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REPORT ON THE WORK OF THE NOMINATION COMMITTEE FOR THE ANNUAL GENERAL MEETING 2008

Assignment and constitution of the Nomination Committee

At the Annual General Meeting 2007 in AB Electrolux (Electrolux) it was decided that Electrolux, for the Annual General Meeting (AGM) 2008, should have a Nomination Committee consisting of six members. The members should be representatives of the four largest shareholders in the company who wanted to appoint such representatives, together with the chairman of the Board of Directors of Electrolux and one additional Board member.

The Nomination Committee for the AGM 2008 was composed on the basis of the ownership status as of April 30, 2007. The constitution of the Nomination Committee was announced in a press release on May 31, 2007, and no change has been made in the committee during its term of office.

The chairman of the Nomination Committee is Petra Hedengran, Investor AB. The other owner representatives are Ramsay J. Brufer, Alecta Pension Insurance, Marianne Nilsson, Swedbank Robur Funds and Rune Andersson, Mellby Gård AB. The committee also includes Marcus Wallenberg and Peggy Bruzelius, chairman and deputy chairman, respectively, of Electrolux.

The assignment of the Nomination Committee included to prepare proposals for the Electrolux AGM in 2008 in the following issues:

- (a) Chairman of the AGM
- (b) Members of the Board of Directors
- (c) Chairman of the Board of Directors
- (d) Directors' fees for each of the Directors as well as remuneration for committee work
- (e) Auditor's fee, and
- (f) Nomination Committee for the AGM 2009

The work of the Nomination Committee

The Nomination Committee has held three minuted meetings. The members have also had ongoing discussions between the meetings on some issues. The proposals which the Nomination Committee has dedicated the most time are the size and the constitution of the proposed Board of Directors as well as the fee and the fee structure for the Directors.

As a basis for its work, the Nomination Committee has i.a. taken part of the evaluation of the Board of Directors and its work which has been prepared during the year. Individual shareholders have also been given the opportunity to present proposals to the Nomination Committee via e-mail.

For the purpose of increasing the diversification of the Board of Directors, in particular with respect to industrial experience and experience from sale and marketing of consumer goods, the Nomination Committee for the AGM in 2007 proposed the election of three new Board members. These members were also elected by the AGM. The Nomination Committee has not considered that any further expansion of the Board is warranted for the coming year.

However, since one Board member has declined re-election, the Nomination Committee wanted to propose one new member to the Board. The committee has thus considered that it would be valuable for the company to add additional experience to the Board concerning manufacturing processes, in particular from the management and operation of standardization of different steps and parts of the manufacturing. A candidate has been proposed based on this profile, and the Nomination Committee has – after interviews – agreed to nominate him.

The proposals of the Nomination Committee

Board of Directors, etc.

Louis R. Hughes has, as previously announced, declined re-election as Director of Electrolux at the AGM in 2008.

The Nomination Committee proposes one new Director, and that the number of Directors that are elected by the AGM consequently should remain nine. The Nomination Committee hence proposes re-election of the following persons as Directors:

- Marcus Wallenberg, chairman of the Board of Directors
- Peggy Bruzelius, deputy chairman of the Board of Directors
- Torben Ballegaard Sørensen
- John Lupo
- Barbara Milian Thoralfsson
- Johan Molin
- Hans Stråberg
- Caroline Sundewall

Additionally, the Nomination Committee proposes the election of Hasse Johansson:

- Hasse Johansson has been Group Vice President Research and Development of Scania since 2001. Scania is a leading manufacturer of heavy trucks, buses and industrial- and marine engines based in Södertälje, Sweden. Mr. Johansson has previously held several senior positions with Delphi Delco Electronics Systems Europe. Mr. Johansson is a Board member of Mecel, a manufacturer and developer of electronic systems and software for the automotive industry. Mr. Johansson, born in 1949, is a Swedish citizen and holds a Master of Science in Electrical Engineering from Chalmers University of Technology.

Further information regarding the proposed members will be made available on Electrolux web site.

The Nomination Committee proposes the chairman of the Board, Marcus Wallenberg, as chairman of the AGM in 2008 and as chairman of the Board also for the coming year.

Evaluation of independence

The Nomination Committee considers that the proposed Board of Directors fulfils the requirements of independence under the rules of the Nordic Exchange in Stockholm as well as the Swedish Code on Corporate Governance. Only one of the proposed Directors, Hans Stråberg, President and CEO of Electrolux, is a part of the Group Management of Electrolux.

All proposed Directors, with the exceptions of Marcus Wallenberg, Peggy Bruzelius and Hans Stråberg, have been considered independent by the Nomination Committee, both in relation to the major shareholders of Electrolux and in relation to the company and the management of the company. Marcus Wallenberg has not been considered independent, neither in relation to the major shareholders in Electrolux, nor in relation to the company or the management of the company. Marcus Wallenberg is i.a. the chairman of the Board of Directors of SEB, with which bank Electrolux has extensive business relations. Peggy Bruzelius has been considered independent in relation to the major shareholders of Electrolux, but not in relation to the company and the company's management. At the AGM 2008, Peggy

Bruzelius has been a Board member for twelve years, why she under applicable rules (which currently are being revised) no longer shall be considered independent in relation to the company. Finally, Hans Stråberg has been considered independent in relation to the major shareholders of Electrolux, but not – in his capacity as Electrolux President and CEO – in relation to the company and the management of the company.

Fee for the members of the Board of Directors of Electrolux

The Nomination Committee proposes the following fees, which would imply an increase of the total fee with nine per cent compared to the previous year:

- (a) SEK 1,600,000 to the chairman of the Board of Directors, SEK 550,000 to the deputy chairman and SEK 475,000 to each other Director appointed by the General Meeting who is not employed by Electrolux, and
- (b) For committee work, to the members who are appointed by the Board of Directors; SEK 200,000 to the chairman of the Audit Committee and SEK 85,000 to each of the other members of the Committee and SEK 120,000 to the chairman of the Remuneration Committee and SEK 55,000 to each of the other members of the Committee.

The current Board of Directors applies – as recommended by previous nomination committees – a policy according to which the members of the Board of Directors shall use 25 per cent of the fee, net of taxes, for purchase of shares in Electrolux. The Nomination Committee now proposes that this policy no longer shall be applied in relation to the fees proposed, and that up to 50 per cent of Board members' fees instead could be payable in the form of so called synthetic shares. The synthetic share is a right to receive in the future – after five years in the Nomination Committee's proposal – a payment corresponding to the stock market value of a share of series B in Electrolux at the time of payment.

The Nomination Committee considers that the current procedure with a policy for share acquisitions has been a good first step. But the fee structure now proposed further enhances the connection between the owners' and the Board members' common interest of a good development for Electrolux. The structure also increases the focus on a long-term value growth.

The principal terms of the proposed fee structure include the following:

- A nominated Director shall have the possibility of electing to receive 50 per cent of the value of the proposed fee in the form of synthetic shares and 50 per cent in cash, or 75 per cent of the fee in cash and 25 per cent of the fee in the form of synthetic shares. Foreign Directors may elect to receive 100 per cent of the fee in cash.
- The synthetic shares entail a right to payment, in the year 2013, of a cash amount per synthetic share corresponding to the price for shares of series B of the company at each time of payment.
- Should the Director's assignment come to an end not later than four years after the time of allocation, cash settlement may take place during the year after the assignment came to an end.
- The company's commitment to pay in respect of the synthetic shares shall be hedged by the company, either through repurchased own shares or a hedging agreement with a bank.

The Nomination Committee's full proposal will be made available on Electrolux web site.

Auditor's fee

The Nomination Committee proposes that the fee to the auditor for the financial year 2009 shall be paid in accordance with approved invoices.

Nomination Committee for the AGM 2009

The Nomination Committee proposes that the nomination committee process for the AGM in 2008 shall be applied also for the coming year, without changes in substance.

Stockholm, February 2008
The Nomination Committee of AB Electrolux