

# Corporate governance report 2011

*Electrolux aims at implementing strict norms and efficient processes to ensure that all operations create long-term value for shareholders and other stakeholders. This involves the maintenance of an efficient organizational structure, systems for internal control and risk management and transparent internal and external reporting.*

The Electrolux Group is comprised of approximately 160 companies with operations in over 150 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.

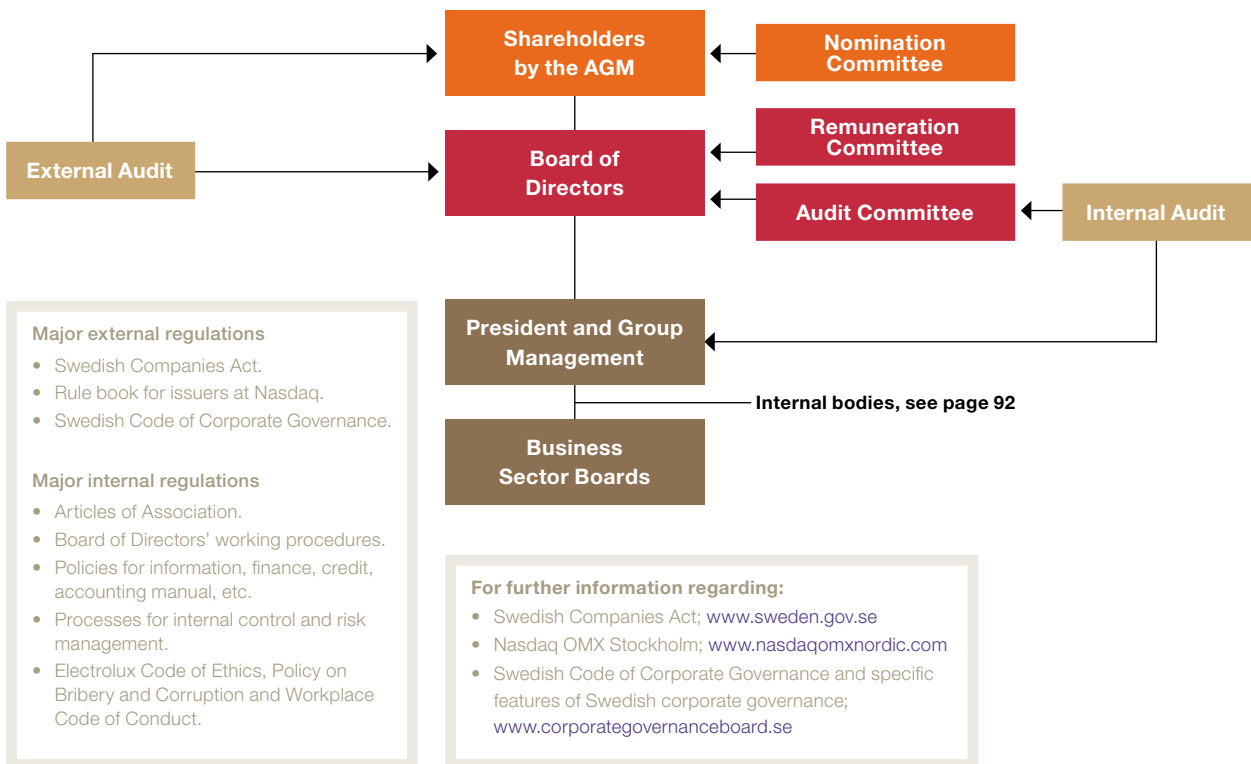
The governance of Electrolux is based on the Swedish Companies Act, the rule book for issuers at Nasdaq and the Swedish Code of Corporate Governance (the "Code"), as well as other relevant Swedish and foreign laws and regulations.

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 2011.

## Highlights 2011

- Keith McLoughlin new President and Chief Executive Officer as of January 1, 2011.
- Keith McLoughlin and Ulrika Saxon elected new Board members at the Annual General Meeting 2011.
- Unchanged fees to the Board members.
- Performance based, long-term incentive program 2011 for top management.
- Six new appointments in Group Management.
- Three new roles within Group Management for closer cooperation between marketing, technology development and design.
- Focus on ethics training program and implementation of a whistleblowing system.

### Governance structure



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.

## Shares and shareholders

The Electrolux share is listed on Nasdaq OMX Stockholm. At year-end 2011, Electrolux had 58,840 shareholders according to the share register kept by Euroclear Sweden AB. Of the total share capital, 66% was owned by Swedish institutions and mutual funds, 24% by foreign investors and 10% by Swedish private investors, see below. Investor AB is the largest shareholder, holding 15.5% of the share capital and 29.9% of the voting rights. The ten largest shareholders accounted for 41.4% of the share capital and 52.0% of the voting rights in the company.

## Voting rights

The share capital of Electrolux consists of Class A-shares and Class B-shares. One A-share entitles the holder to one vote and one B-share to one-tenth of a vote. Both A-shares and B-shares entitle the holders to the same proportion of assets and earnings and carry equal rights in terms of dividends. Owners of A-shares can request to convert their A-shares into B-shares. Conversion reduces the total number of votes in the company. As of December 31, 2011, the total number of registered shares in the company amounted to 308,920,308 shares, of which 8,212,725 were Class A-shares and 300,707,583 were Class B-shares. The total number of votes in the company was 38,283,483. Class B-shares represented 78.6% of the voting rights and 97.3% of the share capital.

## Dividend policy

Electrolux goal is for the dividend to correspond to at least 30% of the income for the period, excluding items affecting comparability. For a number of years, the dividend level has been considerably higher than 30%.

The Annual General Meeting (AGM) in March 2011 decided to adopt the Board's proposed dividend of SEK 6.50 per share for 2010. The Board of Directors proposes a dividend for 2011 of SEK 6.50 per share, for a total dividend payment of approximately SEK 1,850m.

## Shareholders by the AGM

## General Meetings of shareholders

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

Extraordinary General Meetings 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.

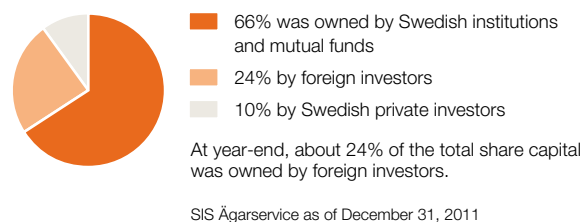
Individual shareholders requesting that a specific issue be included in the agenda of a shareholders' meeting can normally request the Electrolux Board to do so well in advance to the meeting via an address provided on the Group's website.

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 2011

The 2011 AGM was held at the Berwald Hall in Stockholm, Sweden, on March 31, 2011. 720 shareholders representing a total of 49.9% of the share capital and 60.4% of the votes were present at the AGM. The President's speech was broadcasted live via the Group's website and is also presented on [www.electrolux.com/corporate-governance](http://www.electrolux.com/corporate-governance), together with the minutes. The meeting was held in Swedish, with simultaneous interpretation into English. The speech of the President was simultaneously interpreted into Swedish.

## Ownership structure

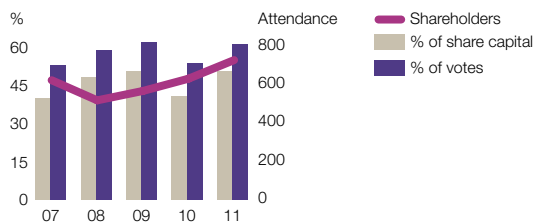


The development of the ownership structure shows no major changes compared to the previous year.

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 above.

The information on ownership structure is updated quarterly on the Group's website; [www.electrolux.com/corporate-governance](http://www.electrolux.com/corporate-governance).

## Attendance at AGMs 2007–2011



720 shareholders representing a total of 49.9% of the share capital and 60.4% of the votes were present at the 2011 AGM.