

Major issues addressed by the President and Group Management in 2012

- Electrolux growth strategy.
- Integration of the acquisitions of CTI in Chile and Olympic Group in Egypt.
- Optimizing of the manufacturing footprint.
- Accelerating efforts to capitalize on the Group's global strength and scope.
- Leveraging professional competencies to the consumer products offering.
- More rapid process for new products.
- Project to improve capital efficiency.
- Activities to improve Electrolux environmental performance.
- Strengthening of the Electrolux corporate culture.
- Continued focus on implementation of the ethics-training program and a whistleblowing system.

Business Sector Boards

Business sectors

The sector heads are comprised of members of Group Management and have responsibility for the operating income and net assets of their respective sectors.

The overall management of the sectors is the responsibility of sector boards, which meet quarterly. The President is the chairman of all sector boards. The sector board meetings are attended by the President, the management of the respective sectors and the Chief Financial Officer. The sector boards are responsible for monitoring on-going operations, establishing strategies, determining sector budgets and making decisions on major investments.

Remuneration to Group Management

Remuneration guidelines for Group Management are resolved upon by the AGM, based on the proposal from the Board. Remuneration to the President is then resolved upon by the Board, based on proposals from the Remuneration Committee. Changes in the remuneration to other members of Group Management is resolved upon by the Remuneration Committee, based on proposals from the President, and reported to the Board.

Electrolux shall strive to offer total remuneration that is fair and competitive in relation to the country of employment or region of each Group Management member. The remuneration terms shall emphasize "pay for performance", and vary with the performance of the individual and the Group.

Remuneration may comprise of:

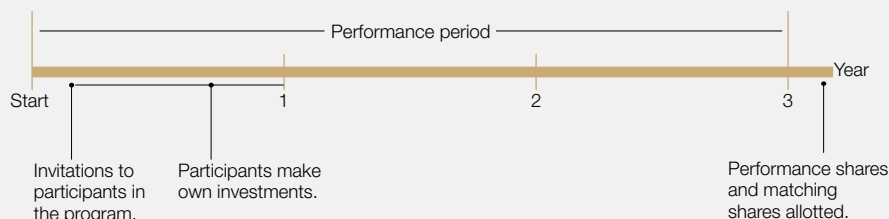
- Fixed compensation.
- Variable compensation.
- Other benefits such as pension and insurance.

Following the "pay for performance" principle, variable compensation shall represent a significant portion of the total compensation opportunity for Group Management. Variable compensation shall always be measured against pre-defined targets and have a maximum above which no pay-out shall be made. The targets shall principally relate to financial performance.

Each year, the Board of Directors will evaluate whether or not a long-term incentive program shall be proposed to the AGM. The AGM 2012 decided on a long-term share program for up to 180 senior managers and key employees.

For additional information on remuneration, remuneration guidelines, long-term incentive programs and pension benefits, see Note 27.

Time-line for the long-term incentive program for senior management 2012



Earnings per share for Electrolux, excluding items affecting comparability, has to increase by an average of at least 4% annually before any performance shares will be allotted. Participants in the program must invest in Electrolux shares. At the end of the three-year period, one matching share is allotted for each share acquired.