

Notice of Annual General Meeting in ASSA ABLOY AB

The shareholders of ASSA ABLOY AB (Reg. No. 556059-3575) are hereby invited to participate in the Annual General Meeting to be held on Wednesday 28 April 2021.

Due to the Covid-19 pandemic, the Board of Directors has decided that the Annual General Meeting is to be held only through advance voting (postal voting) in accordance with temporary legislation. This means that the Meeting will be conducted without the physical presence of shareholders, representatives or external parties and that shareholders will only be able to exercise their voting rights by postal voting in advance of the Meeting in the manner described below.

A speech by the CEO is expected to be available at the company's website www.assaabloy.com, no later than Friday 23 April 2021. Further, a speech by the auditor will be available at the company's website.

Notice of participation

Shareholders who wish to participate at the Annual General Meeting by advance voting must:

- be recorded in the shareholders' register kept by Euroclear Sweden AB on Tuesday 20 April 2021, and
- give notice of intent to participate to ASSA ABLOY AB no later than Tuesday 27 April 2021, by submitting their advance votes in accordance with the instructions under the heading "*Advance voting*" below, so that the advance vote is received by Euroclear Sweden AB no later than that day.

Nominee registered shares

Shareholders whose shares are nominee registered through a bank or other nominee must, in addition to giving notice of participation by submitting an advance vote, request that their shares be temporarily registered in their own name in the share register kept by Euroclear Sweden AB (so called voting right registration) in order to be entitled to participate at the Annual General Meeting. The shareholders' register for the General Meeting as of the record date Tuesday 20 April 2021 will take into account voting right registrations completed no later than Thursday 22 April 2021. Shareholders concerned must, in accordance with each nominee's routines, request that the nominee makes such voting right registration well in advance of that date.

Advance voting

The shareholders may exercise their voting rights at the Meeting only by voting in advance, so called postal voting in accordance with Section 22 of the Swedish Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for advance voting. The form is available on the company's website www.assaabloy.com. The advance voting form is considered as the notification of participation at the Meeting.

The completed and signed voting form must be received by Euroclear Sweden AB no later than Tuesday 27 April 2021. The completed and signed form shall be sent to ASSA ABLOY AB (publ), "Annual General Meeting 2021", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden. The completed and signed form may alternatively be submitted electronically and is then to be sent to GeneralMeetingService@euroclear.com. Shareholders who are natural persons can also submit their advance votes electronically by verifying with BankID via Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy/>.

The shareholder may not provide special instructions or conditions in the voting form. If so, the vote (in its entirety) is invalid. Further instructions and conditions are included in the form for advance voting.

For questions about the advance voting, please contact Euroclear Sweden AB, telephone +46 8 506 485 14 (Monday-Friday 9.00 am – 4.00 pm (CET)).

Proxy

If the shareholder votes in advance by proxy, a power of attorney shall be enclosed with the advance voting form. Proxy form is available upon request and on the company's website www.assaabloy.com. If the shareholder is a legal entity, a certificate of incorporation or other authorization document shall be enclosed with the advance voting form.

Shareholders' right to request information

The Board of Directors and the CEO shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda and circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the Group. Requests for such information shall be made in writing to ASSA ABLOY AB, "Annual General Meeting 2021", P.O. Box 70340, SE-107 23 Stockholm, Sweden, or by e-mail to info@assaabloy.com, no later than Sunday 18 April 2021. The information will be disclosed by being held available at ASSA ABLOY AB, Klarabergsviadukten 90, SE-111 64 Stockholm, Sweden, and on the company's website www.assaabloy.com, no later than Friday 23 April 2021. The information will also be distributed to the shareholder who so requests and states its postal address or email address.

Agenda

1. Election of Chairman of the Annual General Meeting.
2. Election of two persons to check the Annual General Meeting minutes.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Determination of whether the Annual General Meeting has been duly convened.
6. Presentation of:
 - a) the Annual Report and the Audit Report as well as the Consolidated Accounts and the Audit Report for the Group, and

- b) the Auditor's statement regarding whether the guidelines for remuneration to senior executives adopted on the previous Annual General Meeting have been complied with.
- 7. Resolutions regarding:
 - a) adoption of the Statement of Income and the Balance Sheet as well as the Consolidated Statement of Income and the Consolidated Balance Sheet,
 - b) dispositions of the company's profit according to the adopted Balance Sheet, and
 - c) discharge from liability of the members of the Board of Directors and the CEO.
- 8. Determination of the number of members of the Board of Directors.
- 9. Determination of:
 - a) fees to the Board of Directors,
 - b) fees to the Auditor.
- 10. Election of the Board of Directors, Chairman of the Board of Directors and Vice Chairman of the Board of Directors.
- 11. Election of Auditor.
- 12. Resolution on approval of remuneration report.
- 13. Resolution regarding authorization to repurchase and transfer Series B shares in the company.
- 14. Resolution regarding long-term incentive program.

Item 1 – Election of Chairman of the Annual General Meeting

The Nomination Committee, appointed in accordance with the instructions for the Nomination Committee adopted by the Annual General Meeting 2018 and consisting of Chairman Carl Douglas (Investment AB Latour), Mikael Ekdahl (Melker Schörling AB), Liselott Ledin (Alecta), Marianne Nilsson (Swedbank Robur fonder) and Yvonne Sörberg (Handelsbanken Fonder) proposes that Lars Renström is elected Chairman of the Annual General Meeting, or in the event he is prevented from attending, the person designated by the Board of Directors.

Item 2 - Election of two persons to check the Annual General Meeting minutes

The Board of Directors proposes that Johan Hjertonsson (Investment AB Latour) and Liselott Ledin (Alecta), or if one or both of them are prevented from attending, the person or persons instead designated by the Board of Directors, are assigned to check the minutes of the Meeting together with the Chairman. The assignment to check the minutes also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the Meeting.

Item 3 - Preparation and approval of the voting list

The voting list proposed to be approved under item 3 on the agenda is the voting list prepared by Euroclear Sweden AB on behalf of the company, based on the shareholders' register for the General Meeting and the advance votes received, as verified and recommended by the persons elected to check the minutes.

Item 7 b) – Disposition of the company's profit according to the adopted Balance Sheet

The Board of Directors proposes a dividend of SEK 3.90 per share. In order to facilitate a more efficient cash management, the dividend is proposed to be paid in two equal installments, the first with the record date Friday 30 April 2021 and the second with the record date Tuesday 23 November 2021. If the proposal is adopted by the Annual General Meeting, the first installment is estimated to be paid on Wednesday 5 May 2021 and the second installment on Friday 26 November 2021.

The Board of Directors has presented a motivated statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act, the statement is available at the company and on the company's website www.assaabloy.com.

Items 8-11 – Determination of the number of members of the Board of Directors, determination of fees to the Board of Directors and the Auditor as well as election of the Board of Directors, Chairman of the Board of Directors, Vice Chairman of the Board of Directors and Auditor

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

- The number of members of the Board of Directors shall be eight.
- The fees to the Board of Directors have been unchanged since 2019. The Nomination Committee has in its work compared the fees to the Board of Directors with Board fees among comparable companies in Sweden and internationally. Based on this, a raise of the fees to the Board of Directors is proposed as an adjustment to market practice, meaning that the fees shall amount to a total of SEK 8,500,000 (remuneration for committee work not included) which shall be distributed among the members of the Board of Directors as follows; SEK 2,700,000 to the Chairman, SEK 1,000,000 to the Vice Chairman and SEK 800,000 to each of the other members of the Board of Directors elected by the Annual General Meeting. As remuneration for the committee work, the Chairman of the Audit Committee is to receive SEK 325,000, the Chairman of the Remuneration Committee SEK 150,000, members of the Audit Committee (the Chairman excluded) SEK 225,000 each, and member of the Remuneration Committee (the Chairman excluded) SEK 75,000.
- Fees to the Auditor according to contract.
- Re-election of Lars Renström, Carl Douglas, Eva Karlsson, Lena Olving, Sofia Schörling Högberg and Joakim Weidemanis as members of the Board of Directors. Birgitta Klasén and Jan Svensson have declined re-election.
- Election of Johan Hjertonsson and Susanne Pahlén Åklundh as new members of the Board of Directors.
- Re-election of Lars Renström as Chairman of the Board of Directors and Carl Douglas as Vice Chairman.
- Re-election of the registered audit firm Ernst & Young AB as Auditor for the time period until the end of the Annual General Meeting 2022, in accordance with the Audit Committee's recommendation. Ernst & Young AB has notified that, provided that the Nomination Committee's proposal is adopted by the Annual General Meeting, authorized public accountant Hamish Mabon will remain appointed as auditor in charge.

Johan Hjertonsson is born 1968 and holds a Master of Science in Business and Economics. Since 2019, Johan is President and CEO of Investment AB Latour. Previously he was President and CEO of AB Fagerhult and Lammhults Design Group AB and has held numerous management positions within the Electrolux Group. Johan is also Chairman of Nederman Holding AB, Swegon Group AB, Hultafors Group AB, Nord-Lock International AB, Caljan AS, Alimak Group AB and Latour Industries AB as well as board member of Sweco AB and Investment AB Latour.

Susanne Pahlén Åklundh is born 1960 and holds a Master of Science in Engineering. Since 2017, Susanne is President of the Energy Division at Alfa Laval AB. She has held numerous management positions within the Alfa Laval Group since 2009, which include President of the Equipment Division, Head of Mid Europe and Nordic, and Head of the Process Industry segment.

More detailed information regarding the proposed members of the Board of Directors can be found in the Nomination Committee's proposal which is available at the company's website www.assaabloy.com.

Item 12 – Resolution on approval of remuneration report

The Board of Directors proposes that the Annual General Meeting resolves to approve the Board of Directors' report on remuneration pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

Item 13 – Resolution regarding 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 percent 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 14.

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 13 requires an approval of shareholders representing at least two-thirds of both the votes cast and the shares represented at the Annual General Meeting to be valid.

Item 14 – Resolution regarding 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 2021). LTI 2021 is based on the same principles as LTI 2018, LTI 2019 and LTI 2020.

LTI 2021 is proposed to include a maximum of 115 senior executives and key employees within the ASSA ABLOY Group. In order to participate in LTI 2021 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 2021, 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 2021 is to strengthen the ASSA ABLOY Group's ability to retain and recruit competent employees, to contribute to ASSA ABLOY providing a total remuneration that is on market conditions and competitive, and to align the interests of the shareholders with the interests of the employees concerned. Through a share-based long-term incentive program, the employees' remuneration is tied to ASSA ABLOY's future earnings and value growth. In light of the above, the Board of Directors believes that the implementation of LTI 2021 will have a positive effect on the long-term value growth of the Group, including its sustainability, and consequently that LTI 2021 is beneficial to both the shareholders and the company.

Personal investment

In order to participate in LTI 2021, 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 percent (all participants) and a maximum of 15 percent (CEO and other senior executives) or 10 percent (other participants), respectively, of the participant's fixed 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 2021, the personal investment shall be made as soon as possible, but no later than before the next Annual General Meeting.

For employees who have not participated in previous LTI programs, the participation in LTI 2021 is in addition subject to renunciation of customary salary review for the year 2021.

Participants in LTI 2021 and allocation

LTI 2021 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 2021, the company will grant six performance awards. For each Series B share that other senior executives (currently nine individuals) purchase under LTI 2021, each such individual will be awarded five performance awards. For each Series B share that other participants (approximately 105 individuals) purchase under LTI 2021, 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 2021 – 31 December 2023, where each year during the measurement period is compared to the previous year. The outcome is calculated yearly, whereby one third of the performance awards is measured against the outcome for 2021, one third is measured against the outcome for 2022 and one third is measured against the outcome for 2023.

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

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 2023.

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 Annual General Meeting 2021.
- 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 2024 still is employed by the ASSA ABLOY Group and has maintained the personal investment purchased under LTI 2021.
- 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 by 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 2021, 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 2021 no longer are appropriate.

In the event that the Board of Directors considers that the delivery of Series B shares under LTI 2021 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 2021 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 percent (CEO), 75 percent (other senior executives) or 40 percent (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 percent (CEO and other senior executives) or 10 percent (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 Series B 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 2021. The total number of outstanding shares in the company amounts to 1,112,576,334 shares.

Provided that the share price for the company's Series B share is traded at around SEK 234 at the time of allotment of performance awards under LTI 2021, LTI 2021 will, in accordance with the principles and assumptions set out above, comprise a maximum of 600,000 Series B shares in total, which corresponds to approximately 0.1 percent of the total outstanding shares and votes in the company.

LTI 2021 shall be expensed as personnel costs over the vesting period. Provided that the performance based condition is fully achieved, the cost for LTI 2021 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 executives and persons in senior managerial positions, which may be further increased through LTI 2021, outweighs the costs related to LTI 2021.

Delivery of shares under LTI 2021

To ensure the delivery of Series B shares under LTI 2021, 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 2021.

Preparation of the proposal

LTI 2021 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 2021 has been prepared by the Remuneration Committee and reviewed at meetings of the Board of Directors.

Previous incentive programs

The company's other share-based incentive programs, LTI 2018, LTI 2019 and LTI 2020 are based on the same principles as LTI 2021. For a description of LTI 2018, LTI 2019 and LTI 2020, reference is made to the Annual Report 2020, Note 34, and the company's website www.assaabloy.com.

Shares and votes

The total number of shares in the company at the time for the notice to the Annual General Meeting amount to 1,112,576,334 shares, of which 57,525,969 are Series A shares and 1,055,050,365 Series B shares, which is equivalent to a total of 1,630,310,055 votes. ASSA ABLOY AB is holding at the time of the notice to the Annual General Meeting, 1,800,000 own Series B shares, corresponding to 1,800,000 votes that may not be represented at the Annual General Meeting.

Documentation and additional information

The complete proposals of the Nomination Committee with respect to items 8–11 above, including the Nomination Committee's motivated statement, are available at the company's website www.assaabloy.com. The financial statements, the auditor's report, the Board of Directors' complete proposals including the Board of Directors' statements pursuant to Chapter 18, Section 4 and Chapter 19, Section 22 of the Swedish Companies Act, the Board of Directors' report on remuneration pursuant to Chapter 8, Section 53 a of the Swedish Companies Act, and the auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act regarding guidelines for remuneration to senior executives, are presented by being available at the company and on the company's website www.assaabloy.com no later than Wednesday 7 April 2021. Copies of the documents will be sent free of charge to shareholders who so request and state their address to the company. The shareholders' register for the General Meeting will be available at ASSA ABLOY AB, Klarabergsviadukten 90, SE-111 64 Stockholm, Sweden.

Processing of personal data

For information on how your personal data is processed, see:

<https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>

Stockholm in March 2021
The Board of Directors
ASSA ABLOY AB (publ)

For more information, please contact:

Nico Delvaux, President and CEO, tel. no: +46 8 506 485 82

Erik Pieder, CFO and Executive Vice President, tel. no: +46 8 506 485 72

Björn Tibell, Head of Investor Relations, tel. no: +46 70 275 67 68

About ASSA ABLOY

The ASSA ABLOY Group is the global leader in access solutions. The Group operates worldwide with 48,000 employees and sales of SEK 88 billion. The Group has leading positions in areas such as efficient door openings, trusted identities and entrance automation. ASSA ABLOY's innovations enable safe, secure and convenient access to physical and digital places. Every day, we help billions of people experience a more open world.