

The Board of Directors' proposal for authorisation to repurchase and transfer Series B shares in the company

The Board of Directors proposes that the Annual General Meeting authorises 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.

1. The repurchase shall maximum comprise so many Series B shares that the company's holding does not at any time exceed 10 per cent of the total number of shares in the company.
2. The repurchase of shares shall take place on NASDAQ OMX Stockholm.
3. The repurchase of Series B shares on NASDAQ OMX 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.
4. Payment of the shares shall be made in cash.

Furthermore, the Board of Directors proposes that the Annual General Meeting authorises 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.

1. 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.
2. Transfers of Series B shares shall take place:
 - (i) on NASDAQ OMX Stockholm, or
 - (ii) in connection with acquisition of companies or businesses, on market terms.
3. Transfers of Series B shares on NASDAQ OMX 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.
4. The authorisation 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 proposal is to make possible the ability 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 of a long term incentive programme under Item 16.

The Board of Directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act is set forth in [Appendix 1](#).

A valid resolution under Item 15 requires approval of shareholders representing at least two-thirds of both the shares and number of votes represented at the Annual General Meeting.

Stockholm in March 2013
The Board of Directors
ASSA ABLOY AB (publ)

Appendix 1

The Board of Directors' statement pursuant to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act

The Board of Directors has proposed that the Annual General Meeting 2013 resolves on distribution of profits to the effect that a dividend of SEK 5.10 per share shall be distributed to the shareholders. Thus, the dividend payment amounts to SEK 1,888 million in total.¹ The aim is that the dividend, in the long term, shall correspond to 33-50 per cent of the Group's earnings after taxes, however, always taking into account the ASSA ABLOY Group's long term financing requirements. Furthermore, the Board of Directors has proposed an authorisation for the Board of Directors to, on one or more occasions for the period up until the next Annual General Meeting, resolve on repurchasing and transferring Series B shares in the company. The purpose of the proposal is, among other things, to make possible the ability 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 long term incentive programme proposed by the Board of Directors in Item 16.

The Board of Directors hereby presents the following statement in accordance with Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act. The Board of Directors reasons for the proposed dividend payment and the authorisation to repurchase and transfer Series B shares in the company being in accordance with the provisions of Chapter 17, Section 3, Paragraphs 2 and 3 of the Swedish Companies Act are as follows.

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

The company's premium fund amounts to SEK 788 million, the company's retained earnings amount to SEK 2,947 million and the earnings of the financial year 2012 amount to SEK 3,496 million (SEK 5,112 million for the Group). Provided that the Annual General Meeting 2013 resolves on distribution of profits in accordance with the Board of Directors' proposal, SEK 5,343 million will be carried forward to the new financial year.¹ The company's restricted equity will be fully covered after the proposed dividend payment.

Taking into account the proposed dividend payment and a full utilization of the proposed authorisation, the Board of Directors' assessment is that the size of the company's and the Group's equity is sufficient in relation to the scope of the company's and the Group's business and the risks connected therewith. The Board of Directors has hereby taken into consideration, among other things, the company's and the Group's historical development, budgeted development and situation in the business cycle.

The Board of Directors has made an assessment of the company's and the Group's position and the ability to fulfil their obligations on both a short and long-term basis.

¹ Calculated on the total number of outstanding shares at the time of the notification to the Annual General Meeting. No dividend is paid for ASSA ABLOY AB's holding of own shares, whose exact number is determined on the record date for payment of the dividend. At the time of the notification to the Annual General Meeting ASSA ABLOY AB's holding of own shares totaled 600,000 Series B shares.

The proposed dividend in total constitutes 11,4 per cent of the company's equity and 7.1 per cent of the Group's equity, as of 31 December 2012. The Board of Directors has proposed that the Board of Directors is authorised to resolve to repurchase so many Series B shares in the company that the company's holding after each purchase does not exceed 10 per cent of the total number of votes and shares in the company.

Following distribution of the dividend, the company's and the Group's equity-debt ratio will amount to 47,0 per cent and 42,8 per cent, respectively. The company's and the Group's equity-debt ratio is thereby good in relation to the industry. The Board of Directors considers that the company and the Group are in a position to meet future business risks and withstand possible losses. The dividend payment and a full utilization of the proposed authorisation will not have negative affects on the company's or the Group's ability to make further investments, as planned by the Board of Directors.

The proposed dividend payment and the proposed authorisation to repurchase and transfer Series B shares in the company will not have negative affects on the company's or the Group's ability to meet current payment liabilities. The company and the Group have good access to short as well as long term credit facilities, which can be utilized with short notice. Hence, the assessment of the Board of Directors is that the company and the Group are well prepared to manage changes in liquidity as well as unforeseen events.

In addition to the above, the Board of Directors has taken into account other known circumstances that might be of importance in relation to the financial position of the company and the Group. With reference to the above, and to what has otherwise come to the knowledge of the Board of Directors, the Board of Directors is of the opinion that the proposed dividend payment and the authorisation to repurchase and transfer Series B shares in the company are justified according to the provisions of Chapter 17, Section 3, Paragraphs 2 and 3 of the Swedish Companies Act.

Stockholm in March 2013
The Board of Directors
ASSA ABLOY AB (publ)