

Minutes of the Annual General Meeting in **ASSA
ABLOY AB** held on 25 April 2019 in Stockholm

§ 1

The Meeting was opened by Lars Renström, Chairman of the Board, who welcomed the shareholders.

§ 2

The Meeting resolved, in accordance with the Nomination Committee's proposal, to elect Lars Renström as Chairman of the Meeting.

It was noted that lawyer Mikael Ekdahl was assigned to keep the minutes at the Meeting.

The Meeting resolved that certain persons present who were not shareholders were entitled to attend the Meeting as guests.

§ 3

The Meeting resolved to adopt the list of registered shareholders, adjusted with respect to those shareholders who had registered but did not attend the Meeting, as the voting register for the Meeting in accordance with Appendix 1.

§ 4

The Meeting resolved to adopt the proposed agenda which had been included in the notice of the Meeting.

§ 5

The Meeting resolved to appoint Nina Bönnelyche (Folksam) and Olof Jonasson (Första AP-fonden) to approve the minutes of the Meeting together with the Chairman.

§ 6

The Chairman concluded that the notice of the Meeting had been in accordance with applicable law and the Articles of Association.

The Meeting resolved to declare the Meeting duly convened.

§ 7

The President and CEO Nico Delvaux held a speech regarding the financial year 2018.

§ 8

The Chairman concluded that following documents were presented:

the annual report, the auditor's report, the consolidated financial statements and the auditor's report on the consolidated financial statements for the financial year 2018, the auditor's statement regarding whether the guidelines for remuneration to senior management adopted at the previous Annual General Meeting have been complied with, and the Board's and the CEO's proposal and motivated statement regarding the dividend.

The authorised auditor Bo Karlsson described the work with the audit and the content of the auditor's report and the auditor's report on the consolidated financial statements.

The Chairman and Nico Delvaux hereafter answered questions from a number of shareholders.

§ 9

The Meeting resolved:

- (a) to adopt the income statement and balance sheet and the consolidated income statement and consolidated balance sheet for the financial year 2018
- (b) to in accordance with the proposal of the Board and the CEO to appropriate the profits at the disposal of the Meeting as follows:
 - a dividend of SEK 3.50 per share
 - be declared to the shareholders 3,888 MSEK
 - and to be carried forward 9,952 MSEK
- to establish 29 April 2019 as record day for the dividend
- (c) to discharge the Board members and the CEO from liability for the financial year 2018.

It was noted that those Board members and the CEO who own shares in the company did not participate in the resolution under item (c) in respect of their own part.

§ 10

The Meeting resolved, in accordance with the Nomination Committee's proposal, that the number of Board members elected by the Meeting should be seven without deputy members.

§ 11

The Meeting resolved, in accordance with the Nomination Committee's proposals:

- (a) that fees to Board members appointed by the Meeting should amount to a total of SEK 6,675,000 (remuneration for committee work not included) to be distributed among the Board members as follows: SEK 2,350,000 to the Chairman of the Board, SEK 900,000 to the Vice Chairman of the Board and SEK 685,000 to each of the other Board members appointed by the 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 (the Chairman excluded) SEK 200,000 each, and member of the Remuneration Committee (the Chairman excluded) SEK 75,000,
- (b) that the auditors fees shall be paid according to contract.

§ 12

- (a) The Chairman informed about the Nomination Committee's proposal of Board members.

It was noted that the Meeting was informed about the proposed Board members and their positions held in other companies.

The Meeting re-elected, in accordance with the Nomination Committee's proposal, Lars Renström, Carl Douglas, Eva Karlsson, Birgitta Klasén, Lena Olving, Sofia Schörling Högberg and Jan Svensson as Board members. The Meeting re-elected, in accordance with the Nomination Committee's proposal, Lars Renström as Chairman of the Board and Carl Douglas as Vice Chairman of the Board.

It was noted that the labour organisations had appointed Mats Persson and Rune Hjälms as Board members and Bjarne Johansson and Nadja Vikström as deputy employee representatives.

- (b) The Chairman informed about the Nomination Committee's proposal of auditor.

The Meeting re-elected, in accordance with the Nomination Committee's proposal, the audit company PricewaterhouseCoopers AB as auditor until the end of the Annual General Meeting 2020.

The Chairman informed that PricewaterhouseCoopers AB had notified the company that the authorised auditor Bo Karlsson will continue to be the auditor in charge.

§ 13

The Chairman concluded that the proposal by the Board for guidelines for remuneration to senior management had been available for the shareholders before the Meeting.

The Meeting resolved, in accordance with the Board's proposal, to approve the guidelines for remuneration to senior management in accordance with Appendix 2.

§ 14

The Chairman concluded that the proposal by the Board for authorization to repurchase and transfer Series B shares in the company had been available for the shareholders before the Meeting.

The Meeting resolved, in accordance with the proposal by the Board, to authorize the Board to repurchase and transfer Series B shares in the company, in accordance with Appendix 3.

It was noted that the resolution was supported by more than two-thirds of both represented votes and shares present at the Meeting.

§ 15

The Chairman concluded that the proposal by the Board for a long-term incentive program had been available for the shareholders before the Meeting.

The Meeting resolved, in accordance with the proposal by the Board, on implementation of a long-term incentive program in accordance with Appendix 4.

§ 16

The Chairman declared the Meeting closed.

At the Minutes:

Mikael Ekdahl

Approved:

Lars Renström

Nina Bönnelyche

Olof Jonasson

The Board of Directors' proposal of guidelines for remuneration to senior management

The Board of Directors proposes that the Annual General Meeting adopts the following guidelines for the remuneration and other employment conditions of the President and CEO and other members of the ASSA ABLOY Executive Team (the Executive Team). The proposed guidelines below do not involve any material change, compared with the guidelines adopted by the 2018 Annual General Meeting.

The basic principle is that the remuneration and other employment conditions shall be in line with market conditions and be competitive. ASSA ABLOY takes into account both global remuneration practice and practice in the home country of each member of the Executive Team.

The total remuneration of the Executive Team shall consist of base salary, variable components in the form of annual and long term variable remuneration, other benefits and pension.

The total expensed remuneration of the Executive Team, including previous commitments not yet due for payment is reported in the Annual Report 2018 in Note 33.

Fixed and variable remuneration

The base salary shall be competitive and reflect responsibility and performance. The variable part consists of remuneration paid partly in cash, and partly in the form of shares.

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

In addition, the Executive Team shall, within the framework of the Board of Directors' proposal for a long-term incentive program, in Item 15, be able to receive variable remuneration in the form of shares, based on the annual development of ASSA ABLOY's earnings per share in relation to target levels, as defined by the Board of Directors, during the measurement period 1 January 2019 – 31 December 2021, where each year during the measurement period is compared to the previous year. The outcome is calculated yearly, whereby one third of the maximum outcome is measured against the outcome for 2019, one third is measured against the outcome for 2020 and one third is measured against the outcome for 2021. The remuneration shall, if the share price is unchanged, be equivalent to a maximum of 90 per cent of the base salary (excluding social security costs).

The company's annual cost of variable remuneration for the Executive Team as above, assuming maximum outcome, can amount to a total of approximately SEK 55 million (excluding social security costs and financing cost). This calculation is made on the basis of the current members of the Executive Team.

Other benefits and pension

Other benefits, such as company car, extra health insurance or occupational healthcare, should be payable to the extent this is considered to be in line with market conditions in the market concerned. All members of the Executive Team shall be covered by defined contribution pension plans, for which pension premiums are based on the executive's base salary and paid by the company during the period of employment.

Notice and severance pay

If the CEO is given notice, the company is liable to pay the equivalent of maximum 24 months' base salary and other employment benefits. If one of the other members of the Executive Team is given notice, the company is liable to pay a maximum of six months' base salary and other employment benefits plus an additional twelve months' base salary.

Deviation from the guidelines

The Board of Directors shall have the right to deviate from the guidelines for remuneration to senior management adopted by the Annual General Meeting if there are particular reasons for doing so in an individual case.

Stockholm in February 2019
The Board of Directors
ASSA ABLOY AB (publ)

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

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

- The repurchase may as a maximum comprise so many Series B shares that the company after each repurchase holds a maximum of 10 per cent of the total number of shares in the company.
- The repurchase of Series B shares shall take place on Nasdaq Stockholm.
- The repurchase of Series B shares on Nasdaq 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 Series B shares shall be made in cash.

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

- 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.
- Transfers of Series B shares shall take place:
 - (i) on Nasdaq Stockholm, or
 - (ii) in connection with acquisition of companies or businesses, on market terms.
- Transfers of Series B shares on Nasdaq 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 authorization 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 authorizations is to make possible the ability for the Board of Directors 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 for a long-term incentive program under Item 15.

The Board of Directors has presented a motivated statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act, the statement is available at the company and on the company's website www.assaabloy.com.

The proposal in this Item 14 requires an approval of shareholders representing at least two-thirds of both the shares and number of votes represented at the Annual General Meeting to be valid.

Stockholm in March 2019
The Board of Directors
ASSA ABLOY AB (publ)

The Board of Directors' proposal for long-term incentive program

Summary of the program

The Board of Directors proposes that the Annual General Meeting resolves to implement a new long-term incentive program for senior executives and key employees within the ASSA ABLOY Group (LTI 2019). LTI 2019 is based on the same principles as LTI 2018.

LTI 2019 is proposed to include a maximum of 115 senior executives and key employees within the ASSA ABLOY Group. In order to participate in LTI 2019 the participants will have to invest in Series B shares in ASSA ABLOY at market price. For every Series B share purchased within the scope of LTI 2019, the company will grant so called performance awards free of charge in accordance with the terms stipulated below.

The rationale for the proposal

The purpose of LTI 2019 is to strengthen the ASSA ABLOY Group's ability to retain and recruit competent employees, provide competitive remuneration, and to align the interests of the shareholders with the interests of the employees concerned. Through a share-based incentive program, the employees' remuneration is tied to the company's future earnings and value growth. In light of the above, the Board of Directors believes that the implementation of LTI 2019 will have a positive effect on the long-term value growth of the Group and consequently that LTI 2019 is beneficial to both the shareholders and the company.

Personal investment

In order to participate in LTI 2019, the participants will have to invest in Series B shares in ASSA ABLOY at market price. The personal investment shall amount to a value corresponding to a minimum of 5 per cent (all participants) and a maximum of 15 per cent (CEO and other senior executives) or 10 per cent (other participants), respectively, of the participant's base salary. If the participant has access to inside information and is therefore prevented from making the personal investment in connection with the application to participate in LTI 2019, the personal investment shall be made as soon as possible, but no later than the next Annual General Meeting.

For employees who have not participated in previous LTI programs, the participation in LTI 2019 is in addition subject to renunciation of customary salary review for the year 2019.

Participants in LTI 2019 and allocation

LTI 2019 is proposed to include a maximum of 115 senior executives and key employees within the ASSA ABLOY Group, divided in three categories.

For each Series B share the CEO of the Group purchases under LTI 2019, the company will grant six performance awards. For each Series B share that other senior executives (currently nine individuals) purchase under LTI 2019, each such individual will be awarded five performance awards. For each Series B share that other participants (approximately 105 individuals) purchase under LTI 2019, each such individual will be awarded four performance awards.

Performance condition

The number of performance awards that gives right to receive Series B shares in the company depends on the annual development of ASSA ABLOY's earnings per share¹ based on the target levels, as defined by the Board of Directors, during the measurement period 1 January 2019 – 31 December 2021, where each year during the measurement period is compared to the previous year. The outcome is calculated yearly, whereby one third of the

¹ Earnings per share is defined as the company's earnings per share after tax and dilution, excluding items affecting comparability and currency effects.

performance awards is measured against the outcome for 2019, one third is measured against the outcome for 2020 and one third is measured against the outcome for 2021.

The outcome for each year is measured linearly. Unless the minimum level is achieved for the year, none of the relevant performance awards will give right to Series B shares, and if the maximum level is achieved each performance award linked to the relevant year will give right to one Series B share. The Board of Directors intends to present the fulfilment of the performance based condition in the Annual Report for the financial year 2021.

Other conditions

In addition to the above conditions, the following shall apply for the performance awards.

- The performance awards shall be granted free of charge after the 2019 Annual General Meeting.
- Each performance award entitles the holder to receive one Series B share free of charge three years after allotment of the award (vesting period), provided that the holder, with some exceptions, at the time of the release of the interim report for the first quarter 2022 still is employed by the ASSA ABLOY Group and has maintained the personal investment purchased under LTI 2019.
- To make the participants' interest equal with the shareholders' the company will compensate the participants for distributed dividend during the vesting period by increasing the number of Series B shares that each performance award gives right to after the vesting period.
- The performance awards are non-transferable and may not be pledged.
- The performance awards can be granted by the company or any other company within the Group.

Preparation and administration

The Board of Directors shall be responsible for preparing the detailed terms and conditions of LTI 2019, in accordance with the mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to meet foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes in the ASSA ABLOY Group, or its operating environment, would result in a situation where the decided terms and conditions for LTI 2019 no longer are appropriate.

In the event that the Board of Directors considers that the delivery of shares under LTI 2019 cannot be achieved at reasonable cost, with reasonable administrative efforts or due to specific market conditions, participants may instead be offered a cash settlement.

Scope and cost of the program

LTI 2019 may, if the share price for the company's Series B share remains the same during the program's term, result in a maximum amount corresponding to 90 per cent (CEO), 75 per cent (other senior executives) or 40 per cent (other participants), respectively, of the participants annual base 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 for an amount corresponding to 15 per cent (CEO and other senior executives) or 10 per cent (other participants), respectively, of the participants annual base salary, maintain the initially purchased shares, that the performance based condition has been fully achieved and that the participant, with some exceptions, still is employed during the vesting period.

The total amount of shares, which corresponds to the participant's total maximum personal investment, and thus the total amount of performance awards being allotted, depends on the share price for the company's Series B share at the time of allotment of performance awards under LTI 2019. The total number of outstanding shares in the company amount to 1,112,576,334 shares.

Provided that the share price for the company's Series B share is traded at around SEK 194 at the time of allotment of performance awards under LTI 2019, LTI 2019 will, in accordance with the principles and assumptions set out above, comprise maximum 720,000 Series B shares in total, which corresponds to approximately 0.1 per cent of the total outstanding shares and votes in the company.

LTI 2019 shall be expensed as personnel costs over the vesting period. Provided that the performance based condition is fully achieved, the cost for LTI 2019 before tax is, in accordance with the principles and assumptions set out above, estimated to approximately SEK 130 million, allocated over the vesting period. Estimated social security costs and financing cost are included in such amount.

The costs are expected to have marginal effect on key ratios of the ASSA ABLOY Group.

The Board of Directors deems that the positive effects on earnings that are expected to result from increased share ownership among senior management and persons in senior managerial positions, which may be further increased through LTI 2019, outweighs the costs related to LTI 2019.

Information about LTI 2016, LTI 2017 and LTI 2018 can be found in the Annual Report 2018, Note 33.

Delivery of shares under LTI 2019

To ensure the delivery of Series B shares under LTI 2019, the company intends to enter into an agreement with a third party, under which the third party shall, in its own name, buy and transfer Series B shares in the company to the participants in accordance with LTI 2019.

Preparation of the proposal

LTI 2019 has been initiated by the Board of Directors of ASSA ABLOY, and has been structured in consultation with external advisers based on an evaluation of previous incentive programs. LTI 2019 has been prepared by the Remuneration Committee and reviewed at meetings of the Board of Directors.

Stockholm in March 2019
The Board of Directors
ASSA ABLOY AB (publ)