

Remuneration Committee Audit Committee

Committees

The Board has established a Remuneration Committee and an Audit Committee. The major tasks of these committees are preparatory and advisory, but the Board may delegate decision-making powers on specific issues to the committees. The members and Chairmen of the Committees are appointed at the statutory Board meeting following election.

The Board has also determined that issues may be referred to ad hoc committees dealing with specific matters.

Remuneration Committee

One of the Remuneration Committee's primary tasks is to propose guidelines for the remuneration to the members of Group Management. The Committee also proposes the remuneration to the President and CEO, for resolution by the Board, and resolves on remuneration to other members of Group Management on proposal by the President.

The Remuneration Committee's tasks include:

- To prepare and evaluate remuneration guidelines for Group Management.
- To prepare and evaluate targets and principles for variable compensation.
- To prepare terms for pensions, notices of termination and severance pay as well as other benefits for Group Management.
- To prepare and evaluate Electrolux long-term incentive programs.

The Committee is comprised of three Board members: Barbara Milian Thoralfsson (Chairman), Johan Molin and Marcus Wallenberg. At least two meetings are convened annually. Additional meetings are held as needed.

In 2010, the Remuneration Committee held eight meetings. Significant issues addressed include preparation of a proposal for the remuneration to the new President and CEO, resolution on proposed remuneration to new members of Group Management, follow-up and evaluation of previously approved long-term incentive programs and remuneration guidelines for Group Management. In addition, a review of Electrolux remuneration guidelines, relative to the external job market were prepared.

The Head of Human Resources and Organizational Development participated in the meetings and was responsible for meeting preparations.

Audit Committee

The main task of the Audit Committee is to oversee the processes of Electrolux financial reporting and internal control in order to secure the quality of the Group's external reporting.

The Audit Committee's tasks include:

- To review the financial reporting.
- To monitor the effectiveness of the internal control, including risk management, concerning the financial reporting.
- To follow-up the activities of the internal audit function Management Assurance & Special Assignments as regards organization, recruiting, budgets, plans, results and audit reports.
- To oversee the external audit and evaluate the work of the external auditors.
- To review, and when appropriate, preapprove the external auditors' engagements in other tasks than audit services.
- To evaluate the objectivity and independence of the external auditors.

The Audit Committee is also tasked with supporting the Nomination Committee with proposals when electing external auditors and auditors' fees.

The Audit Committee is comprised of three Board members: Peggy Bruzelius (Chairman), Caroline Sundewall and Torben Ballegaard Sørensen. The external auditors report to the Committee at each ordinary meeting. At least three meetings are held annually. Additional meetings are held as needed.

In 2010, the Audit Committee held five meetings. Electrolux managers have also had regular contacts with the Committee Chairman between meetings regarding specific issues. The Group's Chief Financial Officer and the Head of Internal Audit have participated in all of the Audit Committee meetings. Cecilia Vieweg, General Counsel, has served as secretary at four of the five meetings.

External Audit

External auditors

The AGM in 2010 re-elected PricewaterhouseCoopers AB (PwC) as the Group's external auditors for a four-year period, until the AGM in 2014. Authorized Public Accountant Anders Lundin is the auditor in charge of Electrolux.

PwC provides an audit opinion regarding AB Electrolux, the financial statements of its subsidiaries, the consolidated financial statements for the Electrolux Group and the administration of AB Electrolux. The auditors also conduct a review of the report for the third quarter.

The audit is conducted in accordance with the Swedish Companies Act and the generally accepted Swedish auditing standards issued by FAR, which is the institute for the accountancy profession in Sweden (Swedish GAAS). The auditing standards issued by FAR are based on international auditing standards issued by the International Federation of Accountants (IFAC GAAS).

Audits of local statutory financial statements for legal entities outside of Sweden are performed as required by law or applicable regulations in the respective countries and as required by IFAC GAAS, including issuance of audit opinions for the various legal entities.

For additional information on the Group's auditors, see page 88. For details regarding fees paid to the auditors and their non-audit assignments in the Group, see Note 28.