

# Corporate governance report 2010

The Electrolux Group is comprised of approximately 150 companies with operations in over 50 countries. The parent company of the Group is AB Electrolux, a public Swedish limited liability company. The company's shares are listed on Nasdaq OMX Stockholm.

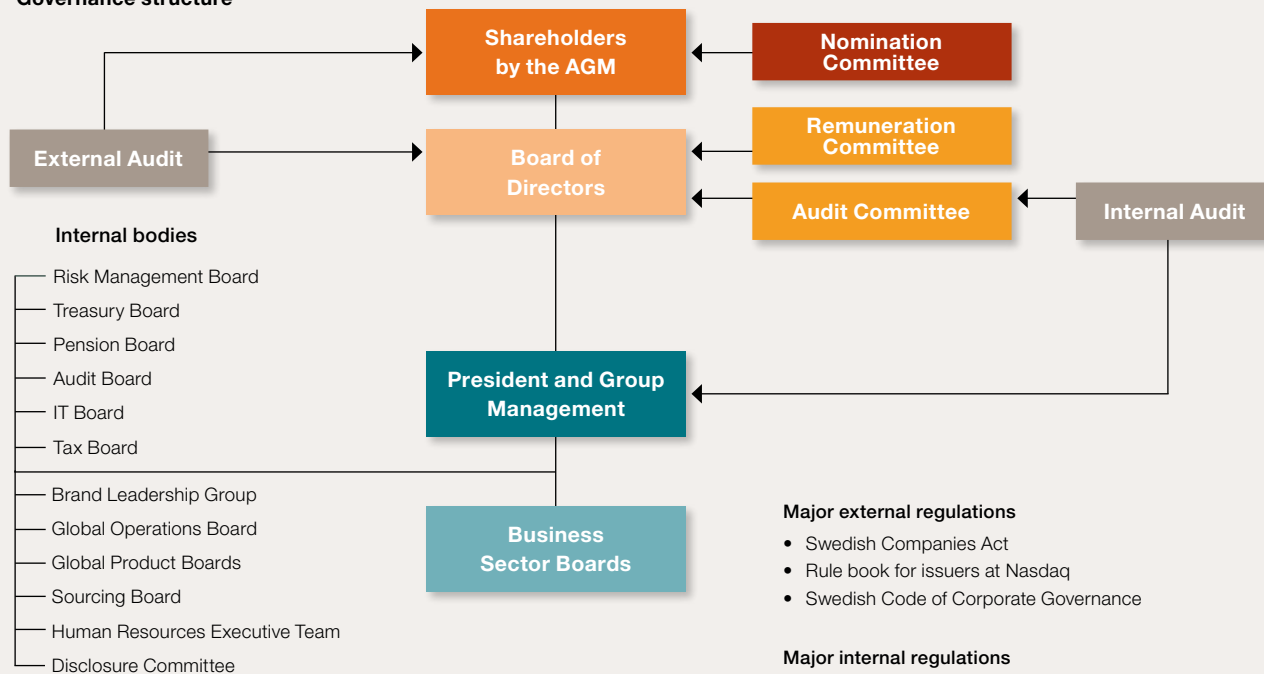
The governance of Electrolux is based on the Swedish Companies Act, the rule book for issuers at Nasdaq and the Swedish Code of Corporate Governance (the "Code"), as well as other relevant Swedish and foreign laws and regulations.

This corporate governance report has been drawn up as a part of Electrolux application of the Code. Electrolux does not report any deviations from the Code in 2010.

## HIGHLIGHTS

- Hans Stråberg left Electrolux at year-end after nine years as President and Chief Executive Officer. At the same time, he left the Board of Electrolux.
- Keith McLoughlin has been appointed new President and Chief Executive Officer as of January 1, 2011.
- Lorna Davis was elected new Board member at the Annual General Meeting on March 30, 2010.
- Henrik Bergström has been appointed head of Floor Care and Small Appliances and new Group Management member.
- Three new appointments in Group Management as of February 1, 2011, to accelerate Electrolux strategy.
- Electrolux B-share was delisted from London Stock Exchange on March 11, 2010.

## Governance structure



For further information regarding:

- Swedish Companies Act; [www.sweden.gov.se](http://www.sweden.gov.se)
- Nasdaq OMX Stockholm; [www.nasdaqomxnordic.com](http://www.nasdaqomxnordic.com)
- Swedish Code of Corporate Governance and specific features of Swedish corporate governance; [www.corporategovernanceboard.se](http://www.corporategovernanceboard.se)

## Major external regulations

- Swedish Companies Act
- Rule book for issuers at Nasdaq
- Swedish Code of Corporate Governance

## Major internal regulations

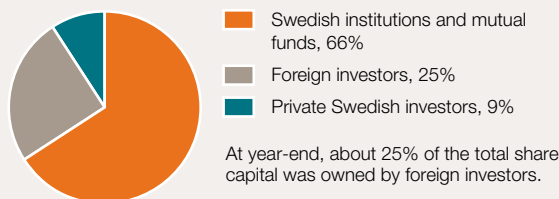
- Articles of Association
- Board of Directors' working procedures
- Policies for information, finance, credit, accounting manual, etc
- Processes for internal control and risk management
- Electrolux Code of Ethics, Policy on Bribery and Corruption and Workplace Code of Conduct

AB Electrolux (publ) is registered under number 556009-4178 with the Swedish Companies Registration Office. The registered office of the Board of Directors is in Stockholm, Sweden. The address of the Group headquarters is S:t Göransgatan 143, SE-105 45 Stockholm, Sweden.

### Ownership structure

Electrolux shares are registered with Euroclear Sweden AB. This means that no share certificates are issued, and that Euroclear Sweden AB keeps a share register of owners and custodians in the company.

According to the share register at year-end 2010, the Group had a total of approximately 57,200 shareholders. The number of Electrolux shareholders in Sweden at year-end was approximately 53,400. Investor AB is the largest shareholder, with approximately 13.6% of the share capital and approximately 29.9% of the voting rights.



Source: SIS Ågarservice as of December 31, 2010.

Foreign investors are not always recorded in the share register. Foreign banks and other custodians may be registered for one or several customers' shares, and the actual owners are then usually not displayed in the register.

For additional information regarding the ownership structure, see page 20. The information on ownership structure is updated quarterly on the Group's website, [www.electrolux.com/corporate-governance](http://www.electrolux.com/corporate-governance).

### Voting rights

The share capital of Electrolux consists of A-shares and B-shares. An A-share entitles the holder to one vote and a B-share to one-tenth of a vote. All shares entitle the holder to the same proportion of assets and earnings and carry equal rights in terms of dividends. An A-share can at the request of the owner be converted into a B-share.

### Nomination Committee

#### Nomination Committee

The Annual General Meeting (AGM) resolves upon the nomination process for the Board of Directors and, when appropriate, the auditors. The process involves the appointment of a Nomination Committee comprised of six members. The members should be one representative of each of the four largest shareholders, in terms of voting rights that wish to participate in the Committee, together with the Chairman of the Electrolux Board and one additional Board member.

The composition of the Nomination Committee shall be based on shareholder statistics from Euroclear Sweden AB as of the last banking day in August in the year prior to the AGM and on other

reliable shareholder information which is provided to the company at such time. The names of the representatives and the names of the shareholders they represent shall be announced as soon as they have been appointed. If the shareholder structure changes during the nomination process, the composition of the Nomination Committee may be adjusted accordingly.

#### The Nomination Committee's tasks include preparing a proposal for the next AGM regarding:

- Chairman of the AGM
- Board members
- Chairman of the Board
- Remuneration to individual Board members
- Remuneration for committee work
- Nomination Committee for the next year
- Auditors and auditors' fees, when these matters are to be decided by the following AGM

The Nomination Committee is assisted in preparing proposals for auditors and auditors' fees by the company's Audit Committee. The Audit Committee evaluates the auditors' work and informs the Nomination Committee of its findings.

The Nomination Committee's proposals are publicly announced no later than on the date of notification of the AGM. Shareholders may submit proposals for nominees to the Nomination Committee.

#### Nomination Committee for the AGM 2010

The Nomination Committee for the AGM 2010 was comprised of six members. Petra Hedengran of Investor AB led the Nomination Committee's work.

Lorna Davis was proposed as a new Board member in Electrolux. A report regarding the work of the Nomination Committee was presented at the AGM 2010. Further information regarding the Nomination Committee and its work can be found on the Group's website, [www.electrolux.com/corporate-governance](http://www.electrolux.com/corporate-governance).

#### Nomination Committee for the AGM 2011

The Nomination Committee for the AGM 2011 is based on the ownership structure as of August 31, 2010, and was announced in a press release on September 30, 2010.

The Nomination Committee's members are:

- Petra Hedengran, Investor AB, Chairman
- Ramsay J. Brufer, Alecta
- Marianne Nilsson, Swedbank Robur funds
- Peter Rudman, Nordea Investment Funds
- Marcus Wallenberg, Chairman of Electrolux
- Peggy Bruzelius, Deputy Chairman of Electrolux

No changes in the composition of the Nomination Committee had occurred as of February 1, 2011. Shareholders wishing to submit proposals to the Nomination Committee should send an e-mail to [nominationcommittee@electrolux.com](mailto:nominationcommittee@electrolux.com).