

# Press Release

20 March 2012  
No: 05/12

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

*The shareholders of ASSA ABLOY AB are hereby invited to attend the Annual General Meeting to be held on Wednesday 25 April 2012 at 3.00 p.m., at Moderna Museet, Skeppsholmen, Stockholm.*

### **Notice of Attendance etc.**

Shareholders who wish to attend the Annual General Meeting must:

- be recorded in the share register kept by Euroclear Sweden AB on Thursday 19 April 2012, and
- notify the company of their intent to attend no later than Thursday 19 April 2012. Notice of attendance can be given on [www.assaabloy.com](http://www.assaabloy.com), by telephone +46 8 506 485 14 or in writing by mail 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 or corporate identification number, address, telephone number, number of shares and names of assistants attending, if any. The information given in the notice of attendance will be data processed and used only in connection with the Annual General Meeting 2012. An entrance card, to be shown at the registration for the Annual General Meeting, will be sent as confirmation of the notice of attendance.

Shareholders whose shares are nominee registered through a bank or other nominee, must, in addition of giving notice of attendance, request that their shares be temporarily registered in their own name in the share register kept by Euroclear Sweden AB in order to have the right to attend the Annual General Meeting. Such registration must be effected on Thursday, 19 April 2012, and shareholders should inform their bank or other nominee well in advance of this date. If participation is by proxy, the proxy should be submitted in connection with the notice of attendance and must be presented in original at the latest at the Annual General Meeting. Proxy forms are available on [www.assaabloy.com](http://www.assaabloy.com).

### **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 whether the Meeting has been duly convened.
7. Report by the President and CEO, Mr. Johan Molin.

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8. Presentation of:
  - a) the Annual Report and the Audit Report as well as the Consolidated Accounts and the Audit Report for the Group,
  - b) the Group Auditor's Report regarding whether there has been compliance with the remuneration guidelines adopted on the 2011 Annual General Meeting,
  - c) the Board of Directors proposal regarding distribution of earnings 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,
  - 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 fees to the Board of Directors and Auditors.
12. Election of the Board of Directors, Chairman of the Board of Directors and Vice Chairman of the Board of Directors.
13. Election of members of the Nomination Committee and determination of the assignment of the Nomination Committee.
14. Resolution regarding guidelines for remuneration to senior management.
15. Resolution regarding authorisation to repurchase and transfer Series B shares in the company.
16. Resolution regarding long term incentive programme.
17. Closing of the Meeting.

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

The Nomination Committee, consisting of Chairman Mikael Ekdahl (Melker Schöring AB), Gustaf Douglas (Investment AB Latour), Liselott Ledin (Alecta), Marianne Nilsson (Swedbank Robur fonder) and Per-Erik Mohlin (SEB Fonder/SEB Trygg Liv), proposes that Gustaf Douglas 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 4.50 per share. As record date for the dividend, the Board of Directors proposes Monday 30 April 2012. Subject to resolution by the Annual General Meeting in accordance with the proposal, the dividend is expected to be distributed by Euroclear Sweden AB on Friday 4 May 2012.

## **Items 10-12 – Determination of the number of members of the Board of Directors, determination of fees to the Board of Directors and the Auditors as well as election of the Board of Directors, Chairman of the Board of Directors and Vice Chairman of the Board of Directors**

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

- The number of members of the Board of Directors shall be eight.

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- Fees to the Board of Directors shall amount to a total of SEK 4,600,000 (remuneration for committee work not included) to be distributed among the members of the Board of Directors as follows; SEK 1,350,000 to the Chairman, 750,000 to the Vice Chairman and SEK 500,000 to each of the other members of the Board of Directors appointed by the Annual General Meeting and not employed by the company. As remuneration for the committee work, the Chairman of the Audit Committee is to receive SEK 200,000, the Chairman of the Remuneration Committee SEK 100,000, other members of the Audit Committee SEK 100,000 each, and other member of the Remuneration Committee SEK 50,000.
- Fees to the Auditors according to contract.
- Re-election of Carl Douglas, Birgitta Klasén, Eva Lindqvist, Johan Molin, Sven-Christer Nilsson, Lars Renström and Ulrik Svensson as members of the Board of Directors. Gustaf Douglas has declined re-election.
- Election of Jan Svensson as new member of the Board of Directors.
- Election of Lars Renström as new Chairman of the Board of Directors and Carl Douglas as new Vice Chairman of the Board of Directors.

*Jan Svensson*, born 1956, Mechanical Engineer and Bachelor of Science in Business Administration and Economics. President and CEO of Investment AB Latour since 2003. He is also the Chairman of AB Fagerhult, Nederman Holding AB and Oxeon AB as well as board member of Loomis AB and Tomra Systems ASA.

## **Item 13 – Election of members of the Nomination Committee and determination 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 2013, shall be Gustaf Douglas (Investment AB Latour), Mikael Ekdahl (Melker Schörling AB), Liselott Ledin (Alecta), Marianne Nilsson (Swedbank Robur fonder) and Per-Erik Mohlin (SEB Fonder/SEB Trygg Liv). Gustaf Douglas shall be appointed Chairman of the Nomination Committee.
- If a shareholder represented by one of the members of the Nomination Committee ceases to be among the major shareholders of ASSA ABLOY AB, the Nomination Committee shall be entitled to appoint another representative of one of the major shareholders to replace such a member. The same applies if a member of the Nomination Committee ceases to be employed by such a shareholder or leaves the Nomination Committee before the Annual General Meeting 2013 for any other reason.
- The Nomination Committee shall, before the Annual General Meeting 2013, prepare and submit proposals for; election of Chairman of the Annual General Meeting, election of Chairman, Vice Chairman and other members of the Board of Directors, fees to the Board of Directors (including distribution of fees among the Chairman, Vice Chairman

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and the other members of the Board of Directors and remuneration for committee work).

## **Item 14 – Resolution regarding guidelines for remuneration to senior management**

The Board of Directors proposes that the Annual General Meeting adopts guidelines for the remuneration and other employment conditions of the President and CEO and other members of the ASSA ABLOY Executive Team mainly in accordance with the following.

The basic principle is that the remuneration and other employment conditions 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 the Executive Team should consist of basic salary, variable components in the form of annual and long term variable remuneration, other benefits and pension. The basic salary should 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 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 per cent of the basic salary (excluding social security expenses).

In addition, the Executive Team should, within the framework of the Board of Directors' proposal for a long term incentive program, in Item 16, have the opportunity to receive variable remuneration in the form of shares based on an interval defined by the Board of Directors regarding the development of earnings per share during 2012. This remuneration model also includes the right, when purchasing a share, to receive a free matching share from the company under certain conditions. This remuneration shall, if the share price is unchanged, be equivalent to maximum 75 per cent of the basic salary (excluding costs for social security expenses).

All members of the Executive Team should be covered by defined contribution pension plans. If the CEO is given notice, the company is liable to pay the equivalent of 24 months' 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 six months' basic salary and other employment benefits plus an additional 12 months' basic salary.

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

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

The Board of Directors proposes that the Annual General Meeting 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 Annual General Meeting. 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 Annual General Meeting 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 Annual General Meeting, 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. 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, among other things, to make possible the ability 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 proposal in Item 15 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.

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

The Board of Directors proposes that the Annual General Meeting resolves to implement a new long term incentive programme for senior executives and key employees within the ASSA ABLOY Group ("LTI 2012") mainly in accordance with the following.

LTI 2012 is proposed to include approximately 90 senior executives and key employees within the ASSA ABLOY Group. LTI 2012 entails that the participants will invest in Series B shares in ASSA ABLOY at market price, in an amount corresponding to maximum 15 per cent (CEO and other senior executives) or 10 per cent (other participants), respectively, of the participants basic salary. Such personal investment will thereafter be matched by the

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company through granting of so called matching awards and performance awards, in accordance with the terms stipulated below.

The purpose of LTI 2012 is to retain and recruit competent employees, provide competitive remuneration and to align the interests of the senior executives and key employees with the interests of the shareholders. In light of the above, the Board of Directors believes that implementation of LTI 2012 will have a positive effect on the development of the Group and consequently that LTI 2012 is beneficial to both the shareholders and the company.

The participation in LTI 2012 of employees who have not participated in previous LTI programs is subject to renunciation of customary salary review for the year 2012.

For each Series B share the CEO purchases under LTI 2012, he will be granted one matching award and four performance awards. For each Series B share other senior executives (currently eight individuals) purchase under LTI 2012, 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 2012, 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, with some exceptions, at the time of release of ASSA ABLOY's interim report for the first quarter 2015, still is employed by the ASSA ABLOY Group and has maintained the shares purchased under LTI 2012. 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 2012, 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 2012, 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.

LTI 2012 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 75 per cent (CEO), 60 per cent (other senior executives) or 20 per cent (other participants), respectively, of the participants annual basic 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 15 per cent (CEO and other senior executives) or 10 per cent (other participants), respectively, of the participants basic salary, maintain the initially purchased shares and still be employed

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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 2012, depends on the share price for the company's Series B share at the time of implementing LTI 2012. Provided that the share price for the company's Series B share is traded at around SEK 200 when LTI 2012 is implemented, LTI 2012 will, in accordance with the above principles and assumptions, comprise maximum 290,000 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 2012 is estimated to approximately SEK 58 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 2012, 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 2012.

## **Shares and votes**

The total number of shares in the company at the time for the notification to the Annual General Meeting amount to 368,250,378 shares, of which 19,175,323 are shares of Series A and 349,075,055 shares of Series B, which is equivalent to a total of 540,828,285 votes. ASSA ABLOY is holding at the time of the notification to the Annual General Meeting, 400,000 own shares of Series B, corresponding to 400,000 votes that may not be represented at the Annual General Meeting.

## **Shareholders' right to request information**

The shareholders are reminded of their right to request information from the Board of Directors and the CEO at the Annual General Meeting in respect of circumstances which may affect the assessment of a matter on the agenda or circumstances which may affect the company's financial position.

## **Additional Information**

The Annual Report and the Audit Report 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) latest on 4 April 2012. Copies of the documents will be sent free of charge to shareholders who so request and state their address and will be available at the Annual General Meeting.

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## **Welcome!**

Stockholm in March 2012  
The Board of Directors  
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