

## **Annual General Meeting of Shareholders in ASSA ABLOY AB**

*The shareholders of ASSA ABLOY AB are hereby invited to attend the Annual General Meeting to be held on Thursday 22 April 2010 at 3.00 p.m., at Moderna Museet, Skeppsholmen, Stockholm.*

### **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 Friday 16 April 2010, and
- notify the company of their intent to attend no later than Friday 16 April 2010. Notice of attendance can be given by telephone +46 8 506 485 14, by telefax +46 8 506 485 18 or in writing to ASSA ABLOY AB, "AGM", P.O. Box 7842, SE-103 98 Stockholm, Sweden.

When giving notice of attendance, the shareholder shall state name, personal identity number (corporate identification number), address, telephone number, number of shares and names of representatives, if any. The information given in the notice of attendance will be processed and used only in connection with the Annual General Meeting 2010. An entrance card, to be shown when registering for the Annual General Meeting, will be sent in confirmation of the notice of attendance.

Shareholders whose shares are nominee registered through a bank or other nominee must request that their shares be temporarily registered in their own name in the share register kept by Euroclear Sweden AB by Friday, 16 April 2010, in order to have the right to attend the Annual General Meeting. Shareholders must notify the nominee of this well before that date.

### **Agenda**

1. Opening of the Meeting
2. Election of Chairman of the Meeting
3. Preparation and approval of the voting list
4. Approval of the Agenda
5. Election of two persons to approve the minutes
6. Determination of compliance with the rules of convocation
7. Report by the President and CEO, Mr Johan Molin
8. Presentation of
  - a) the Annual Report and the Auditor's Report and the Consolidated Financial Statements,
  - b) the Group Auditor's Report regarding whether there has been compliance with the remuneration guidelines adopted on the 2009 Annual General Meeting,
  - c) the boards proposal to share dividend and motivated statement.
9. Resolutions regarding:
  - a) adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet,
  - b) appropriation of the company's profit according to the adopted Balance Sheet,
  - c) discharge from liability of the Board of Directors and the CEO.
10. Establishment of the number of Board members
11. Establishment of fees to the Board members and Auditors
12. Election of Board members, Chairman of the Board and Auditors
13. Election of members of the Nomination Committee and establishment of the assignment of the Nomination Committee
14. Resolution regarding guidelines for remuneration to senior management
15. Resolution regarding authorization to repurchase and transfer Series B shares in the company

- 16. Resolution regarding the long term incentive programme
- 17. Closing of the Meeting

### **Item 2 – Election of Chairman of the Meeting**

The Nomination Committee, consisting of Mikael Ekdahl (Melker Schörling AB), Chairman, Gustaf Douglas (Investment AB Latour and SäkI), Magnus Landare (Alecta), Marianne Nilsson (Swedbank Robur Funds) and Per-Erik Mohlin (SEB Fonder/SEB Trygg Liv), proposes that Gustaf Douglas is elected Chairman of the Annual General Meeting.

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

The Board of Directors proposes that a dividend of SEK 3.60 per share shall be declared. As record date for the dividend, the Board of Directors proposes Tuesday 27 April 2010. If the Annual General Meeting resolves in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB on Friday 30 April 2010.

### **Items 10-12 – Establishment of the number of Board members, establishment of fees to the Board members and election of Chairman of the Board, other Board members and Auditors**

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

- The number of Board members shall be nine.
- Fees to the Board of Directors shall amount to a total of SEK 4,050,000 (remuneration for committee work not included) to be distributed among the members as follows; SEK 900,000 to the Chairman and SEK 450,000 to each of the other Board members who are not employed by the company. As consideration for the committee work, the Chairman of the Audit Committee shall receive SEK 200,000, the Chairman of the Remuneration Committee shall receive SEK 100,000, the members of the Audit Committee each SEK 100,000 and the members of the Remuneration Committee each SEK 50,000.
- Fees to the auditors according to contract.
- Re-election of the Board members Gustaf Douglas, Carl Douglas, Jorma Halonen, Birgitta Klasén, Eva Lindqvist, Johan Molin, Sven-Christer Nilsson, Lars Renström and Ulrik Svensson as Board members.
- Re-election of Gustaf Douglas as Chairman of the Board.
- Re-election of PricewaterhouseCoopers AB as auditors for a period of four years until the annual general meeting of 2014.

### **Item 13 – Election of members of the Nomination Committee and establishment of the assignment of the Nomination Committee**

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

- The Nomination Committee shall have five members, who, up to and including the Annual General Meeting 2011, shall be Mikael Ekdahl (Melker Schörling AB), Gustaf Douglas (Investment AB Latour and SäkI), Liselott Ledin (Alecta), Marianne Nilsson (Swedbank Robur Funds) and Per-Erik Mohlin (SEB Fonder/SEB Trygg Liv). Mikael Ekdahl shall be appointed Chairman of the Nomination Committee.
- If a shareholder represented by a member of the Nomination Committee no longer is one of the major shareholders of ASSA ABLOY AB, the Nomination Committee shall be entitled to nominate another representative among the major shareholders to replace such a member. The same shall apply if a member of the Nomination Committee no longer is employed by such a shareholder or for any other reason should leave the Nomination Committee before the Annual General Meeting 2011.

- The Nomination Committee shall, before the Annual General Meeting 2011, prepare and submit proposals for; election of Chairman of the Annual General Meeting, election of Chairman and other members of the Board of Directors, fees to the Board of Directors (including distribution of fees among the Chairman and the other Board members and remuneration for committee work).

**Item 14 – Resolution regarding guidelines for remuneration to Senior Management**

The Board of ASSA ABLOY proposes that the 2010 Annual General Meeting adopts the following guidelines for the remuneration of senior management.

The basic principle is that the remuneration and other employment conditions of senior management should be in line with market conditions and competitive. ASSA ABLOY observes both global practice as well as practice of the native country of each member of the executive team.

The total remuneration of senior management should consist of fixed salary, variable salary consisting of annual and long term variable salary, other benefits and pension. The fixed remuneration should be in line with market conditions and competitive and correspond to responsibility and performance. The variable remuneration is paid partly in shares and partly in cash.

The Executive Team should have the opportunity to receive variable cash remuneration based on the outcome in relation to financial targets and, when applicable, individual targets. This remuneration should be equivalent to a maximum 75 percent of basic salary (excluding social security expenses).

In accordance to the proposal for a long term incentive programme In Item 16, the Executive Team shall have the opportunity to receive variable remuneration consisting of shares based on the outcome in relation to targets for operating income per share during 2010. The proposition includes the right to, under specific circumstances, receive a matching share in the company, free of charge, for every share bought in the company. This remuneration shall, if the share price remains unchanged, correspond to maximum 50 per cent of the fixed salary (excluding costs for social benefits.)

All members of the Executive Team should be covered by defined contribution pension plans. If the company gives notice of termination of contract, the CEO is entitled to a maximum 24 months' salary and other employment benefits, while the other members of the Executive Team are entitled to a maximum of 6 months' basic salary and other employment benefits plus an additional 12 months' basic salary.

The Board shall have the right to deviate from these guidelines if there are particular reasons for doing so in an individual case.

**Item 15 – Resolution regarding authorization to repurchase and transfer Series B shares in the company**

The Board of Directors proposes that the AGM authorises the Board of Directors to pass a resolution, on one or more occasions, on repurchasing Series B shares in the company for the period up until the next AGM. 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. The repurchase of shares shall take place on NASDAQ OMX Stockholm. The repurchase of the 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. Payment of the shares shall be made in cash.

Furthermore, the Board of Directors proposes that the AGM authorises the Board of Directors to pass a resolution, on one or more occasions, on transferring Series B shares in the company for the period up until the next AGM, on NASDAQ OMX Stockholm or in connection with acquisitions of companies or businesses. The transfer 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. 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 as well as have the ability to finance 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 under item 16.

#### **Item 16 – Resolution regarding the Board of Directors proposal of long term incentive programme**

The Board of Directors proposes that the Annual General Meeting ("**AGM**") resolves to implement a long term incentive programme for senior executives and key employees within the ASSA ABLOY Group ("**LTI 2010**") mainly in accordance with the following.

LTI 2010 is proposed to include approximately 90 senior executives and key employees within the ASSA ABLOY Group. LTI 2010 entails that the participants will invest in Series B shares in ASSA ABLOY at market price, in an amount corresponding to maximum 10 per cent of his/her annual fixed salary. Such personal investment will thereafter be matched by the company through granting of so called matching awards and performance awards, in accordance with the terms stipulated below.

The purpose of LTI 2010 is to retain and recruit competent managers, provide competitive remuneration and to align the interests of the managers and key employees with the interests of the shareholders. In light of the above, the Board of Directors believes that adopting LTI 2010 will have a positive effect on the development of the Group and consequently that LTI 2010 is beneficial to both the shareholders and the company.

LTI 2010 will replace the "long-term incentive programme" currently in place for certain senior executives within the ASSA ABLOY Group, which entitles each participant to a maximum amount of SEK 2 million per year. The participation of other employees in LTI 2010 is subject to renunciation of customary salary review for the year 2010.

For each Series B share the CEO purchases under LTI 2010, he will be granted one matching award and four performance awards. For each Series B share other senior executives (currently nine individuals) purchase under LTI 2010, each such individual will be awarded one matching award and three performance awards. For each Series B share other participants (approximately 80 individuals) purchase under LTI 2010, each such individual will be awarded one matching award and one performance award.

Each matching award entitles the holder to receive a Series B share in the company, free of charge, three years after allotment of the matching award, provided that the holder, at the time of release of ASSA ABLOY's interim report for the first quarter 2013, still is employed by the ASSA ABLOY Group and has maintained the shares purchased under LTI 2010. Each performance award entitles the holder to receive a Series B share in the company, free of charge, three years after allotment of the performance award, provided that the above conditions have been fulfilled. In addition to this, the maximum determined target level in respect of increase of the company's earnings per share during

2010, as defined by the Board of Directors, shall have been fulfilled. The awards are non-transferable.

The Board of Directors shall be responsible for preparing the detailed terms and conditions of LTI 2010, in accordance with the mentioned terms and guidelines. To this end, the Board shall be entitled to make adjustments to meet foreign regulations or market conditions.

LTI 2010 may, if the share price for the company's Series B share remains the same during the programme's term, result in a maximum amount corresponding to 50 per cent (CEO), 40 per cent (other senior executives) or 20 per cent (other participants), respectively, of the participants fixed 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 in an amount corresponding to 10 per cent of his/her fixed salary, maintain the initially purchased shares and still be employed during the vesting period, and that the performance based condition has been fully achieved.

The total amount of shares, which corresponds to the participant's total maximum personal investment, and thus the total amount of awards in LTI 2010, depends on the share price for the company's Series B share at the time of implementing LTI 2010. Provided that the share price for the company's Series B share is traded at around SEK 140 when LTI 2010 is implemented, LTI 2010 will, in accordance with the above principles and assumptions, comprise maximum 360,000 Series B shares in total, which corresponds to 0.1 per cent of the total outstanding shares and votes in the company.

In accordance with the above principles and assumptions, the ASSA ABLOY Group's cost for LTI 2010 is estimated to approximately SEK 50 million in total, allocated over the vesting period. Estimated social security costs are included in this amount. To ensure the delivery of Series B shares under LTI 2010, the company intends to enter into an agreement with a third party, under which the third party shall, in its own name, acquire and transfer Series B shares to the participants under LTI 2010.

### **Shares and votes**

The total number of shares in the company at the time for the notification of the Annual General Meeting amounts to 365,918,034 shares, of which 19,175,323 are shares of Series A and 346,742,711 shares of Series B, which is equivalent to a total of 538,495,941 votes.

### **Additional Information**

The proposition in Item 15 requires an approval of at least two thirds of the given votes, as well as on the annual general meeting represented votes, in order to be valid. The annual report, the statement by the auditor and the other documents concerning Items 8-16 will be available at the company and on the company website [www.assaabloy.com](http://www.assaabloy.com). Copies of the documents will be sent to the shareholders on request and will be available at the Annual General Meeting.

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**Welcome!**  
Stockholm in March 2010  
The Board of Directors  
ASSA ABLOY AB