Report on the work of the Nomination Committee in respect of the Annual General Meeting 2006

The Annual General Meeting 2005 resolved that the Nomination Committee of ASSA ABLOY AB shall have four members. The General Meeting elected as members of the Nomination Committee in respect of the Annual General Meeting 2006 Gustaf Douglas and Melker Schörling as representatives of the largest shareholders of the company by votes (representing approximately 13.5 per cent of the share capital and 41.3 per cent of the votes), Staffan Grefbäck as representative of Alecta (representing approximately 4.8 per cent of the share capital and 3.2 per cent of the votes) and Marianne Nilsson as representative of Robur (representing approximately 4.7 per cent of the share capital and 3.2 per cent of the votes). Gustaf Douglas was elected Chairman of the Nomination Committee.

In accordance with the resolution of the General Meeting, the Nomination Committee was assigned the task to prepare, in respect of the Annual General Meeting 2006, the election of Chairman and other members of the Board of Directors, the election of auditors, the election of Chairman of the General Meeting, the determination of fees, as well as other matters pertaining thereto.

The Nomination Committee has before the Annual General Meeting 2006 held two meetings and has had a number of contacts by telephone. All members of the Nomination Committee have participated in the meetings. As the basis for its proposals to the Annual General Meeting 2006, the Nomination Committee has assessed whether or not the present Board has an appropriate composition and meets the demands that will be made on the Board as a consequence of the company’s current position and future direction. As the basis for such assessment the Nomination Committee has, among other things, studied the results of the evaluation of the Board’s work which has been made under the guidance of the Chairman of the Nomination Committee. Furthermore, the Nomination Committee has studied the results of the evaluation of the audit work made by the Audit Committee.

The Nomination Committee has also obtained information about the person proposed for new election as Board member, for the purpose of evaluating his competence, as well as his independence of the company, of the management and of the major shareholders.

The Nomination Committee has based its proposal for auditors on the preparations made in the Audit Committee. For the purpose of ensuring an appropriate and cost efficient audit of the group, a procurement of audit services has been made, whereby offers from three accounting firms have been requested. The evaluation of the offers has been made from a number of pre-determined criteria, including among other things the proposed auditors and audit teams and their qualities and relevant experience, the costs, global organisation and proposed plan for the audit.

Furthermore, the Nomination Committee has evaluated the amounts of the fees to the Board of Directors and the remuneration for committee work and has come to the conclusion that the fees per Board member, and the remuneration per committee member,
shall be unchanged compared to last year. The Nomination Committee has not hired any consultants in performing its tasks.

The evaluations and the considerations made by the Nomination Committee have resulted in the Nomination Committee proposing the Annual General Meeting 2006 to resolve in accordance with the following:

- Georg Ehrnrooth, Chairman of the Board, shall be elected Chairman of the Annual General Meeting 2006.
- The number of Board members shall be eight. No deputy members shall be elected.
- New election of Johan Molin, President and Chief Executive Officer of ASSA ABLOY AB since 1 December 2005. Johan Molin (born in 1959) was previously Chief Executive Officer of Nilfisk-Advance, 2001-2005, and was before then, 1983-2001, active in the Atlas Copco group (various posts, mainly within finance and marketing, later on Head of Division).
- New election of Gustaf Douglas as Chairman of the Board and re-election of Melker Schörling and Carl-Henric Svanberg as deputy Chairmen.
- Fees to the Board members shall amount to a total of SEK 3,250,000 (remuneration for committee work not included), to be distributed among the Board members as follows: SEK 750,000 to the Chairman, SEK 550,000 to each of the deputy Chairmen and SEK 350,000 to each of the other Board members, who are not employed by the company. In addition, remuneration shall be paid to the members of the Audit Committee and the Remuneration Committee by SEK 100,000 to each of the Chairmen and by SEK 50,000 to each of the other members.
- Election of the auditing firm PricewaterhouseCoopers AB, Stockholm, as auditor, with authorized public accountant Peter Nyllinge, as representative of the auditing firm, for a term of office up to and including the Annual General Meeting 2010.
- Fees to the auditors shall be paid according to an agreement between the parties.