

Corporate governance

ASSA ABLOY AB is a Swedish public limited liability company with registered office in Stockholm, Sweden, whose Series B share is listed on Nasdaq Stockholm.

ASSA ABLOY's corporate governance is based on the Swedish Companies Act, the Annual Accounts Act, Nasdaq Stockholm's Rule Book for Issuers and the Swedish Corporate Governance Code (the Code), as well as other applicable external laws, rules and regulations, and internal rules and regulations.

This Corporate Governance Report has been prepared as part of ASSA ABLOY's application of the Code. ASSA ABLOY follows the Code's principle to "comply or explain" and in 2019 ASSA ABLOY has one deviation to explain. The Nomination Committee deviates from Rule 2.4 of the Code in that

the Vice Chairman of the Board of Directors, Carl Douglas (Investment AB Latour), is also the Chairman of the Nomination Committee. The reason for this deviation is that the major shareholders consider it to be important to have the representative from the largest shareholder as Chairman of the Nomination Committee.

The Corporate Governance Report is examined by ASSA ABLOY's auditor.

ASSA ABLOY's objective is that its activities should generate good long-term returns for its shareholders and other stakeholders. An effective scheme of corporate governance for ASSA ABLOY can be summarized in a number of interacting components, which are described below.

Corporate governance structure



Important external rules and regulations

- Swedish Companies Act
- Annual Accounts Act
- Nasdaq Stockholm's Rule Book for Issuers
- Swedish Corporate Governance Code (www.bolagsstyrning.se)

Important internal rules and regulations

- Articles of Association
- Board of Directors' rules of procedure
- Financial Policy
- Accounting Manual
- Communication Policy
- Insider Policy
- Internal control procedures
- Code of Conduct and Anti-Bribery Policy

1 Shareholders

At year-end 2019, ASSA ABLOY had 29,784 shareholders (31,143). ASSA ABLOY's principal shareholders are Investment AB Latour (9.5 percent of the share capital and 29.4 percent of the votes) and Melker Schörling AB (3.1 percent of the share capital and 10.9 percent of the votes). Foreign shareholders accounted for 69.5 percent (70.5) of the share capital and 47.5 percent (48.1) of the votes. The ten largest shareholders accounted for 36.5 percent (36.9) of the share capital and 56.7 percent (56.9) of the votes. For further information on shareholders, see page 103.

ASSA ABLOY's Articles of Association contains a pre-emption clause for owners of Series A shares regarding shares of Series A. A shareholders' agreement exists between the Douglas and the Schörling families and their related companies that includes an agreement on right of first refusal if any party disposes of Series A shares. The Board of Directors of ASSA ABLOY is not aware of any other shareholders' agreements or other agreements between shareholders in ASSA ABLOY.

Share capital and voting rights

ASSA ABLOY's share capital at the end of 2019 amounted to SEK 370,858,778 distributed among a total of 1,112,576,334 shares, comprising 57,525,969 Series A shares and 1,055,050,365 Series B shares. The total number of votes amounted to 1,630,310,055. Each Series A share carries ten votes and each Series B share one vote. All shares have a par value of around SEK 0.33 and give shareholders equal rights to the company's assets and earnings.

Repurchase of own shares

Since 2010, the Board of Directors has requested and received a mandate from the Annual General Meeting to repurchase and transfer ASSA ABLOY Series B shares. The aim has been, among other things, to secure the company's undertakings in connection with its long-term incentive programs (LTI). The 2019 Annual General Meeting authorized the Board of Directors to acquire, during the period until the next Annual General Meeting, a maximum number of Series B shares so

that after each repurchase ASSA ABLOY holds a maximum 10 percent of the total number of shares in the company.

ASSA ABLOY holds a total of 1,800,000 (1,800,000) Series B shares after repurchases. These shares account for around 0.2 percent (0.2) of the share capital and each share has a par value of around SEK 0.33. The purchase consideration amounted to SEK 103 M (103). No shares were repurchased in 2019.

Share and dividend policy

ASSA ABLOY's Series B share is listed on the Nasdaq Stockholm Large Cap. At the end of 2019, ASSA ABLOY's market capitalization amounted to SEK 243,654 M, calculated on both Series A and Series B shares. The Board of Directors' objective is that, in the long term, the dividend should be equivalent to 33–50 percent of income after standard tax, but always taking into account ASSA ABLOY's long-term financing requirements.

2 General Meeting

Shareholders' rights to decide on the affairs of ASSA ABLOY are exercised at the General Meeting. Shareholders who are registered in the share register on the record date and have duly notified their intent to attend are entitled to take part in the General Meeting, either in person or by proxy. Resolutions at the General Meeting are normally passed by simple majority. For certain matters, however, the Swedish Companies Act prescribes that a proposal should be supported by a higher majority. Individual shareholders who wish to submit a matter for consideration at the General Meeting can send such request to ASSA ABLOY's Board of Directors at a special address published on the company's website well before the Meeting.

The Annual General Meeting should be held within six months of the end of the company's financial year. Matters considered at the Annual General Meeting include: dividend; adoption of the income statement and balance sheet; discharge of the members of the Board of Directors and the CEO from liability; election of members of the Board of Directors, Chairman of the Board of Directors and auditor; and determination of remuneration guidelines for senior executives and fees for the Board of Directors and auditor. An Extraordinary General Meeting may be held if the Board of Directors considers this necessary or if ASSA ABLOY's auditor or shareholders holding at least 10 percent of the shares so request.

2019 Annual General Meeting

The Annual General Meeting was held in April 2019 at Moderna Museet (Museum of Modern Art), Skeppsholmen, Stockholm, and was attended by shareholders representing 47.6 percent of the share capital and 64.3 percent of the votes. The Annual General Meeting's resolutions included the following.

- Dividend of SEK 3.50 per share.
- Lars Renström, Carl Douglas, Eva Karlsson, Birgitta Klasén, Lena Olving, Sofia Schörling Högberg and Jan Svensson were re-elected as members of the Board of Directors. Further, Lars Renström was re-elected as Chairman of the Board of Directors, and Carl Douglas was re-elected as Vice Chairman.
- PricewaterhouseCoopers AB was re-appointed as the company's auditor.
- Remuneration of the Board of Directors.
- Remuneration guidelines for senior executives.
- Authorization to the Board of Directors regarding repurchase and transfers of own Series B shares.
- A long-term incentive program for senior executives and other key employees in the Group (LTI 2019).

For more information about the Annual General Meeting, including the minutes, please see ASSA ABLOY's website assaabloy.com.

2020 Annual General Meeting

ASSA ABLOY's next Annual General Meeting will be held at Moderna Museet (Museum of Modern Art), Skeppsholmen, Stockholm at 3:30 p.m. on 29 April 2020.

3 Nomination Committee

According to the instructions for the Nomination Committee adopted at the 2018 Annual General Meeting, the Nomination Committee shall be composed of representatives of the five largest shareholders in terms of voting rights registered in the shareholders register maintained by Euroclear Sweden AB as of 31 August the year before the Annual General Meeting who wish to participate on the Nomination Committee.

The Nomination Committee prior to the 2020 Annual General Meeting comprises Carl Douglas (Investment AB Latour), Mikael Ekdahl (Melker Schörling AB), Shireesh Vasupalli (GIC Pte Ltd), Marianne Nilsson (Swedbank Robur funds) and Liselott Ledin (Alecta). Carl Douglas is Chairman of the Nomination Committee. Should the ownership structure change, the composition of the Nomination Committee may change to reflect such changes.

The Nomination Committee has the task of preparing, on behalf of the shareholders, proposals regarding the election of Chairman of the General Meeting; members of the Board of Directors, Chairman of the Board, Vice Chairman of the Board; auditor; fees for the board members including division between the Chairman, Vice Chairman and the other board members, as well as fees for committee work; fees to the company's auditor, and any changes of the instructions for the Nomination Committee. The Audit Committee assists the Nomination Committee in work associated with the proposal regarding appointment of the external auditor.

Prior to the 2020 Annual General Meeting, the Nomination Committee makes an assessment of whether the current Board of Directors is appropriately composed and fulfills the requirements imposed on the Board of Directors by the company's present situation and future direction. The annual evaluation of the Board of Directors and its work is part of the basis for this assessment. Moreover, the Nomination Committee applies ASSA ABLOY's diversity policy for the Board of Directors, which is based on Rule 4.1 of the Code, when preparing its proposal for election of members of the Board of Directors. The search for suitable board members is carried on throughout the year and proposals for new board members are based in each individual case on a profile of requirements established by the Nomination Committee.

Shareholders wishing to submit proposals to the Nomination Committee can do so by e-mailing: nominationcommittee@assaabloy.com.

The Nomination Committee's proposals for the 2020 Annual General Meeting are published, at the latest, in conjunction with the formal notification of the Annual General Meeting, which is expected to be issued around 30 March 2020.

4 Board of Directors

In accordance with the Swedish Companies Act, the Board of Directors is responsible for the organization and administration of the Group and for ensuring satisfactory control of bookkeeping, asset management and other financial circumstances. The Board of Directors decides on the Group's overall objectives, strategies, significant policies, acquisitions and divestments as well as investments of major importance. Acquisitions and divestments with a value (on a debt-free basis) exceeding SEK 200 M are decided by the

Corporate governance

Board of Directors. The threshold amount presumes that the matter relates to acquisitions or divestments in accordance with the strategy agreed by the Board of Directors. The Board of Directors approves the Annual Report and Interim Reports, proposes a dividend and remuneration guidelines for senior executives to the Annual General Meeting, and makes decisions concerning the Group's financial structure.

The Board of Directors' other ongoing duties include:

- appointing, evaluating and if necessary, dismissing the CEO,
- approving the CEO's significant assignments outside the company,
- establishing appropriate guidelines to govern the company's conduct in society with the aim of ensuring long-term value-creating capability,
- ensuring that appropriate systems are in place for monitoring and controlling the company's operations and the risks for the company associated with its operations,
- ensuring that there is satisfactory control of the company's compliance with laws and other regulations relevant to the company's operations, and its compliance with internal guidelines, and
- ensuring that external information provided by the company is transparent, accurate, relevant and reliable.

Each year, the Board of Directors reviews and adopts the Board of Directors' rules of procedure, which is the document that governs the work of the Board and the distribution of duties between the Board of Directors and the CEO. The rules of procedure include instructions for the CEO, instructions relating to financial reporting and internal control, and instructions to the Remuneration Committee and the Audit Committee.

Included in the rules of procedure is a description of the role of Chairman of the Board. In addition to organizing and leading the work of the Board of Directors, the Chairman's duties include maintaining contact with the CEO to continuously monitor the Group's operations and development, consulting with the CEO on strategic issues, representing the company in matters concerning the ownership structure, ensuring that the Board receives satisfactory information and data on which to base decisions and ensuring that Board decisions are implemented. In addition, the Chairman should ensure that the work of the Board of Directors is evaluated annually.

The Board of Directors has at least four ordinary meetings and one statutory meeting per year. An ordinary meeting is always held in connection with the company's publication of its Year-end Report and Interim Reports. At least once a year the Board of Directors visits one of the Group's operations, combined with a board meeting. In addition, extraordinary board meetings are held when necessary. All meetings follow an approved agenda. Prior to each meeting, a draft agenda,

including documentation, is provided to all members of the Board of Directors.

The Board of Directors has a Remuneration Committee and an Audit Committee. The purpose of these Committees is to deepen and streamline the work of the Board of Directors and to prepare matters in these areas. The members of the Committees are appointed annually by the Board of Directors at the statutory board meeting.

Board of Directors' composition

The Board of Directors, including the Chairman and Vice Chairman of the Board, is elected annually at the Annual General Meeting for the period until the end of the next Annual General Meeting and shall, according to the Articles of Association, comprise a minimum of six and a maximum of ten members elected by the Meeting. Two of the members are appointed by the employee organizations in accordance with Swedish law. The employee organizations also appoint two deputies. The Board of Directors has consisted of seven elected members and two employee representatives since the 2019 Annual General Meeting. No board members are included in the Executive Team.

The diversity policy that ASSA ABLOY applies with respect to the company's Board of Directors is based on Rule 4.1 of the Code. The objective is that the composition of the Board of Directors, taking into account the company's operations, stage of development and other circumstances, shall be appropriate, characterized by versatility and breadth regarding qualifications, experience and background of the elected members, and strive to achieve gender equality. In 2019 the Nomination Committee has taken the diversity policy into account when preparing its proposal for election of members of the Board of Directors prior to the Annual General Meeting. After the election at the 2019 Annual General Meeting, the Board of Directors consists of four women and three men elected by the Meeting, which is in line with the Swedish Corporate Governance Board's aspiration for each gender to represent a share of at least 40 percent of the Board of Directors. In addition, in-depth reviews of operations were conducted during the year at selected divisions in order to broaden the expertise of the Board of Directors within ASSA ABLOY.

Board of Directors' work in 2019

The Board of Directors held nine meetings during the year. At the ordinary board meetings the CEO reported on the Group's performance and financial position, including the outlook for the coming quarters. Acquisitions and divestments were also discussed to the extent they arose.

More important matters dealt with by the Board of Directors during the year comprised a number of acquisitions, including agta record, LifeSafety Power, Placard, De La Rue's international identity solutions business, the AM Group and

Summary of Board of Directors' work and committee meetings in 2019

Ordinary board meeting

Year-end results
Dividend
Annual Report
Final Audit Report
Sustainability report
Proposals to Annual General Meeting
Evaluation Executive Team
Acquisitions

Ordinary board meeting

Interim Report Q1
Acquisitions

January	February	March	April	May	June
	Remuneration Committee meeting Audit Committee meeting	Extraordinary board meeting Notice Annual General Meeting	Audit Committee meeting Statutory board meeting Appointment committee members Adoption Board of Directors' rules of procedure and significant policies Signatory powers		

At the ordinary board meetings the CEO also reported on the Group's performance and financial position, including the outlook for the coming quarters.

Spence Doors. During the year, the Board of Directors also conducted in-depth reviews of the Group's operations in the Global Technologies division's business unit Global Solutions and the EMEA division, and visited the Asia Pacific division's operations in Guangzhou, China. The Board of Directors' work is summarized in the timeline on pages 48–49.

An evaluation of the Board of Directors' work is conducted annually in the form of a web-based survey, which each board member responds to individually. A summary of the results is presented to the Board of Directors. Board members who wish can access the complete results of the evaluation. The Secretary to the Board of Directors presents the complete results of the evaluation to the Nomination Committee.

5 Remuneration Committee

In 2019 the Remuneration Committee comprised Lars Renström (Chairman) and Jan Svensson.

The Remuneration Committee has the task of drawing up remuneration guidelines for senior executives, which the Board of Directors proposes to the Annual General Meeting for resolution. The Board of Directors' proposal for guidelines prior to the 2020 Annual General Meeting is set out on pages 56–57.

The Remuneration Committee also prepares, monitors and evaluates matters regarding salaries, bonus, pension, severance pay and incentive programs for the CEO and other senior executives. The Committee has no decision-making powers.

The Committee held two meetings in 2019. Its work included preparing a proposal for the remuneration to the Executive Team, evaluating existing incentive programs, and preparing a proposal for a new long-term incentive program. Remuneration Committee meetings are minuted; a copy of the minutes is enclosed with the materials provided to the Board and a verbal report is given at board meetings.

6 Audit Committee

In 2019 the Audit Committee comprised Jan Svensson (Chairman), Birgitta Klasén and Sofia Schörling Högberg.

The duties of the Audit Committee include continuous monitoring and quality assurance of ASSA ABLOY's financial reporting. Regular communication is maintained with the company's external auditor, including on the focus and scope of the audit. The Audit Committee is also responsible for evaluating the audit assignment and obtaining the results of the Swedish Inspectorate of Auditors' quality control of the auditor, as well as informing the Board of Directors of the results of the evaluation. The Audit Committee also has the task of supporting the Nomination Committee in providing a proposal for the appointment of external auditor. Furthermore, the Audit Committee shall review and monitor the impartiality and independence of the auditor, paying particular atten-

tion to whether the auditor provides the company with services other than auditing services. The Audit Committee establishes guidelines for procurement of services other than audit services from the company's auditor, but otherwise, the Committee has no decision-making powers.

The Committee held four ordinary meetings in 2019. The company's external auditor and representatives from senior management also participated at these meetings. In 2019 the Committee also held one extra meeting due to the procurement and proposal for appointing an external auditor. More important matters dealt with by the Audit Committee during the year included internal control, financial statements and valuation matters, procurement and proposals for choosing an external auditor, tax matters, insurance and risk management matters and legal risk areas. Audit Committee meetings are minuted; a copy of the minutes is enclosed with the materials provided to the Board and a verbal report is given at board meetings.

Remuneration of the Board of Directors

The General Meeting passes a resolution on the remuneration to be paid to board members. The 2019 Annual General Meeting passed a resolution on board fees totaling SEK 6,675,000 (excluding remuneration for committee work) to be allocated between the members 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 elected by the Annual General Meeting. As remuneration for 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 (except the Chairman) SEK 200,000 each, and member of the Remuneration Committee (except the Chairman) SEK 75,000.

The Chairman and other board members have no pension benefits or severance pay agreements. The employee representatives do not receive board fees. For further information on the remuneration of board members in 2019, see Note 34.

Attendance 2019, Board of Directors and Committees

Board members	Board of Directors	Audit Committee	Remuneration Committee
Lars Renström	9/9		2/2
Carl Douglas	9/9		
Ulf Ewaldsson	2/3		
Eva Karlsson	9/9		
Birgitta Klasén	9/9	5/5	
Lena Olving	9/9		
Sofia Schörling Högberg	9/9	5/5	
Jan Svensson	9/9	5/5	2/2
Rune Hjältn	9/9		
Mats Persson	9/9		

The maximum number of meetings varies due to resignation in 2019.

July	August	September	October	November	December
Ordinary board meeting Interim Report Q2 Acquisitions	Ordinary board meeting Acquisitions Presentation Global Solutions		Ordinary board meeting and visit to operations Visit Asia Pacific Ordinary board meeting Interim Report Q3 Ordinary board meeting Presentation EMEA Acquisitions		
Audit Committee meeting	Extra Audit Committee meeting		Audit Committee meeting	Remuneration Committee meeting	

Board of Directors

Board members elected by the 2019 Annual General Meeting



Lars Renström



Carl Douglas



Eva Karlsson



Birgitta Klasén



Lena Olving



Sofia Schörling Högberg



Jan Svensson

Lars Renström

Chairman.
Board member since 2008.
Born 1951.
Master of Science in Engineering and Master of Science in Business and Economics. President and CEO of Alfa Laval AB 2004–2016. President and CEO of Seco Tools AB 2000–2004. President and Head of Division of Atlas Copco Rock Drilling Tools 1997–2000. Previously a number of senior positions at ABB and Ericsson.
Other appointments: Chairman of Tetra Laval Group.
Shareholdings (including through companies and related natural parties): 30,000 Series B shares.

Carl Douglas

Vice Chairman.
Board member since 2004.
Born 1965.
BA (Bachelor of Arts) and D. Litt (h.c.) (Doctor of Letters).
Self-employed.
Other appointments: Vice Chairman of Securitas AB. Board member of Investment AB Latour.
Shareholdings (including through companies and related natural parties): 41,595,729 Series A shares and 63,900,000 Series B shares through Investment AB Latour.

Eva Karlsson

Board member since 2015.
Born 1966.
Master of Science in Engineering.
Vice President Supply Arcam EBM since 2020. President and CEO of Armatec AB 2014–2019, CEO of SKF Sverige AB and Global Manufacturing Manager 2011–2013, Director of Industrial Marketing & Product Development Industrial Market AB SKF 2005–2010, various positions in the SKF Group primarily within Manufacturing Management.
Other appointments: Board member of Bräcke diakoni, Valcon AJS and Ratos AB.
Shareholdings (including through companies and related natural parties): –

Birgitta Klasén

Board member since 2008.
Born 1949.
Master of Science in Engineering and degree in Business and Economics.
Independent IT consultant (Senior IT Advisor). CIO and Head of Information Management at EADS (European Aeronautics Defence and Space Company) 2004–2005. CIO and Senior Vice President at Pharmacia 1996–2001 and previously CIO at Telia. Various positions at IBM 1976–1994.
Other appointments: Board member of Avanza and Benefie Ltd.
Shareholdings (including through companies and related natural parties): 21,000 Series B shares.

Lena Olving

Board member since 2018.
Born 1956.
Master of Science in Mechanical Engineering. President and CEO of Mycronic AB (publ) 2013–2019. COO and Deputy CEO of Saab AB (publ) 2008–2013. Various positions within Volvo Car Corporation 1980–1991 and 1995–2008, including five years as Senior Vice President of Volvo Cars Asia Pacific and seven years in the Executive Management Team. CEO of Samhall Högland AB 1991–1994.
Other appointments: Chairman of the Royal Swedish Opera and Academic Work. Board member of Investment AB Latour, Munters Group AB, NXP, ScandiNova Systems AB and Stena Metall AB. Fellow of the Royal Swedish Academy of Engineering Sciences (IVA) and board member of IVA's Business Executives Council (IVA:s Näringslivsråd).
Shareholdings (including through companies and related natural parties): –

Sofia Schörling Högberg

Board member since 2017.
Born 1978.
BSc (Bachelor of Science) in Business Administration.
Other appointments: Board member of Melker Schörling AB, Securitas AB and Hexagon AB.
Shareholdings (including through companies and related natural parties): 15,930,240 Series A shares and 18,027,992 Series B shares through Melker Schörling AB and 418,800 Series B shares through Edeby-Ripsa Skogsförvaltning AB.

Jan Svensson

Board member since 2012.
Born 1956.
Degree in Mechanical Engineering and Master of Science in Business and Economics. President and CEO of Investment AB Latour 2003–2019. Previously CEO of AB Sigfrid Stenberg 1986–2002.
Other appointments: Chairman of AB Fagerhult, Troax Group AB (publ), Alimak Group AB (publ) and Tomra Systems ASA. Board member of Loomis AB, Stena Metall AB, Herenco Holding AB and Climeon AB (publ).
Shareholdings (including through companies and related natural parties): 6,000 Series B shares.

Appointments and shareholdings as at 31 December 2019 unless stated otherwise.

Board members appointed by employee organizations



Rune Hjälml



Mats Persson



Bjarne Johansson



Nadja Wikström

Rune Hjälml

Board member since 2017.
Born 1964.
Employee representative, IF Metall. Chairman of European Works Council (EWC) in the ASSA ABLOY Group.
Shareholdings (including through companies and related natural parties):-

Mats Persson

Board member since 1994.
Born 1955.
Employee representative, IF Metall.
Shareholdings (including through companies and related natural parties):-

Bjarne Johansson

Deputy board member since 2015.
Born 1966.
Employee representative, IF Metall.
Shareholdings (including through companies and related natural parties):-

Nadja Wikström

Deputy board member since 2017.
Born 1959.
Employee representative, Unionen.
Shareholdings (including through companies and related natural parties):-

ASSA ABLOY's Board of Directors fulfills the requirements for independence in accordance with the Swedish Corporate Governance Code.

Independence of the Board of Directors

Name	Position	Independent of the company and its management	Independent of the company's major shareholders
Lars Renström	Chairman	Yes	Yes
Carl Douglas	Vice Chairman	Yes	No
Eva Karlsson	Board member	Yes	Yes
Birgitta Klasén	Board member	Yes	Yes
Lena Olving	Board member	Yes	No
Sofia Schörling Högberg	Board member	Yes	No
Jan Svensson	Board member	Yes	No

The Board of Directors' composition and shareholdings

Name	Position	Elected	Born	Remuneration Committee	Audit Committee	Series A shares ¹	Series B shares ¹
Lars Renström	Chairman	2008	1951	Chairman	-	-	30,000
Carl Douglas	Vice Chairman	2004	1965	-	-	41,595,729	63,900,000
Eva Karlsson	Board member	2015	1966	-	-	-	-
Birgitta Klasén	Board member	2008	1949	-	Member	-	21,000
Lena Olving	Board member	2018	1956	-	-	-	-
Sofia Schörling Högberg	Board member	2017	1978	-	Member	15,930,240	18,446,792
Jan Svensson	Board member	2012	1956	Member	Chairman	-	6,000
Rune Hjälml	Board member, employee representative	2017	1964	-	-	-	-
Mats Persson	Board member, employee representative	1994	1955	-	-	-	-
Bjarne Johansson	Deputy, employee representative	2015	1966	-	-	-	-
Nadja Wikström	Deputy, employee representative	2017	1959	-	-	-	-

¹ Shareholdings through companies and related natural parties.

Appointments and shareholdings as at 31 December 2019 unless stated otherwise.

Executive Team



Nico Delvaux



Erik Pieder



Lucas Boselli



Mogens Jensen



Anders Maltesen

Nico Delvaux

President and CEO and Head of Global Technologies division since 2018.

Born 1966.

Master of Engineering in Electromechanics and executive MBA.

Previous positions: President and CEO of Metso Corporation August 2017–February 2018. Previously various positions in the Atlas Copco Group, including Business Area President Compressor Technique 2014–2017, Business Area President Construction Technique 2011–2014, and various positions in sales, marketing, service, acquisition-integration management and General Manager in markets including Benelux, Italy, China, Canada, and the United States 1991–2011.

Shareholdings (including through companies and related natural parties): 40,298 Series B shares and 94,787 call options.

Erik Pieder

Executive Vice President and Chief Financial Officer (CFO) since 2019.

Born 1968.

MBA and Master of Laws.

Previous positions: Various positions in the Atlas Copco Group 1996–2019, including Vice President Business Control Compressor Technique.

Shareholdings: 1,266 Series B shares.

Lucas Boselli

Executive Vice President and Head of Americas division since 2018.

Born 1976.

Bachelor of Science in Industrial Engineering.

Previous positions: Various positions in the ASSA ABLOY Group, including President of ASSA ABLOY Central and South America 2014–2018 and President of Yale Latin America 2012–2014. Previously various positions in Ingersoll Rand 2000–2010.

Shareholdings: 19,952 Series B shares.

Mogens Jensen

Executive Vice President and Head of Entrance Systems division since 2018.

Born 1958.

Master of Science in Mechanical Engineering and MBA.

Previous positions: Various positions in the ASSA ABLOY Group, including BA President Industrial Door and Docking Solutions, Entrance Systems division 2016–2017, Market Region Manager Scandinavia, EMEA division 2006–2016 and Managing Director Ruko A/S Denmark. Previously various Managing Director positions.

Shareholdings: 20,232 Series B shares.

Anders Maltesen

Executive Vice President and Head of Asia Pacific division since 2017.

Born 1965.

Bachelor's degree in Marketing and Bachelor's degree in Financial and Management Accounting.

Previous positions: Regional General Manager and President, Asia Pacific, GE Energy, Power Services 2015–2017, Managing Director, Asia Pacific, Alstom Thermal Services 2014–2015, Vice President, East Asia, Alstom Thermal Services 2011–2014, General Manager, board member, Tianjin Alstom Hydro Co. Ltd 2003–2011. Previously various positions within Alstom.

Shareholdings: 8,182 Series B shares.

Changes in the Executive Team

Chris Bone left the Executive Team and the position of Executive Vice President and Chief Technology Officer (CTO) on 30 November 2019.

Björn Lidelfelt assumed the position of Executive Vice President and Head of Global Technologies business unit HID Global beginning on 13 January 2020. He succeeded Stefan Widing who left the Group in January 2020.

Christopher Norbye assumed the position of Executive Vice President and Head of the Entrance Systems division beginning on 1 February 2020. He succeeded Mogens Jensen, who is continuing on the Executive Team and also assuming the new position as Head of business segments Industrial and Residential within the Entrance Systems division.



Christopher Norbye

Christopher Norbye

Executive Vice President and Head of Entrance Systems division since 2020.

Born 1973.

Master of Business Administration and Bachelor of Science.

Previous positions: President of Industrial Door Solutions within Entrance Systems division 2017–2020, Executive Vice President Orchid Orthopedics 2013–2016, President Sandvik Medical Solutions 2011–2013, COO Sandvik Medical Solutions 2009–2011, Manager for Sandvik M&A and business development 2005–2008, Andersen Consulting 2001–2004, American Express 1999–2001.

Shareholdings: 2,489 Series B shares.



Maria Romberg Ewerth



Christophe Sut



Neil Vann



Stefan Widing

Maria Romberg Ewerth

Executive Vice President and Chief Human Resources Officer (CHRO) since 2019.

Born 1978.

Bachelor's degree in Human Resources and MBA.

Previous positions: Senior Vice President Human Resources ASSA ABLOY AB 2013–2019, Vice President Human Resources ASSA ABLOY Entrance Systems 2011–2013. HR-manager and HR-director ASSA ABLOY Entrance Systems 2008–2011. Previously HR-positions in various companies: JELD-WEN Sverige AB, VALEO Engine Cooling AB and Swedish Meats 2003–2008.

Shareholdings: 13,282 Series B shares.

Christophe Sut

Executive Vice President and Head of Global Technologies business unit Global Solutions since 2016.

Born 1973.

Master of Science in Business and Marketing, Bachelor of Science in Language and Mathematics.

Previous positions: Various positions in the ASSA ABLOY Group 2001–2010 and 2012–2014, including CTO and Vice President Business Development ASSA ABLOY Hospitality and Platform Director for ASSA ABLOY AB. Niscayah Group 2010–2012. SPIT France (ITW group) 1999–2001 and SAM Outillage 1997–1999.

Shareholdings: 5,922 Series B shares.

Neil Vann

Executive Vice President and Head of EMEA division since 2018.

Born 1971.

Degree in Manufacturing Engineering.

Previous positions: Various positions in the ASSA ABLOY Group, including Market Region Manager ASSA ABLOY UK 2014–2018, Market Region Manager Italy and Greece 2012–2014 and Vice President Operations EMEA 2011–2012. Previously various positions within ASSA ABLOY, Yale and Chubb 1987–2001.

Shareholdings: 12,461 Series B shares.

Stefan Widing

Executive Vice President and Head of Global Technologies business unit HID Global since 2015.

Born 1977.

Master of Science in Applied Physics and Electrical Engineering and Bachelor of Social Science in Business Administration.

Previous positions: Various positions in the ASSA ABLOY Group, including Director of Product Management and General Manager of Shared Technologies Unit 2006–2015. Previously various positions in the Saab Group 2001–2006.

Shareholdings: –



Björn Lidfelt

Björn Lidfelt

Executive Vice President and Head of Global Technologies business unit HID Global since 2020.

Born 1981.

Master of Science in Industrial Engineering and Management.

Previous positions: Various positions in the ASSA ABLOY Group, including Chief Commercial Officer 2017–2020, and General Manager ASSA ABLOY China (security products) 2013–2016.

Shareholdings: 2,191 Series B shares.

7 Organization *CEO and Executive Team*

The Executive Team consists of the CEO, the Heads of the Group's divisions, as well as HID Global and Global Solutions, the Chief Financial Officer and the Chief Human Resources Officer. As of February 2020, the Head of business segments Industrial and Residential within the Entrance Systems division is also part of the Executive Team. For a presentation of the CEO and the other members of the Executive Team, see pages 52–53.

8 Divisions – decentralized organization

ASSA ABLOY's operations are decentralized. Operations are organizationally divided into five divisions: EMEA, Americas, Asia Pacific, Global Technologies and Entrance Systems. The fundamental principle is that the divisions should be responsible, as far as possible, for business operations, while various functions at ASSA ABLOY's Group Centre are responsible for coordination, monitoring, policies and guidelines at an overall level. Decentralization is a deliberate strategic choice based on the industry's local nature and a conviction of the benefits of a divisional control model. The Group's structure results in a geographical and strategic spread of responsibility ensuring short decision-making paths.

ASSA ABLOY's operating structure is designed to create maximum transparency, to facilitate financial and operational monitoring, and to promote the flow of information and communication across the Group. The five divisions are divided into around 50 business units. These consist in turn of a large number of sales and production units, depending on the structure of the business unit concerned. Apart from monitoring by unit, monitoring of products and markets is also carried out.

Policies and guidelines

Significant policies and guidelines in the Group include financial control, communication issues, insider issues, the Group's brands, sustainability issues, business ethics, data protection and export control. ASSA ABLOY's financial policy and accounting manual provide the framework for financial control and monitoring. ASSA ABLOY's communication policy aims to ensure that information is provided at the right time and in compliance with applicable rules and regulations. ASSA ABLOY has adopted an insider policy to complement applicable insider legislation. This policy applies to

individuals in managerial positions at ASSA ABLOY AB (including subsidiaries) as well as certain other categories of employees. Brand guidelines aim to protect and develop the major assets that the Group's brands represent.

ASSA ABLOY had adopted a Code of Conduct for employees and a separate ASSA ABLOY Code of Conduct for business partners. The Codes, which are based on a set of internationally accepted conventions, define the values and guidelines that should apply both within the Group and for ASSA ABLOY's business partners with regard to matters such as business ethics, human rights and working conditions, as well as the environment, health and safety.

Moreover, ASSA ABLOY has adopted policies and guidelines on compliance with competition, export control, anti-corruption and data protection legislation applicable to the Group.

9 Auditor

At the 2019 Annual General Meeting, PricewaterhouseCoopers (PwC) was re-appointed as the company's external auditor up to the end of the 2020 Annual General Meeting. In connection with the 2019 Annual General Meeting, PwC notified that the authorized public accountant Bo Karlsson would remain the auditor in charge. In addition to ASSA ABLOY, Bo Karlsson, born 1966, is responsible for auditing SKF, Scania and Investment AB Latour.

PwC has been the Group's auditor since its formation in 1994. PwC submits the audit report for ASSA ABLOY AB, the Group and a large majority of the subsidiaries worldwide. The audit of ASSA ABLOY AB also includes the administration by the Board of Directors and the CEO. The auditor in charge attends Audit Committee meetings as well as the February board meeting, at which he reports his observations and recommendations concerning the Group audit for the year.

The external audit is conducted in accordance with International Standards in Auditing (ISA), and generally accepted auditing standards in Sweden. The audit of the financial statements for legal entities outside Sweden is conducted in accordance with statutory requirements and other applicable rules in each country. In 2019 ASSA ABLOY decided to initiate procurement of audit services to prepare for the appointment of an external auditor at the 2020 Annual General Meeting. For information about the fees paid to auditors and other assignments carried out in the Group in the past three financial years, see Note 3 and the Annual Report for 2018, Note 3.

Internal control – financial reporting

ASSA ABLOY's internal control process for financial reporting is designed to provide reasonable assurance of reliable financial reporting, which is in compliance with generally accepted accounting principles, applicable laws and regulations, and other requirements for listed companies.

Control environment

The Board of Directors is responsible for effective internal control and has therefore established fundamental documents of significance for financial reporting. These documents include the Board of Directors' rules of procedure and instructions to the CEO, the Code of Conduct, financial policy, and an annual financial evaluation plan. Regular meetings are held with the Audit Committee. The Group has an internal audit function whose primary objective is to ensure reliable financial reporting and good internal control.

All units in the Group apply uniform accounting and reporting instructions. Internal control guidelines have been established and are reviewed annually for all operating companies. These Group-wide guidelines have a relatively broad scope and concern various processes such as ordering, sourcing, financial statements, plant management, compliance with various policies, legal matters, and HR matters.

The Code of Conduct has been regularly reviewed and updated, and compliance is monitored systematically in operations.

Risk assessment

Risk assessment includes identifying and evaluating the risk of material errors in accounting and financial reporting at Group, division and local levels. A number of previously established documents govern the procedures to be used for accounting, finalizing accounts, financial reporting and review. A major focus has been on auditing the reconciliation between local accounts and consolidated reporting in recent years. The entire Group uses a financial reporting system with pre-defined report templates.

Control activities

The Group's controller and accounting organization at both central and division levels plays a significant role in ensuring reliable financial information. It is responsible for complete, accurate and timely financial reporting. A global financial internal audit function has been established and carries out annual financial evaluations in accordance with the plan annually adopted by the Audit Committee. The results of the

financial evaluations are submitted to the Audit Committee and the auditors. Further, in 2019, compliance with the Group's anti-corruption policy was reviewed in Asia, South America and Europe.

In 2019 ASSA ABLOY further strengthened the internal audit and internal control functions in terms of staffing and expanded the number of audits. Each division has employed full-time internal auditors who audit the companies and monitor internal control.

Information and communication

Reporting and accounting manuals as well as other financial reporting guidelines are available to all employees concerned on the Group's intranet. A regular review and analysis of financial outcomes is carried out at both business unit and division levels and as part of the Board of Directors' established operating structure. The Group also has established procedures for external communication of financial information, in accordance with the rules and regulations for listed companies.

Review process

The Board of Directors and the Audit Committee evaluate and review the Annual Report and Interim Reports prior to publication. The Audit Committee monitors the financial reporting and other related issues, and regularly discusses these issues with the external auditors. All business units report their financial results monthly in accordance with the Group's accounting principles. This reporting serves as the basis for quarterly reports and a monthly legal and operating review. Operating reviews conform to a structure in which sales, earnings, cash flow, capital employed and other important key figures and trends for the Group are compiled, and form the basis for analysis and actions by management and controllers at different levels.

Financial reviews take place quarterly at divisional board meetings, monthly in the form of performance reviews and through more informal analysis. Other important Group-wide components of internal control are the annual business planning process and regular forecasts.

The Group-wide internal control guidelines are reviewed during the year in all operating companies through self-assessment. An action plan focused on concrete measures was implemented several years ago to further improve basic processes with an impact on the company's financial position.