

## Press release

Stockholm, February 23, 2009

### Notice convening the Annual General Meeting of AB Electrolux

The shareholders of AB Electrolux are invited to participate in the Annual General Meeting to be held on Tuesday, March 31, 2009 at 5 p.m. in the Berwald Hall, Dag Hammarskjölds väg 3, Stockholm, Sweden.

#### Registration and notification

Shareholders who wish to participate in the Annual General Meeting must

- (i) be recorded in the share register kept by Euroclear Sweden AB (formerly VPC AB) on Wednesday, March 25, 2009, and
- (ii) give notice of intent to participate, thereby stating the number of assistants attending, to the company not later than on Wednesday, March 25, 2009. Notice of intent to participate can be given by letter to AB Electrolux, C-J, SE-105 45 Stockholm, Sweden, by telephone +46-8-738 64 10 on weekdays between 9 a.m. and 4 p.m., by fax +46-8-738 63 35, or on the Internet on the Group's website, [www.electrolux.com/agm](http://www.electrolux.com/agm).

Notice should include the shareholder's name, personal or organization identification number, address and telephone number. Shareholders represented by proxy should submit the proxy to the company prior to the Annual General Meeting. Proxy forms in Swedish and English are available on the Group's web site [www.electrolux.com/agm](http://www.electrolux.com/agm).

Shareholders that have their shares registered in the name of a nominee must, in addition to giving notice of participation in the meeting, temporarily be recorded in the share register in their own names (so called voting-rights registration) to be able to participate in the General Meeting. In order for such registration to be effectuated on Wednesday, March 25, 2009, shareholders should contact their bank or trustee well in advance of that date.

#### Agenda

1. Election of Chairman of the Meeting.
2. Preparation and approval of the voting list.
3. Approval of the agenda.
4. Election of two minutes-checkers.
5. Determination as to whether the meeting has been properly convened.

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6. Presentation of the Annual Report and the Audit Report as well as the Consolidated Accounts and the Audit Report for the Group.
7. Speech by the President, Hans Stråberg.
8. Presentation of the activities of the Board of Directors and its Committees during the past year and the Auditor's presentation of the audit work during 2008.
9. Resolution on adoption of the Income Statement and the Balance Sheet as well as the Consolidated Income Statement and the Consolidated Balance Sheet.
10. Resolution on discharge from liability of the Directors and the President.
11. Resolution on dispositions in respect of the company's profit pursuant to the adopted Balance Sheet.
12. Determination of the number of Directors and Deputy Directors. In connection therewith, report on the work of the nomination committee.
13. Determination of fees to the Board of Directors and the Auditor.
14. Election of Board of Directors and Chairman of the Board of Directors.
15. Proposal for resolution on nomination committee.
16. Proposal for resolutions on
  - a) remuneration guidelines for the Electrolux Group Management, and
  - b) implementation of a performance based, long-term incentive program for 2009.
17. Proposal for resolutions on
  - a) transfer of own shares on account of company acquisitions, and
  - b) transfer of own shares on account of the employee stock option programs for 2002 – 2003 and the performance share program for 2007.
18. Closing of the meeting.

**Proposal for Chairman of the Meeting and number of Directors** (items 1 and 12)

The Electrolux nomination committee, consisting of the Chairman Petra Hedengran, Investor, and the members Ramsay J. Brufer, Alecta Pension Insurance, Marianne Nilsson, Swedbank Robur Funds and Anders Oscarsson, SEB Investment Management as well as Marcus Wallenberg and Peggy Bruzelius, Chairman and Deputy Chairman, respectively, of the Board of Directors of the company, proposes:

- Marcus Wallenberg as chairman of the Annual General Meeting.
- 9 Directors and no Deputy Directors.

**Proposal for fees to the Board of Directors and Auditor** (item 13)

The nomination committee proposes that the Directors' fees shall be unchanged compared with previous year's fees and be as follows: SEK 1,600,000 to the Chairman of the Board of Directors, SEK 550,000 to the Deputy Chairman of the Board of Directors and SEK 475,000 to each of the other Directors appointed by the Annual General Meeting but not employed by Electrolux and, 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 nomination committee proposes that it be possible to pay part of the fees to the Directors, in respect of their assignment to the Board of Directors, in the form of so-called synthetic shares, on the following principal terms and conditions:

- 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 shall be valued to an average of the market price of shares of series B in the company immediately following the publication of the company's interim report for the first quarter of 2009. The synthetic shares are vested during the term of office, with 25 per cent per quarter of the year.
- The synthetic shares entail a right to payment, in the year 2014, of a cash amount per synthetic share corresponding to the price for shares of series B of the company at each time of payment. Payment shall be made on four occasions during the year and shall refer to 25 per cent of the synthetic shares on each occasion.
- Dividends paid in respect of the company's shares of series B until the time of payment shall be credited the Director in the form of allocation of additional synthetic shares.
- 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 number of synthetic shares and/or the value per synthetic share may be subject to recalculation in the event of bonus issues, split, rights issues and similar measures, under the terms and conditions for the synthetic shares.
- 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 proposes that the Auditor's fee be paid on approved account.

**Proposal for election of the Board of Directors and Chairman of the Board** (item 14)

The nomination committee proposes:

- Re-election of the Directors Marcus Wallenberg, Peggy Bruzelius, Torben Ballegaard Sørensen, Hasse Johansson, John S. Lupo, Barbara Milian Thoralfsson, Johan Molin, Hans Stråberg and Caroline Sundewall.
- Marcus Wallenberg as Chairman of the Board of Directors.

**Proposal for resolution on nomination committee** (item 15)

The nomination committee proposes a nomination committee process on the following principal terms:

- The company should have a nomination committee consisting of six members. The members should be one representative of each of the four largest shareholders in the company with regard to the number of votes held who wish to appoint such representatives, together with the Chairman of the Board of Directors and one additional Director. The latter member shall be appointed by the Board of Directors among the Directors who are independent in relation to the company.
- The nomination committee shall be composed based on shareholder statistics from Euroclear Sweden AB as of the last banking day in August 2009 and other reliable shareholder information which has been provided to the company at such time. When determining who are the four largest shareholders with regard to the number of votes held, a group of shareholders shall be considered one owner if they (i) have been organised as a group in the Euroclear-system or (ii) have made public and notified the company that they have made a written agreement to take - through the coordinated

exercise of voting rights - a common long-term view on the management of the company.

- The nomination committee shall prepare the below proposals to be submitted to the Annual General Meeting 2010 for resolution:
  - proposal regarding Chairman of the General Meeting,
  - proposal regarding the Board of Directors,
  - proposal regarding Chairman of the Board of Directors,
  - proposal regarding Directors' fees for each of the Directors as well as remuneration for committee work,
  - proposal regarding Auditor,
  - proposal regarding Auditor's fees, and
  - proposal regarding nomination committee for the Annual General Meeting in 2011.

**Proposal for resolutions concerning (A.) remuneration guidelines for the Electrolux Group Management and (B.) implementation of a performance based, long-term incentive program for 2009 (item 16)**

**A. Remuneration Guidelines for the Electrolux Group Management**

The Board of Directors proposes that the Annual General Meeting approve remuneration guidelines for the Electrolux Group Management on the following principal terms:

The guidelines shall apply to the remuneration and other terms of employment for the President and CEO and other members of Group Management of Electrolux ("Group Management").

**Guiding principles**

Electrolux shall strive to offer total remuneration that is fair and competitive in relation to the home country 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. The total remuneration for Group Management can comprise the components as are set forth hereafter.

**Fixed compensation**

Annual Base Salary ("ABS") shall be the basis of the overall remuneration package of Group Management. The salary shall be competitive relative to the relevant country market and reflect the scope of the job responsibilities. Salary levels shall be reviewed periodically to ensure continued competitiveness and to recognize individual performance.

**Variable compensation**

Following the "pay for performance" principle, variable compensation shall represent a significant portion of the total compensation opportunity for Group Management. Variable compensation can be offered both with short-term performance targets (up to 1 year) and long-term performance targets (3 years or longer).

Performance may be measured against both financial and non-financial targets. If to be applied, non-financial targets shall focus on activities in line with Electrolux strategic plans. The targets shall be specific, clear, measurable and time bound and be determined by the Board of Directors from year to year.

*Short Term Incentive (STI)*

Group Management members shall participate in a STI plan under which they may receive variable compensation in addition to the fixed salary. The main objectives in the STI shall be on financial targets. These shall be set based on annual financial performance of the Group and, for the Sector Heads, of the Sector for which he or she is responsible. In addition, non-financial targets in line with Electrolux strategic plans may be used to create focus on issues of particular interest at Group, Sector or the individual functional level.

The size of STI entitlements shall be dependent on job size and may amount to a maximum of 100 per cent of ABS. Reflecting market norms, the corresponding numbers for Group Management members in the USA are 100 per cent of ABS at midpoint (target) and 150 per cent of ABS at maximum performance. For the President and CEO, the size of STI entitlements may amount to up to 70 per cent of ABS at midpoint (target) and 110 per cent of ABS at maximum performance.

*Long Term Incentive (LTI)*

Each year, the Board of Directors will evaluate whether or not a long-term incentive program shall be proposed to the Annual General Meeting and, if affirmative, whether the proposed long-term incentive program shall involve the transfer of company shares.

*Extraordinary arrangements*

In addition to STI and LTI, variable compensation may be approved by the Board of Directors in extraordinary circumstances, under the conditions that such extraordinary arrangement shall be made for recruitment or retention purposes, may only be agreed on an individual basis, shall never exceed three (3) times the ABS and shall be earned and/or paid out in installments over a minimum of two (2) years.

**Notice of Termination and Severance Pay**

The notice period shall be twelve months if the company takes the initiative and six months if the Group Management member takes the initiative. In individual cases, the Board of Directors may approve severance arrangements in addition to the notice periods. Severance arrangements may only be payable upon Electrolux termination of the employment arrangement or where a Group Management member gives notice as the result of an important change in his or her working situation, because of which he or she can no longer perform to standard.

**Deviations from the guidelines**

The Board of Directors shall be entitled to deviate from these guidelines if special reasons for doing so exist in any individual case.

**B. Implementation of a performance based, long-term share program for 2009**

The Board of Directors proposes that the Annual General Meeting resolve to implement a performance based, long-term share program for 2009 ("Share Program 2009") on the following principal terms:

- The Share Program 2009 is proposed to include up to 160 senior managers and key employees of the Electrolux Group, which receive the possibility to be allocated shares of series B in Electrolux free of charge.
- The participants of the program shall be divided into five groups; the President and CEO, other members of the Group Management and three additional groups for other

senior managers and key employees. For each group, the Board of Directors will determine a maximum value for the Share Program 2009 denominated in SEK. The maximum value for the President and CEO amounts to SEK 5,000,000 (value unchanged versus 2008), for the other members of the Group Management to SEK 1,800,000 (value unchanged versus 2008) and for other senior managers and key employees not less than SEK 675,000 and not more than SEK 1,350,000 (both values unchanged versus 2008), respectively. The total sum of the maximum values for all participants will not exceed SEK 146,000,000, excluding social costs.

- Each maximum value shall thereafter be converted into a maximum number of shares, based on the average closing share price of the Electrolux series B share on the exchange NASDAQ OMX Stockholm during a period of ten trading days before the day the participants are offered to participate in the program, reduced by the present value of estimated dividend payments for the period until shares are allotted.
- The calculated number of shares shall be connected to certain targets for average annual growth in earnings per share for the Group established by the Board of Directors. The targets are set at certain average annual growth rates during a three-year performance period 2009 – 2011, versus the actual outcome on earnings per share in the financial year 2008.
- The targets for average annual growth in earnings per share for the Group include a minimum level, which is set at 5.0 per cent average annual growth in earnings per share for the Group and which has to be reached or exceeded for any allocation to take place. The maximum level is set at 20.0 per cent average annual growth in earnings per share for the Group. If the maximum level is reached, the allocation will amount to the maximum number of shares as stated in the previous items. If the minimum level is reached, the allocation will amount to 25 per cent of the maximum number of shares. If the average annual growth in earnings per share for the Group is below the maximum level but exceeds the minimum level, a proportionate allocation of shares will be made.
- Allocation of shares requires, among other things, that the persons participating in the program, with certain exemptions, are employed in the Electrolux Group during the entire performance period. If all conditions in the Share Program 2009 are met, allocation of shares will take place free of charge after the expiration of the three-year performance period and following approval of the results by the Board of Directors.
- Shares allocated under the Share Program 2009 according to the above, with the exception of those shares which may be sold to cover income tax for the participants in the program, shall be under certain disposition restrictions, for an additional two-year period after the expiration of the performance period.

#### *Costs for the Share Program 2009*

The total costs for the Share Program 2009 during a three-year period have been estimated to a maximum of SEK 182,000,000, including costs for social security charges and financing costs for repurchased own shares.

#### *Hedging measures for the Share Program 2009*

Electrolux holds a significant amount of repurchased shares, which have been repurchased in accordance with a mandate granted by previous Annual General Meetings for the purpose of i.a. securing undertakings under Electrolux incentive

programs. As delivery shall not take place until 2012, the Board of Directors has resolved not to propose any delivery measures at present.

**Proposal for resolutions on (A.) transfer of own shares on account of company acquisitions, and (B.) transfer of own shares on account of the employee stock option programs for 2002 – 2003 and the performance share program for 2007 (item 17)**

**A. Transfer of own shares on account of company acquisitions**

The Board of Directors proposes that the Annual General Meeting authorize the Board, for the period until the next Annual General Meeting, to resolve on transfers of shares in the company in connection with or as a consequence of company acquisitions on the following terms and conditions:

1. Shares of series B held by the company at the time of the Board of Directors' decision may be transferred.
2. The shares may be transferred with deviation from the shareholders' preferential rights.
3. Transfer of shares may be made at a minimum price per share corresponding to an amount in close connection with the price of the company's shares on NASDAQ OMX Stockholm at the time of the decision on the transfer.
4. Payment for the transferred shares may be made in cash, by contributions in kind or by a set-off of company debt.

**B. Transfer of own shares on account of the employee stock option programs for 2002 – 2003 and the performance share program for 2007**

The Board of Directors proposes, on account of the company's employee stock option programs for 2002 – 2003 and the performance share program for 2007, that the Annual General Meeting resolve that the company shall be entitled, for the period until the next Annual General Meeting, to transfer a maximum of 3,000,000 shares of series B in the company for the purpose of covering costs, including social security charges, that may arise as a result of the aforementioned programs. Transfer shall take place on NASDAQ OMX Stockholm at a price within the prevailing price interval from time to time.

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**Shares and votes**

There are in total 308,920,308 shares in the company of which, as of February 23, 2009, 9,502,275 are shares of series A and 299,418,033 shares of series B, corresponding to in total 39,444,078 votes. The company holds as of the same date 25,338,804 own shares of series B, corresponding to 2,533,880 votes, that may not be represented at the General Meeting.



**Documents**

The Annual Report and the Auditor's Report as well as the nomination committee's and the Board of Directors' complete proposals for resolutions under items 12-17 above will be available at the company, AB Electrolux, C-J, SE-105 45 Stockholm, Sweden and on the Group's website on the Internet: [www.electrolux.com/agm](http://www.electrolux.com/agm). The documents will also be sent to shareholders who request it and state their address, as from March 17, 2009.

Stockholm in February 2009  
AB Electrolux (publ)  
THE BOARD OF DIRECTORS

Electrolux is a global leader in household appliances and appliances for professional use, selling more than 40 million products to customers in more than 150 markets every year. The company focuses on innovations that are thoughtfully designed, based on extensive consumer insight, to meet the real needs of consumers and professionals. Electrolux products include refrigerators, dishwashers, washing machines, vacuum cleaners and cookers sold under esteemed brands such as Electrolux, AEG-Electrolux, Eureka and Frigidaire. In 2008, Electrolux had sales of SEK 105 billion and 55,000 employees. For more information go to [www.electrolux.com/press](http://www.electrolux.com/press)