

*Non-official translation*

**The Board of Directors' of AB Electrolux proposal for resolutions on (A.) acquisition of own shares, (B.) transfer of own shares on account of company acquisitions, (C.) transfer of own shares on account of the employee stock option program for 2003 and the performance share program for 2008, and (D.) transfer of own shares on account of the share program 2010**

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## **Background**

Electrolux has previously, on the basis of authorisations by the Annual General Meetings, acquired own shares for the purpose of using these shares to finance potential company acquisitions and as a hedge for the company's share related incentive programs. As of February 1, 2010, Electrolux holds 24,466,291 B-shares in Electrolux, corresponding to app. 7.9 per cent of the total number of shares in the company.

The Board of Directors makes the assessment that it continues to be advantageous for the company to be able to adapt the company's capital structure, thereby contributing to increased shareholder value, and to continue to be able to use repurchased shares on account of potential company acquisitions and the company's share related incentive programs.

In view of the above, the Board of Directors proposes as follows.

### **A. Acquisition of own shares**

The Board of Directors proposes the Annual General Meeting to authorize the Board of Directors, for the period until the next Annual General Meeting, to resolve on acquisitions of shares in the company as follows.

1. The company may acquire as a maximum so many B-shares that, following each acquisition, the company holds at a maximum 10 percent of all shares issued by the company.
2. The shares may be acquired on NASDAQ OMX Stockholm.
3. Acquisition of shares may only be made at a price per share at each time within the prevailing price interval for the share.
4. Payment for the shares shall be made in cash.

The Board of Directors' statement pursuant to chapter 19, section 22 of the Swedish Companies Act is attached hereto.

### **B. Transfer of own shares on account of company acquisitions**

The Board of Directors proposes the Annual General Meeting to authorize the Board of Directors, for the period until the next Annual General Meeting, to resolve on transfers of Electrolux own shares in connection with or as a consequence of company acquisitions as follows.

1. Own B-shares held by the company at the time of the Board of Director's 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.

**C. Transfer of own shares on account of the employee stock option program for 2003 and the performance share program for 2008**

The Board of Directors proposes, on account of the employee stock option program for 2003 and the performance share program for 2008, that the Annual General Meeting resolves that the company shall be entitled, for the period until the next Annual General Meeting, to transfer a maximum of 3,000,000 B-shares in the company for the purpose of covering costs, including social security charges, that may arise as a result of the aforementioned programs. Transfer may take place on NASDAQ OMX Stockholm at a price within the prevailing price interval from time to time.

**D. Transfer of own shares on account of the share program 2010**

The Board of Directors proposes, provided that the Annual General Meeting resolves to approve the implementation of the performance based, long-term share program for 2010 (the Share Program 2010) proposed separately to the Annual General Meeting, that the Annual General Meeting resolves to transfer Electrolux own shares, as follows.

1. A maximum of 1,500,000 B-shares may be transferred.
2. Participants entitled to acquire shares pursuant to the terms and conditions of the Share Program 2010 should be entitled to acquire the shares, with a right for each participant to acquire a maximum number of shares which follows from the terms and conditions of the program.
3. The right of participants to acquire shares may be exercised when delivery under the Share Program 2010 should take place, i.e. during 2013.
4. Participants shall receive the shares free of charge during the period stated in the terms and conditions of the program.
5. The number of shares which may be transferred may be recalculated due to changes in the capital structure, such as rights issues, consolidation or split.

The purpose of the proposal and the reason for the deviation from the shareholders' pre-emptive rights for the transfer of shares is to enable Electrolux to transfer shares to participants in the Share Program 2010 in accordance with the terms and conditions adopted for the program.

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**Majority requirement**

In order for the resolutions by the General Meeting in accordance with the Board of Directors' proposal in Clauses A., B. and C. above to be valid, the resolutions must be accepted by shareholders holding no less than two thirds of the votes cast as well as the shares represented at the General Meeting and in order for the resolution in accordance with the Board of Director's proposal in Clause D. above to be valid, the resolution must be supported by shareholders holding no less than nine tenths of the votes cast as well as the shares represented at the General Meeting.

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Stockholm, February 2010  
*THE BOARD OF DIRECTORS*

**Statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act**

The Board of Directors is of the opinion, with reference to the statement included in the proposal for profit dispositions in the annual report for 2009, that this proposal is reasonable, considering the requirements that the scope and nature of the business and the risks involved impose on the company's and the group's equity and the company's and the group's consolidation level, liquidity and financial position.

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Stockholm, February 2010  
*THE BOARD OF DIRECTORS*