

**Shareholders
by the AGM**

**General Meetings of
shareholders**

The decision-making rights of shareholders in Electrolux are exercised at shareholders' meetings. The Annual General Meeting (AGM) of Electrolux is held in Stockholm, Sweden, during the first half of the year.

The AGM resolves upon:

- The adoption of the annual report
- Dividend
- Election of Board members and, if applicable, auditors
- Remuneration to Board members and auditors
- Guidelines for remuneration to Group Management
- Other important matters

Extraordinary General Meetings (EGM) may be held at the discretion of the Board or, if requested, by the auditors or by shareholders owning at least 10% of the shares.

Participation in decision-making requires the shareholder's presence at the meeting, either personally or through a proxy. In addition, the shareholder must be registered in the share register by a stipulated date prior to the meeting and must provide notice of participation in the manner prescribed. Additional requirements for participation apply to shareholders with holdings in the form of American Depositary Receipts (ADR) or similar certificates. Holders of such certificates are advised to contact the ADR depository bank, the fund manager or the issuer of the certificates in good time before the meeting in order to obtain additional information.

Individual shareholders requesting that a specific issue be included in the agenda of a shareholders' meeting can normally request the Electrolux Board to do so well in advance to the meeting via an address provided on the Group's website.

Decisions at the meeting are usually taken on the basis of a simple majority. However, as regards certain issues, the Swedish Companies Act stipulates that proposals must be approved by shareholders representing a larger number of votes than the number of votes cast and shares represented at the meeting.

Annual General Meeting 2010

The AGM on March 30, 2010, was attended by shareholders representing a total of 40.1% of the share capital and 53.1% of the voting rights in the company. The President's speech was broadcasted live via the Group's website and is also presented on www.electrolux.com/corporate-governance, together with the minutes and resolutions. The meeting was held in Swedish, with simultaneous interpretation into English.

The AGM decided to adopt the Boards proposed dividend of SEK 4.00 per share for 2009. Lorna Davis was elected new Board member and PricewaterhouseCoopers AB was re-elected auditors for the period until the Annual General Meeting in 2014.

Marcus Wallenberg was re-elected as Chairman. The meeting also adopted the Board's proposed guidelines for remuneration

to the Group Management of Electrolux, as well as the scope and main principles of the performance-based, long-term Electrolux share program 2010.

All Board members, as well as the Group's auditor in charge, were present at the meeting.

Annual General Meeting 2011

The next AGM of Electrolux will be held on March 31, 2011, at the Berwald Hall, Stockholm, Sweden.

For additional information on the next AGM, see page 98.

**Board of
Directors**

The Board of Directors

The Board of Directors has the overall responsibility for Electrolux organization and administration.

Composition of the Board

The Electrolux Board was from the AGM in 2010 comprised of ten members without deputies, who are elected by the AGM, and three members with deputies, who are appointed by the Swedish employee organizations in accordance with Swedish labor law.

The AGM elects the Chairman of the Board. Directly after the AGM, the Board holds a meeting for formal constitution at which the Deputy Chairman of the Board is elected, among other things. The Chairman of the Board of Electrolux is Marcus Wallenberg and the Deputy Chairman is Peggy Bruzelius.

All members of the Board, except for the President, are non-executive members. Four of the ten Board members are not Swedish citizens.

In September 2010, Hans Stråberg notified that he intended to leave Electrolux after 27 years with the company and nine years as President and CEO. He resigned as President and Chief Executive Officer and Board member of Electrolux on December 31, 2010.

For additional information regarding the Board of Directors, see page 88. The information is updated regularly at the Group's website, www.electrolux.com/board-of-directors.

Independence

The Board is considered to be in compliance with relevant requirements for independence.

Marcus Wallenberg has been considered independent in relation to the company and the administration of the company, but not in relation to major shareholders of Electrolux. Hans Stråberg has been deemed to be independent in relation to major shareholders of Electrolux, but not, in his capacity as President and CEO, in relation to the company and the administration of the company. Hans Stråberg has no major shareholdings, nor is he a part-owner in companies having significant business relations with Electrolux. As previously mentioned, Hans Stråberg left the Board on December 31, 2010. He was the only member of Group Management with a seat on the Board.

The Board's tasks

The main task of the Board is to manage the Group's operations in such a manner as to assure the owners that their interests, in

Composition of the Board¹⁾

	Nationality	Independence ²⁾	Audit Committee	Remuneration Committee	Total remuneration, SEK ³⁾
Marcus Wallenberg, Chairman of the Board	SE	No		●	1,655 000
Peggy Bruzelius, Deputy Chairman of the Board	SE	Yes	●		750,000
Lorna Davis	AUS	Yes			475,000
Hasse Johansson	SE	Yes			475,000
John S. Lupo	US	Yes			475,000
Johan Molin	SE	Yes		●	530,000
Hans Stråberg, President and CEO	SE	No			—
Caroline Sundewall	SE	Yes	●		560,000
Torben Ballegaard Sørensen	DK	Yes	●		560,000
Barbara Milian Thoralfsson	US	Yes		●	595,000
Ola Bertilsson, Employee representative	SE	—			—
Gunilla Brandt, Employee representative	SE	—			—
Ulf Carlsson, Employee representative	SE	—			—
Total					6,075,000

- Chairman
- Member

1) For the period from the AGM 2010 to the AGM 2011 except for Hans Stråberg who resigned as Board member on December 31, 2010.

2) For additional information, see Independence on page 86.

3) The Board of Directors can receive part of the remuneration in the form of synthetic shares. For additional information, see Remuneration to Board members on page 89.

terms of a long-term good return on capital, are being met in the best possible manner. The Board's work is governed by rules and regulations including the Swedish Companies Act, the Articles of Association, the Code and the working procedures established by the Board. The Articles of Association of Electrolux are available on the Group's website, www.electrolux.com/corporate-governance.

The Board deals with and decides on Group-related issues such as:

- Main goals
- Strategic orientation
- Essential issues related to financing, investments, acquisitions and divestments
- Follow-up and control of operations, communication and organization, including evaluation of the Group's operational management
- Appointment of and, if necessary, dismissal of the President
- Overall responsibility for establishing an effective system of internal control and risk management
- Important policies

Working procedures and Board meetings

The Board determines its working procedures each year and reviews these procedures as required. The working procedures describe the Chairman's specific role and tasks, as well as the responsibilities delegated to the committees appointed by the Board.

In accordance with the procedures, the Chairman shall:

- Organize and distribute the Board's work
- Ensure that the Board discharges its duties
- Secure the efficient functioning of the Board
- Ensure that the Board's decisions are implemented efficiently
- Ensure that the Board evaluates its work annually

The working procedures for the Board also include detailed instructions to the President and other corporate functions regarding issues requiring the Board's approval. Among other things, these instructions specify the maximum amounts that various decision-making functions within the Group are authorized to approve as regards credit limits, capital expenditure and other expenditure.

The working procedures stipulate that the meeting for the formal constitution of the Board shall be held directly after the AGM. Decisions at this meeting include the election of Deputy Chairman and authorization to sign on behalf of the company. The Board normally holds six other ordinary meetings during the year. Four of these meetings are held in conjunction with publication of the Group's full-year report and interim reports. One or two meetings are held in connection with visits to Group operations. Additional meetings, including telephone conferences, are held when necessary.

The Board's work in 2010

During the year, the Board held eight scheduled meetings and one extraordinary meeting. All meetings except one were held in Stockholm, Sweden.

All Board meetings during the year followed an agenda, which, together with the documentation for each item on the agenda, was sent to Board members in advance of the meetings. Meetings usually last for half a day or one entire day in order to allow time for presentations and discussions. Cecilia Vieweg, Electrolux General Counsel, served as secretary at all of the Board meetings.

Each scheduled Board meeting includes a review of the Group's results and financial position, as well as the outlook for the forthcoming quarters, as presented by the President. The meetings also deal with investments and the establishment of new operations, as well as acquisitions and divestments. The Board decides on all investments exceeding SEK 100m and receives reports on all investments exceeding SEK 25m. Normally, the head of a sector also reviews a current strategic issue at the meeting.

Board of Directors and Auditors

Marcus Wallenberg

Chairman

Born 1956. B. Sc. of Foreign Service. Elected 2005. Member of the Electrolux Remuneration Committee.

Board Chairman of SEB, Skandinaviska Enskilda Banken AB, and Saab AB. Deputy Chairman of Telefonaktiebolaget LM Ericsson. Board Member of Astra Zeneca Plc, Stora Enso Oyj, the Knut and Alice Wallenberg Foundation and Temasek Holdings Limited. **Previous positions:** President and CEO of Investor AB, 1999–2005. Executive Vice-President of Investor AB, 1993–1999.

Holdings in AB Electrolux: 5,000 B-shares. Through company: 30,000 B-shares. Related party: 1,000 B-shares.

Peggy Bruzelius

Deputy Chairman

Born 1949. M. Econ. Hon. Doc. in Econ. Elected 1996. Chairman of the Electrolux Audit Committee.

Board Chairman of Lancelot Asset Management AB. Board Member of Axfood AB, Akzo Nobel nv, Husqvarna AB, Syngenta AG, Diageo Plc and the Association of the Stockholm School of Economics. **Previous positions:** Executive Vice-President of SEB, Skandinaviska Enskilda Banken AB, 1997–1998. President and CEO of ABB Financial Services AB, 1991–1997.

Holdings in AB Electrolux: 6,500 B-shares.

Lorna Davis

Born 1959. Bachelor of Social Science and Psychology. Elected 2010. President of Kraft Foods China since 2007. **Previous positions:** Senior positions within the food industry, mainly with Danone in China and the UK.

Holdings in AB Electrolux: 0 shares.

Hasse Johansson

Born 1949. M. Sc. in Electrical Engineering. Elected 2008.

Board Chairman of Dynamate Industrial Services AB, Lindholmen Science Park AB and Alelion Batteries AB. Board Member of Fouriertransform AB and Skylbergs Bruk AB. **Previous positions:** Executive Vice-President and Head of Research and Development of Scania CV AB, 2001–2009. Founder of Mecel AB (part of Delphi Corporation). Senior management positions with Delphi Corporation, 1990–2001. **Holdings** in AB Electrolux: 4,000 B-shares.

John S. Lupo

Born 1946. B. Sc. in Marketing. Elected 2007.

Board Member of Citi Trends Inc. and Cobra Electronics Corp., USA.

Previous positions: Principle of Renaissance Partners Consultants, 2000–2008. Executive Vice-President of Basset Furniture, 1998–2000. Chief Operating Officer of Wal-Mart International, 1996–1998. Senior Vice-President Merchandising of Wal-Mart Stores Inc., 1990–1996. **Holdings** in AB Electrolux: 1,000 ADR.

Johan Molin

Born 1959. B. Sc. in Econ. Elected 2007. Member of the Electrolux Remuneration Committee. President and CEO of ASSA ABLOY AB since 2005.

Board Member of ASSA ABLOY AB and Nobia AB. **Previous positions:** CEO of Nilfisk-Advance, 2001–2005. President of Industrial Air Division within Atlas Copco Airpower, Belgium, 1998–2001. Management positions within Atlas Copco, 1983–2001. **Holdings** in AB Electrolux: 1,000 B-shares.

Caroline Sundewall

Born 1958. M.B.A. Elected 2005. Member of the Electrolux Audit Committee. Independent Business consultant since 2001.

Board Chairman of Svolder AB and The Streber Cup Foundation.

Board Member of Ahlsell AB, Haldex AB, Lifco AB, Mertzig Asset Management, Påenggruppen AB, SJ AB, TradeDoubler AB and the Association of Exchange-listed Companies. **Previous positions:** Business commentator at Finanstidningen, 1999–2001. Managing editor of the business desk section at Sydsvenska Dagbladet, 1992–1999. Business controller at Ratos AB, 1989–1992. **Holdings** in AB Electrolux through company: 2,000 B-shares.

Torben Ballegaard Sørensen

Born 1951. M.B.A. Elected 2007. Member of the Electrolux Audit Committee.

Board Member of Egmont Fonden, LEGO A/S, Pandora Holding A/S, Systematic Software Engineering A/S, Tajco A/S, Årstiderne Architects A/S, Monberg-Thorsen A/S, Denmark, and VTI Technology OY, Finland. **Previous positions:** President and CEO of Bang & Olufsen a/s, 2001–2008. Executive Vice-President of LEGO A/S, 1996–2001. Managing Director of Computer Composition International, CCI-Europe, 1988–1996. Chief Financial Officer of Aarhus Stiftsbogtrykkerie, 1981–1988. **Holdings** in AB Electrolux: 800 B-shares.

Barbara Milian Thoralfsson

Born 1959. M.B.A., B.A. Elected 2003. Chairman of the Electrolux Remuneration Committee. Director of Fleming Invest AS, Norway, since 2005.

Board Member of SCA AB, Telenor ASA, Fleming Invest AS, and Norfolier AS. **Previous positions:** President of TeliSonera Norway, 2001–2005. President of Midelfart & Co, 1995–2001. Leading positions within marketing and sales, 1988–1995. **Holdings** in AB Electrolux through company: 10,000 B-shares.

Employee representatives, members

Ola Bertilsson

Born 1955. Representative of the Swedish Confederation of Trade Unions. Elected 2006. **Holdings** in AB Electrolux: 0 shares.

Gunilla Brandt

Born 1953. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2006. **Holdings** in AB Electrolux: 0 shares.

Ulf Carlsson

Born 1958. Representative of the Swedish Confederation of Trade Unions. Elected 2001. **Holdings** in AB Electrolux: 0 shares.

Employee representatives, deputy members

Gerd Almiöf

Born 1959. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2007. **Holdings** in AB Electrolux: 0 shares.

Peter Karlsson

Born 1965. Representative of the Swedish Confederation of Trade Unions. Elected 2006. **Holdings** in AB Electrolux: 0 shares.

Viveca Brinkenfeldt Lever

Born 1960. Representative of the Federation of Salaried Employees in Industry and Services. Elected 2010. **Holdings** in AB Electrolux: 0 shares.

Auditors

At the Annual General Meeting in 2010, PricewaterhouseCoopers AB (PwC) was re-elected as auditors for a four-year period until the Annual General Meeting in 2014.

Anders Lundin

PricewaterhouseCoopers AB

Born 1956. Authorized Public Accountant. Partner in Charge.

Other audit assignments: AarhusKarlshamn AB, AB Industrivärden, Loomis AB, Melker Schörling AB, Husqvarna AB and SCA AB. **Holdings** in AB Electrolux: 0 shares.

Björn Irlé

PricewaterhouseCoopers AB

Born 1965. Authorized Public Accountant. **Holdings** in AB Electrolux: 0 shares.

Secretary of the Board

Cecilia Vieweg

Born 1955. B. of Law. General Counsel of AB Electrolux. Secretary of the Electrolux Board since 1999. **Holdings** in AB Electrolux: 11,972 B-shares.

Changes in Board of Directors

Hans Stråberg, President and Chief Executive Officer of AB Electrolux during 2002–2010, left the company and the Board on December 31, 2010. As President and Chief Executive Officer he was succeeded by Keith McLoughlin from January 1, 2011.

Holdings in AB Electrolux as of December 31, 2010. The information is regularly updated at www.electrolux.com/board-of-directors.

Major issues addressed by the Board

- Keith McLoughlin has been appointed new President and Chief Executive Officer of Electrolux.
- Agreement to acquire a washing-machine plant in Ivano-Frankivsk in the Ukraine. The closing of the deal is expected to take place in the first quarter of 2011.
- A preliminary agreement to acquire Olympic Group in Egypt, which is the largest manufacturer of household appliances in the North African and Middle Eastern regions.
- Decision to improve efficiency at the washing-machine plant in Revin in France and at the cooker factory in Forli in Italy.
- Decision to close the cooker factory in L'Assomption in Quebec, Canada, during 2013 and to build a new cooker factory in Memphis, Tennessee, USA, to consolidate the production of cookers in North America.
- Decision to reduce Electrolux workforce within Major Appliances Europe by approximately 800 people in 2011 and 2012.

Ensuring quality in financial reporting

The working procedures determined annually by the Board include detailed instructions on the type of financial reports and similar information which are to be submitted to the Board. In addition to the full-year report, interim reports and the annual report, the Board reviews and evaluates comprehensive financial information regarding the Group as a whole and the entities within the Group.

The Board also reviews, primarily through the Group's Audit Committee, the most important accounting principles applied by the Group in financial reporting, as well as major changes in these principles. The tasks of the Audit Committee also include reviewing reports regarding internal control and financial reporting processes, as well as internal audit reports submitted by the Group's internal audit function, Management Assurance & Special Assignments.

The Group's external auditors report to the Board as necessary, but at least once a year. A minimum of one such meeting is held without the presence of the President or any other member of Group Management. The external auditors also attend the meetings of the Audit Committee.

The Audit Committee reports to the Board after each of its meetings. Minutes are taken at all meetings and are made available to all Board members and to the auditors.

Evaluation of the Board's activities

The Board evaluates its activities annually with regard to working procedures and the working climate, as well as regards the focus of the Board's work. This evaluation also focuses on access to and requirements of special competence in the Board. The evaluation is a tool for the development of the Board's work and also serves as input for the Nomination Committee's work.

A separate annual evaluation of the Chairman's work is performed under the leadership of the Deputy Chairman of the Board.

Remuneration to Board members

Remuneration to Board members is determined by the AGM and distributed to the Board members who are not employed by Electrolux. Remuneration to each Board member, in accordance with a resolution made at the AGM 2010, remained unchanged as follows:

Chairman of the Board	SEK 1,600,000
Deputy Chairman of the Board	SEK 550,000
Director	SEK 475,000
Chairman of the Audit Committee	SEK 200,000
Member of the Audit Committee	SEK 85,000
Chairman of the Remuneration Committee	SEK 120,000
Member of the Remuneration Committee	SEK 55,000

The AGM 2010 also resolved to approve the Nomination Committee's proposal to pay a part of the remuneration to the Board in the form of so-called synthetic shares. The aim of providing synthetic shares is to further enhance the connection between the owners' and the Directors' common interest of a good, long-term development for Electrolux. A synthetic share implies the right to receive, at a future point in time, payment of an amount equivalent to the market value of a B-share in the company at date of payment.

Board members who are not employed by Electrolux are not invited to participate in the Group's long-term incentive programs for senior managers and key employees. Remuneration to the President is proposed by the Remuneration Committee and determined by the Board.

For additional information on remuneration to Board members and synthetic shares, see Note 27.

Participation of the Board in 2010

	Board meetings	Committee meetings
Marcus Wallenberg	9/9	7/8
Peggy Bruzelius	9/9	5/5
Lorna Davis*	7/7	
Hasse Johansson	9/9	
John S. Lupo	9/9	
Johan Molin	8/9	8/8
Hans Stråberg	9/9	
Caroline Sundewall	9/9	5/5
Torben Ballegaard Sørensen	9/9	5/5
Barbara Milian Thoralfsson	8/9	8/8
Ola Bertilsson	9/9	
Gunilla Brandt	9/9	
Ulf Carlsson	8/9	

* Lorna Davis was appointed new Board member at the AGM in March, 2010.