

Notice of Annual General Meeting in ASSA ABLOY AB

The shareholders of ASSA ABLOY AB (Reg. No. 556059-3575) are hereby invited to attend the Annual General Meeting to be held on Wednesday 24 April 2024 at 3.30 p.m., at 7A Posthuset, Vasagatan 28, 111 20 Stockholm, Sweden. Registration for the Annual General Meeting starts at 2.30 p.m.

Right to participate and notification

A person has the right to participate at the Annual General Meeting if the person:

- is recorded as a shareholder in the share register kept by Euroclear Sweden AB on Tuesday 16 April 2024, and
- has given notice of its participation to ASSA ABLOY AB no later than Thursday 18 April 2024. Notice of participation shall be given on the company's website assaabloy.com/general-meeting, by telephone +46 8-402 90 71 or in writing by mail to ASSA ABLOY AB, "2024 Annual General Meeting", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden.

The notification must state name, personal or corporate identification number, address, telephone number and names of any assistants attending.

Proxy

If the shareholder is represented by proxy, a written and dated power of attorney signed by the shareholder must be enclosed to the notification and be presented in original at the latest at the Annual General Meeting. Proxy form is available upon request and on the company's website assaabloy.com/general-meeting. If the proxy is issued by a legal entity, a certificate of incorporation or equivalent authorization document must be enclosed.

Nominee registered shares

Shareholders whose shares are nominee registered through a bank or other nominee must, in addition to giving notice of participation, 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 in the Annual General Meeting. The shareholders' register for the General Meeting as of the record date Tuesday 16 April 2024 will take into account voting right registrations completed no later than Thursday 18 April 2024. 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.

Agenda

1. Opening of the Annual General Meeting.
2. Election of Chairman of the Annual General Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of two persons to check the Annual General Meeting minutes.
6. Determination of whether the Annual General Meeting has been duly convened.
7. Speech by the President and CEO, Mr. Nico Delvaux.
8. Presentation of:
 - a) the Annual Report and the Auditor's Report as well as the Consolidated Accounts and the Auditor's Report for the Group,
 - b) the Auditor's statement regarding whether the guidelines for remuneration to senior executives have been complied with, and
 - c) the Board of Directors proposal regarding distribution of profits and motivated statement.
9. 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.
10. Determination of the number of members of the Board of Directors.
 11. Determination of:
 - a) fees to the Board of Directors,
 - b) fees to the Auditor.
 12. Election of Board of Directors, Chairman of the Board of Directors and Vice Chairman of the Board of Directors.
 13. Election of Auditor.
 14. Resolution on approval of remuneration report.
 15. Resolution regarding authorization to repurchase and transfer Series B shares in the company.
 16. Resolution regarding long-term incentive program.
 17. Closing of the Annual General Meeting.

Item 2 – Election of Chairman of the Annual General Meeting

The Nomination Committee, appointed in accordance with the instructions for the Nomination Committee resolved by the 2023 Annual General Meeting and consisting of Chairman Johan Menckel (Investment AB Latour), Mikael Ekdahl (Melker Schörling AB), Marianne Nilsson (Swedbank Robur Fonder), Yvonne Sörberg (Handelsbanken Fonder) and Carina Silberg (Alecta), proposes that Johan Hjertnsson is elected Chairman of the Annual General Meeting.

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

The Board of Directors proposes a dividend of SEK 5.40 per share. The dividend is proposed to be paid in two equal installments, the first with the record date Friday 26 April 2024 and the second with the record date Monday 11 November 2024. If the proposal is adopted by the Annual General Meeting, the first installment is estimated to be paid on Thursday 2 May 2024 and the second installment on Thursday 14 November 2024.

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 assaabloy.com/general-meeting.

Items 10–13 – 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 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.
- Fees to the Board of Directors shall amount to a total of SEK 9,945,000 (remuneration for committee work not included) which shall be distributed among the members of the Board of Directors as follows; SEK 3,160,000 to the Chairman, SEK 1,175,000 to the Vice Chairman and SEK 935,000 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 440,000, the Chairman of the Remuneration Committee SEK 180,000, members of the Audit Committee (the Chairman excluded) SEK 300,000 each, and member of the Remuneration Committee (the Chairman excluded) SEK 90,000.
- Fees to the Auditor according to contract.

- Re-election of Johan Hjertonsson, Carl Douglas, Erik Ekudden, Sofia Schörling Högberg, Lena Olving, Victoria Van Camp, Joakim Weidemanis and Susanne Pahlén Åklundh as members of the Board of Directors.
- Re-election of Johan Hjertonsson 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 2025 Annual General Meeting, 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.

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 assaabloy.com/general-meeting.

Item 15 – 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 16.

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 assaabloy.com/general-meeting.

The proposal in this Item 15 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 16 – 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 2024). LTI 2024 is based on similar principles as LTI 2021, LTI 2022 and LTI 2023, but with removal of the requirement of renunciation of customary salary review for employees who have not participated in previous LTI programs.

LTI 2024 is proposed to include a maximum of 225 senior executives and key employees within the ASSA ABLOY Group, which entails an increase of 75 participants compared to the latest long-term incentive program. The Board of Directors considers the broadening of the participant base to be motivated due to an increase of the number of employees in the ASSA ABLOY Group and changes in the organizational structure. In order to participate in LTI 2024 the participants will have to hold Series B shares in ASSA ABLOY within the scope of LTI 2024 (saving shares). For every saving share held, 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 2024 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 2024 will have a positive effect on the long-term value growth of the Group, including its sustainability, and consequently that LTI 2024 is beneficial to both the shareholders and the company.

Personal investment in saving shares

In order to participate in LTI 2024, the participants must hold saving shares. The saving shares can either be Series B shares in ASSA ABLOY that have vested or been used as saving shares under LTI 2021 or previous years' long-term incentive programs, or Series B shares in ASSA ABLOY purchased on the market in connection with the notification to participate in LTI 2024.

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 2024, the personal investment shall be made as soon as possible, but no later than before the next Annual General Meeting.

Participants in LTI 2024 and allocation

LTI 2024 is proposed to include a maximum of 225 senior executives and key employees within the ASSA ABLOY Group, divided in three categories.

For each saving share that the CEO of the Group holds under LTI 2024, the company will grant six performance awards. For each saving share that other senior executives (currently nine individuals) hold under LTI 2024, each such individual will be awarded five performance awards. For each saving share that other participants (215 individuals) hold under LTI 2024, 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 2024 – 31 December 2026, 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 2024, one third is measured against the outcome for 2025 and one third is measured against the outcome for 2026.

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 2026.

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 2024 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 2027 still is employed by the ASSA ABLOY Group and has maintained the saving shares held under LTI 2024.
- 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 vested 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 2024, 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 2024 no longer are appropriate.

In the event that the Board of Directors considers that the delivery of Series B shares under LTI 2024 cannot be achieved at reasonable cost, with reasonable administrative efforts or due to specific market conditions, participants may instead be offered a cash settlement.

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

Scope and cost of the program

LTI 2024 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 participant's annual base salary (excluding social security costs). Such outcome is subject to a maximum personal investment, meaning that the participant must hold saving shares at a value that corresponds to 15 percent (CEO and other senior executives) or 10 percent (other participants), respectively, of the participant's annual base salary and that the performance based condition has been fully achieved. Full vesting is further subject to the saving shares being retained and that the participant, with some exceptions, is still employed during the vesting period.

The total number of saving shares, which corresponds to the participant's total maximum personal investment, and thus the total number 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 2024. 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 308 at the time of allotment of performance awards under LTI 2024, LTI 2024 will, in accordance with the principles and assumptions set out above, comprise a maximum of 825,000 Series B shares in total, which corresponds to approximately 0.1 percent of the total outstanding shares and votes in the company.

LTI 2024 shall be expensed as a personnel cost over the vesting period. Provided that the performance based condition is fully achieved, the cost for LTI 2024 before tax is, in accordance with the principles and assumptions set out above, estimated to approximately SEK 237 million, allocated over the vesting period. Estimated social security costs and financing cost are included in the 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 2024, outweigh the costs related to LTI 2024.

Delivery of shares under LTI 2024

To ensure the delivery of Series B shares under LTI 2024, 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 2024. The cost for this agreement is currently estimated to approximately SEK 2 million assuming that the performance based condition is fully achieved.

Preparation of the proposal

LTI 2024 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 2024 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 2021, LTI 2022 and LTI 2023 are based on the similar principles as LTI 2024. For a description of LTI 2021, LTI 2022 and LTI 2023, reference is made to the Annual Report 2023, Note 35, and the company's website www.assaabloy.com/group/en.

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.

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, at the Annual General Meeting 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 and the Group accounts.

Documentation etc.

The Nomination Committee's complete proposals including motivated statement, are available at the company and on the company's website assaabloy.com/general-meeting.

The Annual Report, the Auditor's Report, the Board of Directors' remuneration report and all other documentation to be held available according to the Swedish Companies Act will be available at the company and on the company's website assaabloy.com/general-meeting no later than three weeks before the Annual General Meeting.

Copies of the documents will be sent free of charge to shareholders who so request and state their address to the company.

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>

This notice is a translation of the Swedish notice and in case of any deviations between the language versions, the Swedish version shall prevail.

Welcome!

Stockholm in March 2024
The Board of Directors
ASSA ABLOY AB (publ)