retailers across more than 100 countries. Net sales in 2023 amounted to SEK 53.3 billion and the Group has approximately 13,800 employees in 40 countries. The headquarter is in Stockholm, Sweden and the company is listed on Nasdaq Stockholm.

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A. General Information

Jönköping Concert & Congress entrance opens for entry at 15:00 and the AGM starts at 16:00. Shareholders may participate in the AGM either (1) by attending the meeting venue in person or by proxy, as described in [Section B](#) below, or (2) via the “Advanced Voting” procedures described in [Section C](#) below. In either case, in order to participate in the AGM, the shareholder must notify the Company of their intention to do so (according to one of the methods described further in Sections B and C below) no later than Friday, April 12, 2024. Furthermore, in order for such notification to be valid and accepted, the notifying shareholder must be registered in the register of shareholders maintained by Euroclear Sweden AB as of Wednesday, April 10, 2024. This means that any shareholder whose shares are registered in the names of a bank or other nominee must temporarily register their shares in their own name (voting right registration) not later than on Wednesday, April 10, 2024 (in accordance with the applicable nominee’s routines and internal timelines). Such voting right registrations completed not later than Friday, April 12, 2024 are taken into account when preparing the share register.

The AGM Agenda (including all items proposed to be approved by the shareholders) is set forth in [Section D](#) below. For a valid resolution under all agenda items except elections, a shareholder majority of half of the votes cast at the AGM is required. For elections, the person(s) receiving the highest number of votes is elected.

Further explanation regarding the proposals for certain agenda items is set forth in [Section E](#) below.

At the time of the issue of this Notice of AGM, the total number of shares in the Company amounts to 107,875,303 A-shares and 468,468,475 B-shares, corresponding to 154,722,150.5 votes in total. The Company holds no A-shares or B-shares as of the date of this notice.

The Board of Directors and the CEO shall, upon request of a shareholder, and provided that the Board of Directors deems this can be done without causing major harm to the Company, inform about matters which might affect the assessment of an item on the agenda or circumstances affecting Husqvarna’s or its subsidiaries’ financial situation or about Husqvarna’s relation to another Group entity, or in relation to the consolidated Annual Report.

B. Participation at the Meeting Venue

In order to participate in the AGM at the meeting venue (in person or by proxy), a shareholder must notify the Company of their intention to do so no later than Friday, April 12, 2024. Such notice may be given by any of the following means:

- via the Company’s website, www.husqvarnagroup.com,
- by telephone at +46 36 14 70 10 between 9:00 a.m. and 4:00 p.m. (CET) weekdays, or
- by mail to Husqvarna AB, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden.

The notification to attend in person (or by proxy) must include the shareholder’s name, personal or company registration number, address, telephone number and information on the number of assistants (maximum two) that will be attending, if any.

Shareholders wishing to participate at the AGM through an authorized representative (i.e., “proxy”) must submit a valid, signed, and dated power of attorney, via mail, to Husqvarna AB, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. If the shareholder is a legal entity, a registration certificate or equivalent authorization document must also be enclosed. In order to facilitate the registration at the AGM, the power of attorney, as well as a registration certificate and other authorization documents, should be received by the Company at the above address no later than April 12, 2024. Power of Attorney (proxy) forms are available on the Company’s website at www.husqvarnagroup.com

C. Participation by “Advance Voting”

Shareholders may also participate in the AGM by means of the “Advance Voting” procedures described in this Section C. The exercise of voting rights in accordance with such Advance Voting procedures will be considered as a notification from the shareholder to attend the meeting. Advance voting will be available as of Thursday, March 14, 2024 until Friday, April 12, 2024. A shareholder can vote in advance by completing an advance voting form via any of the following three methods:

1. Website Voting: Voting may be done electronically through signing with BankID on the Company’s website www.husqvarnagroup.com.
2. Email Voting: Voting may be submitted by completing the advance voting form available on the Company’s website www.husqvarnagroup.com and then emailing such form to the following email address GeneralMeetingService@euroclear.com, together with any power of attorney and/or other authorization documents (See Section B above).
3. Regular Mail: Voting may be submitted by completing the advance voting form available on the Company’s website www.husqvarnagroup.com and after completion sending a physical copy (i.e., printed out) of such form, together with any power of attorney and/or other authorization documents (See Section B above) to the following address, Husqvarna AB, “Advance voting 2024 AGM”, c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden.

A shareholder cannot give any other instructions than selecting one of the options specified at each point in the advance voting form. A vote (i.e., the advance voting form in its entirety) is invalid if the shareholder has modified the form to provide specific instructions or conditions or if pre-printed text is amended or supplemented.

For “Website Voting” described above, the last day to complete such voting is Friday, April 12, 2024. For “Email Voting” and “Regular Mail” voting the email or regular mail (as applicable), together with any required power of attorney and other authorization documentation, must have been received by Husqvarna no later than on Friday, April 12, 2024. If received later, the voting form will be disregarded.

For questions regarding advance voting, please contact Euroclear Sweden AB, ph.+46 36 14 70 10, between 9:00 a.m. and 4:00 p.m. (CET) weekdays.

D. AGM Agenda

The proposed agenda for the AGM is as follows:

1. Opening of the AGM
2. Election of Chair 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 duly convened

7. Presentation of the Annual and Sustainability Report and the Audit Report as well as the Consolidated Accounts and the Audit Report of the Group and in conjunction therewith, the CEO's report on the business operations
8. Resolutions concerning
 - 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) proposed distribution of earnings (allocation of the Company's profit or loss pursuant to the adopted Balance Sheet)
 - c) discharge from liability of the Directors and the CEO
9. Determination of the number of Directors and Auditors to be elected
 - a) number of Directors
 - b) number of Auditors
10. Determination of remuneration to the Directors
11. Election of Directors and Chair of the Board
 - a) individual election of Directors
 - b) election of Chair of the Board
12. Election of, and remuneration to, external Auditors
 - a) election of external Auditors
 - b) determination of remuneration to external Auditors
13. Resolution to approve the Remuneration Report
14. Resolution regarding the adoption of a long-term incentive program (LTI 2024)
15. Resolution on authorization to enter into equity swap arrangements to cover obligations under LTI 2024 and any previously resolved LTI programs
16. Resolution on authorization to resolve on the issuance of new shares
17. Closing of the Meeting

E. Explanation of Certain AGM Proposals

Election of Chair of the Meeting (Agenda Item #2)

The Nomination Committee proposes that Björn Kristiansson be elected Chair of the AGM.

Preparation and approval of the voting list (Agenda Item #3)

The voting list that is proposed to be approved is the voting list that will have been prepared by Euroclear Sweden AB, based on the general meeting share register and votes received.

Election of one or two minute-checkers (Agenda Item #5)

The Board of Directors proposes that two minute-checkers be elected, and that Claes Boustedt, L E Lundbergföretagen AB, and Fredrik Ahlin, If Skadeförsäkring, are elected, or, if either or both of them are unable to attend the meeting, any other person(s) proposed by Husqvarna's Nomination Committee.

Proposed distribution of earnings (Agenda Item #8b)

The Board of Directors proposes a dividend for financial year 2023 of SEK 3.00 per share, to be paid in two installments, firstly SEK 1.00 per share with Monday, April 22, 2024 as the first record day, and secondly SEK 2.00 per share with Tuesday, October 22, 2024 as the second record day. Assuming the AGM resolves in accordance with the Board of Directors' proposal, the estimated (i) last day for trading in Husqvarna shares with right to the applicable part of the dividend payment (ii) applicable record day, and (iii) date for payment from Euroclear Sweden AB for each of the installments are as follows:

	First Installment (SEK 1.00 per share)	Second Installment (SEK 2.00 per share)
Last day for trading	Thursday, April 18, 2024	Friday, October 18, 2024
Record Day	Monday, April 22, 2024	Tuesday, October 22, 2024
Payment Date	Thursday, April 25, 2024	Friday, October 25, 2024

Determination of Number of Directors (Agenda Item #9a)

The Nomination Committee proposes that the Board of Directors shall be comprised of nine members to be elected by the AGM.

Determination of Number of Auditors (Agenda Item #9b)

The Nomination Committee proposes that the external auditors be comprised of one audit firm.

Determination of remuneration to the Directors (Agenda Item #10)

The Nomination Committee proposes that Directors elected by the AGM and not employed by the Company receive the following basic compensation for their board work in 2024 (plus applicable additional remuneration for committee work):

	Proposal 2024	2023	Percentage Increase
Chair of the Board	SEK 2,350,000	SEK 2,250,000	4.4%
Deputy Chair of the Board*	SEK 950,000	N/A	N/A
Director	SEK 680,000	SEK 650,000	4.6%
Audit Committee Chair	SEK 345,000	SEK 290,000	19.0%
Audit Committee member	SEK 225,000	SEK 185,000	21.6%
People & Sustainability Committee Chair	SEK 175,000	SEK 150,000	16.7%
People & Sustainability Committee member	SEK 105,000	SEK 90,000	16.7%

* To be applicable only in the event that the Board determines, in its discretion, to appoint such a Deputy Chair.

In addition to the compensation described above, and reimbursement for travel expenses, the Nomination Committee proposes that the following compensation be paid to elected Directors for each physical meeting attended in Sweden:

Residence of Director	Per Meeting Compensation
Nordic Countries	None
Europe (non-Nordic)	EUR 1,000*
Outside of Europe	USD 3,500

* Previously SEK 10,000

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

Election of Individual Directors (Agenda Item #11a)

The Nomination Committee proposes the re-election of:

1. Tom Johnstone,
2. Ingrid Bonde,
3. Katarina Martinson,
4. Bertrand Neuschwander,
5. Daniel Nodhäll,
6. Lars Pettersson,

7. Torbjörn Lööf, and
8. Christine Robins.

In addition, the Nomination Committee proposes the election of

9. Pavel Hajman, as a new Director.

The proposed Directors are presented in more detail on the Company's website.

Election of Chair of the Board (Agenda Item #11b)

The Nomination Committee proposes that Tom Johnstone be re-elected Chair of the Board.

Election of external Auditors (Agenda Item #12a)

The Nomination Committee proposes, in accordance with the Audit Committee's recommendation, the re-election of KPMG as external Auditors for the period from the 2024 AGM up until the end of the 2025 AGM. KPMG has informed that the registered auditor-in-charge will be authorized public accountant Joakim Thilstedt.

Determination of remuneration to external Auditors (Agenda Item #12b)

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

Adoption of a long-term incentive program (LTI 2024) (Agenda Items #14)

Summary of the program

The Board of Directors proposes that the 2024 AGM resolves to adopt a performance-based long-term incentive program ("LTI 2024") in line with the following description. The program is based on the same principles as the incentive program granted in 2023 (LTI 2023).

LTI 2024 is proposed to be offered to a maximum of 135 senior managers within the Husqvarna Group and offers participants the opportunity to receive "performance share awards". Subject to the fulfilment of certain performance targets and conditions during a three-year vesting period, performance share awards to be granted in 2024 will vest and give right to Husqvarna B-shares in accordance with the following.

Participants in LTI 2024 will be granted a number of performance share awards based on such participant's annual target income (fixed salary plus variable salary at a target level) in 2024.

The number of performance share awards that vest and give rights to receive B-shares further depends on the fulfilment of certain levels of increase of the Company's value creation (defined as Earnings Before Interest and Tax – Average Net Assets x Weighted Average Cost of Capital), weight 90%, and certain levels for reducing the company's carbon dioxide emissions, weight 10%, during the calendar years 2024-2026, as determined by the Board of Directors. These levels are "Entry", "Target" and "Stretch". Entry constitutes a minimum level which must be exceeded in order for the performance share awards to vest and give right to B-shares. The levels correspond to the following number of B-shares, with a linear progression between each level:

- Entry: 10% of annual target income / the share price SEK 81.40
- Target: 33% of annual target income / the share price SEK 81.401
- Stretch: 66% of annual target income / the share price SEK 81.401

If the price for the B-shares would increase more than 200% during the three year vesting period, the number of performance share awards that vest and give right to B-shares will be limited to the value of the maximum allocation at Stretch level at a share price increase of 200% from grant of share awards to vesting (vesting period). This limitation enables control and predictability over the maximum scope and cost of the program.

Additional terms & conditions

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

- Shares are allotted free of charge
- Are vested three years after grant (vesting period)
- Vesting of performance share awards and allotment of B-shares in Husqvarna requires that the participant is then, with certain exceptions, still employed by the Husqvarna Group
- Carry no right to compensation for dividends on underlying shares
- Are non-transferable

Design and administration

The Board of Directors, or a committee established by the Board, shall be responsible for the detailed design and administration of LTI 2024, in accordance with the presented terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to meet domestic or foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes in the Husqvarna Group, or its environment, would result in the resolved terms and conditions for LTI 2024 no longer being appropriate to apply.

Allotment

In accordance with the above principles and assumptions, LTI 2024 will comprise the following number of B-shares for the different categories of participants:

- the CEO, approximately 133,000 B-shares,
- other members of Group Management, each approximately an average of 46,600 B-shares, corresponding to a total of approximately 326,000 B-shares, and
- other participants, each approximately an average of 19,600 B-shares, corresponding to a total of approximately 2,416,000 B-shares.

The above stated numbers are calculated assuming the attainment of performance level Stretch as described above.

Scope and costs of LTI 2024

LTI 2024 is estimated to comprise a maximum of 2.8 million B-shares, which corresponds to 0.5% of the total number of outstanding shares. The Company has approximately 576 million shares outstanding. The issued and outstanding rights to shares in accordance with the Company's previous outstanding incentive programs (LTI 2021, LTI 2022 and LTI 2023) correspond to approximately 0.9% of the total number of outstanding shares. The Company's incentive programs' effect on important key figures is only marginal. Information on LTI 2021, LTI 2022 and LTI 2023 can be found in the Annual and Sustainability Report for 2023, note 4, and on the Company's website, www.husqvarnagroup.com.

LTI 2024 will be accounted for in accordance with IFRS 2 – Share-based Payment. IFRS 2 stipulates that the performance share awards should be expensed as personnel costs over the vesting period and will be reported directly against equity. Estimated social security charges will be recorded as a personnel expense in the income statement by current reservations. The cost for LTI 2024 is estimated to amount to SEK 120m before tax, if the performance level Target is reached, and is allocated over the years 2024-2027. The corresponding cost at performance level Stretch is estimated to SEK 240m. Financing costs and social security charges are included in the estimated amounts. The estimation of cost above is based on the assumptions that the share price is SEK 77 at the time of grant of the performance share awards, that the annual share price increase for the Company's B-shares flat, that social security charges amount to 17% and that the annual employee turnover is 0% among the participants of LTI 2024.

In order to ensure delivery of Husqvarna B-shares under LTI 2024 and to limit the costs, including social security charges, for LTI 2024, the Board of Directors will adopt hedging measures, such as equity swap agreements with third parties, under which the third party would in its own name buy and transfer Husqvarna B-shares to the participants in accordance with LTI 2024 provided that the AGM resolves in accordance with Agenda Item 14 on the agenda. The hedging options are

described below under Agenda Item 15 on the agenda. The intention is to not issue new shares as a result of LTI 2024.

The rationale for the proposal

The purpose of LTI 2024 is to influence and award long term performance, align shareholders' and managements' interest, attract, and retain key employees and provide variable remuneration instead of fixed salary. In light of the above, the Board of Directors believes that adopting LTI 2024 will have a positive effect on the development of the Husqvarna Group and consequently that it will be beneficial to both the shareholders and the Company.

Preparation

LTI 2024 is based on the same principles as LTI 2023 and has in accordance with guidelines set out by the People & Sustainability Committee been prepared by Group Management in consultation with external advisors, taking into consideration evaluations of previous incentive programs. LTI 2024 has been reviewed at meetings of the Board of Directors in 2023 and 2024.

Authorization to enter into equity swap arrangements to cover obligations under LTI 2024 and any previously resolved LTI programs (Agenda Item #15)

The Board of Directors proposes that the 2024 AGM authorizes the Board of Directors to pass a resolution, on one or more occasions, for the period up until the next AGM, to direct the Company to enter one or more equity swap agreements with a third party (e.g., a bank), on terms and conditions in accordance with market practice, to hedge the obligations of the Company under LTI 2024 and any previously resolved incentive programs (the “**Covered Programs**”). Under such equity swap arrangements, in exchange for certain fees paid by the Company, the third party acquires (in its own name) such number of Husqvarna B-shares as are necessary to cover the Company’s obligations under the Covered Programs and then, transfer (in its own name) such shares to the participants per the terms of the Covered Programs.

Authorization to resolve on the issuance of new shares (Agenda Item #16)

The Board of Directors proposes that the 2024 AGM authorizes the Board to resolve to issue not more than 57,634,377 B-shares, which represents 10% of the total number of shares in the Company, against payment in kind, on one or several occasions, during the period until the next AGM.

The price for the new shares shall be based on the market price of the Company’s B-shares. The purpose of the authorization is to facilitate acquisitions where the consideration will be paid with own shares.

Other information

Information on the proposed Board of Directors of Husqvarna AB as well as the proposed external auditor and the Nomination Committee’s Explanatory Statement etc. are available on the Company’s website, www.husqvarnagroup.com. The Annual and Sustainability Report and the Audit Report as well as the Auditors report on the guidelines adopted regarding remuneration are presented by being available on the Company’s website, www.husqvarnagroup.com. They will, on request, be sent to shareholders at the address provided. The share register will be available at Husqvarna AB, Regeringsgatan 28, SE-111 53 Stockholm, Sweden.

For information on how your personal data is processed, see
<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Stockholm in March 2024
Husqvarna AB (publ)
THE BOARD OF DIRECTORS