

## Press release

Stockholm, February 18, 2011

### 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 Thursday, March 31, 2011 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 on Friday, March 25, 2011, and
- (ii) give notice of intent to participate, thereby stating the number of assistants attending, to the company not later than on Friday, March 25, 2011. Notice of intent to participate can be given by letter to AB Electrolux, c/o Computershare AB, Box 610, SE-182 16 Danderyd, Sweden, by telephone +46-8-518 015 52 on weekdays between 9 a.m. and 4 p.m., by fax +46-8-588 042 01, or on the Internet on the Group's web site, [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 Friday, March 25, 2011, 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.
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, Keith McLoughlin.
8. Resolution on adoption of the Income Statement and the Balance Sheet as well as the Consolidated Income Statement and the Consolidated Balance Sheet.
9. Resolution on discharge from liability of the Directors and the President.
10. Resolution on dispositions in respect of the company's profit pursuant to the adopted Balance Sheet and determination of record date for dividend.

11. Determination of the number of Directors and Deputy Directors. In connection therewith, report on the work of the nomination committee.
12. Determination of fee to the Board of Directors.
13. Election of Board of Directors and Chairman of the Board of Directors.
14. Proposal for resolution on nomination committee.
15. Proposal for resolution on remuneration guidelines for the Electrolux Group Management.
16. Proposal for resolution on implementation of a performance based, long-term incentive program for 2011.
17. 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 share program 2009, and
  - d) transfer of own shares on account of the proposed long-term incentive program for 2011.
18. Proposal for resolution on amendment of the articles of association.
19. Closing of the meeting.

**Dividend and record date** (item 10)

The Board of Directors proposes a dividend for 2010 of SEK 6.50 per share and Tuesday, April 5, 2011, as record date for the dividend. Subject to resolution by the General Meeting in accordance with this proposal, dividend is expected to be distributed by Euroclear Sweden on Friday, April 8, 2011.

**Chairman of the Meeting and number of Directors** (items 1 and 11)

The Electrolux nomination committee, consisting of the Chairman Petra Hedengran, Investor AB, and the members Ramsay J. Brufer, Alecta, Marianne Nilsson, Swedbank Robur funds, Peter Rudman, Nordea Investment Funds, 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.

**Fee to the Board of Directors** (item 12)

The nomination committee proposes that the size of the Directors' fees shall be unchanged for each Director 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.

**Election of the Board of Directors and Chairman of the Board** (item 13)

The nomination committee proposes:

- Re-election of the Directors Marcus Wallenberg, Peggy Bruzelius, Lorna Davis, Hasse Johansson, John S. Lupo, Torben Ballegaard Sørensen and Barbara Milian Thoralfsson, and new election of Keith McLoughlin and Ulrika Saxon.
- Marcus Wallenberg as Chairman of the Board of Directors.

#### **Nomination committee (item 14)**

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 nomination committee shall be composed based on shareholder statistics from Euroclear Sweden AB as of the last banking day in August and other reliable shareholder information which has been provided to the company at such time.
- The nomination committee shall prepare the below proposals to be submitted to the Annual General Meeting for resolution:
  - proposal regarding Chairman of the General Meeting,
  - proposal regarding Board of Directors and Chairman of the Board of Directors,
  - proposal regarding Directors' fees and other compensation for each of the Directors as well as remuneration for committee work, and
  - when applicable, proposals regarding auditor's fees and auditor.

#### **Remuneration guidelines for the Electrolux Group Management (item 15)**

The Board of Directors proposes that the Annual General Meeting approve guidelines for remuneration and other terms of employment for the Electrolux Group Management ("Group Management") on the following principal terms:

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. The total remuneration for Group Management can comprise the components as are set forth hereafter.

##### **Fixed compensation**

Annual Base Salary (ABS) shall be competitive relative to the relevant country market and reflect the scope of the job responsibilities. Salary levels shall be reviewed periodically (usually annually) 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 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, for shorter (up to 1 year) or longer (3 years or longer) periods.

##### *Short Term Incentive (STI)*

Group Management members shall participate in a STI plan under which they may receive variable compensation.

The maximum STI entitlements shall be dependent on job size and may amount up to a maximum of 100 per cent of ABS. This also applies for the President and CEO. Reflecting market norms, the STI entitlement for

Group Management members in the USA may amount up to a maximum of 150 per cent of ABS if the maximum performance level is reached. At midpoint they may be entitled to payment up to a maximum of 100 per cent of ABS.

*Long Term Incentive (LTI)*

Long-term incentive programs shall always be designed with the aim to further enhance the common interest of participating employees and Electrolux shareholders of a good long-term development for Electrolux.

*Extraordinary arrangements*

In addition to STI and LTI, other variable compensation may be approved in extraordinary circumstances, under the conditions that such extraordinary arrangement shall be made for recruitment or retention purposes, are 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 Group takes the initiative and six months if the Group Management member takes the initiative. In individual cases, severance arrangements may be approved in addition to the notice periods.

**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.

**Implementation of a performance based, long-term incentive program for 2011 (item 16)**

The Board of Directors proposes that the Annual General Meeting resolves to implement a performance based, long-term share program for 2011 (the Share Program 2011) with the following principal terms and conditions:

- a) The program is proposed to include up to 170 senior managers and key employees of the Electrolux Group, which are divided into five groups; the President and CEO, other members of Group Management and three additional groups for other senior managers and key employees.
- b) Participants shall acquire Electrolux B-shares (Savings Shares) on NASDAQ OMX Stockholm. Savings to acquire shares shall be made in 2011. The minimum investment amount for the CEO and President will be SEK 500,000, for other members of Group Management SEK 180,000 and for the three additional groups the minimum investment amount will be between SEK 135,000 and 67,500. The maximum amount that may be invested under the program shall be 50 per cent higher than the minimum amount for each participant category.
- c) In order to qualify for any benefits under the program, participants shall meet certain requirements, including that (i) Savings Shares shall be held at least for the period until January 1, 2014 and that (ii) the participant shall remain employed until such time. Exemptions may be prescribed to these requirements in specific cases.
- d) Subject to the requirements in item c) each participant shall be entitled to one (1) B-share in Electrolux (Matching Share) for each Savings Share he or she has held. Subject to the requirements in c) and the additional performance requirements in item g), each participant will also have the opportunity to receive additional shares (Performance Shares).

- e) The Performance Shares shall be based on maximum performance values for each participant category. The maximum performance value for the President and CEO will be SEK 5,000,000, for the other members of Group Management SEK 1,800,000 and for the three other groups of senior managers and key employees not more than 1,350,000 and not less than SEK 675,000, respectively. The total sum of the maximum values thus defined for all participants will not exceed SEK 156,500,000, excluding social costs.
- f) Each maximum value shall thereafter be converted into a maximum number of Performance Shares, based on the average closing paid price of Electrolux B-shares on NASDAQ OMX Stockholm during a period of ten trading days before the day the participants are invited to participate in the program, reduced by the present value of estimated dividend payments for the period until shares are allotted.
- g) The calculated number of Performance Shares shall be connected to performance targets established by the Board of Directors for average annual growth in earnings per share (excluding items affecting comparability) for the Group during a three-year performance period 2011–2013, versus the actual outcome on earnings per share in the financial year 2010. The performance targets stipulate a minimum level, at 2.0 per cent average annual growth in earnings per share for the Group, and a maximum level, at 12.0 per cent average annual growth in earnings per share for the Group.
- h) Performance outcome will be determined by the Board of Directors after the expiry of the three-year performance period, in 2014. If the maximum performance level is reached or exceeded, the allocation may amount to (and will not exceed) the maximum number of Performance Shares following from items e) and f). If the minimum level is reached, the allocation will amount to approximately 17.0 per cent of the maximum number of Performance Shares. If performance is below the maximum level but exceeds the minimum level, a proportionate allocation will be made. No allocation will be made if performance is below the minimum level.
- i) The total award of Matching Shares and Performance Shares (if any) may never exceed one (1) per cent of the total number of shares in Electrolux.
- j) If all conditions in the Share Program 2011 are met allocation of Matching Shares and, if applicable, Performance Shares will take place in 2014. Allocation will be free of charge, except for tax liabilities.

#### *Costs for the Share Program 2011*

The total costs for the Share Program 2011 are calculated to be not less than SEK 10,000,000 (if only Matching Shares are delivered) and not more than SEK 242,000,000 (if the maximum number of Matching Shares and Performance Shares are delivered). The costs are allocated over the years 2011–2014.

#### *Hedging measures for the Share Program 2011*

Electrolux holds a significant amount of repurchased shares, which have been repurchased under mandates from previous General Meetings for the purpose of i.a. securing undertakings under Electrolux incentive programs. The Board of Directors proposes in item 17 d) below that a part of these shares are transferred to the participants in the Share Program 2011, to meet Electrolux undertakings under the program.

#### **Acquisition and transfer of own shares (item 17 a - d)**

##### **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.

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

The purpose of the proposal is to be able to adapt the company's capital structure, thereby contributing to increased shareholder value, and to be able to use repurchased shares on account of potential company acquisitions and the company's share related incentive programs.

#### **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.

- Own B-shares held by the company at the time of the Board of Directors' decision may be transferred.
- The shares may be transferred with deviation from the shareholders' preferential rights.
- 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.
- 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 share program 2009**

The Board of Directors proposes, on account of the share program for 2009, 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 2011**

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 2011 (the Share Program 2011) proposed under item 16, that the Annual General Meeting resolves to transfer Electrolux own shares, as follows.

- A maximum of 1,850,000 B-shares may be transferred.
- Participants entitled to acquire shares pursuant to the terms and conditions of the Share Program 2011 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.
- The right of participants to acquire shares may be exercised when delivery under the Share Program 2011 should take place, i.e. during 2014.
- Participants shall receive the shares free of charge during the period stated in the terms and conditions of the program.
- The number of shares which may be transferred may be recalculated due to changes in the capital structure and similar corporate actions, such as rights issues, consolidation or split etc.

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

**Amendment of the Articles of Association** (item 18)

The board of directors proposes the following amendments to the Articles of Association:

**Current wording**

**§ 9**

A notice convening a General Meeting shall be published in the Swedish Official Gazette, Svenska Dagbladet and Dagens Nyheter.

**Proposed amended wording**

**§ 9**

Notice convening a General Meeting shall be *issued through announcement* in the Swedish Official Gazette *as well as at the Company's website*.  
*Announcement to the effect that notice convening a General Meeting has been issued shall be made in Svenska Dagbladet and Dagens Nyheter.*

**§ 10 first sentence**

In order to participate in a General Meeting, a shareholder shall notify the Company not later than the day stated in the notice convening the meeting *before 4 p.m.*, stating the number of assistants.

**§ 10 first sentence**

In order to participate in a General Meeting, a shareholder shall notify the Company not later than the day stated in the notice convening the meeting, stating the number of assistants.

**Shares and votes**

There are in total 308,920,308 shares in the company of which, as of February 18, 2011, 8,813,125 are A-shares, each carrying one vote, and 300,107,183 are B-shares, each carrying one-tenth of one vote, corresponding to in total 38,823,843 votes. As of the same date the company holds 24,255,085 own B-shares, corresponding to 2,425,508 votes that may not be represented at the General Meeting.

**Information at the AGM**

The Board of Directors and the CEO shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the company, provide information regarding circumstances that may affect the assessment of an item on the agenda, circumstances that can affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the group. Shareholders requiring to submit questions in advance may send them to AB Electrolux, Attn: Office of the General Counsel, SE-105 45 Stockholm, Sweden.

### **Documents**

The Annual Report and the Auditor's Report as well as the documents under items 12-18 above will be available at the company, AB Electrolux, C-J, SE-105 45 Stockholm, Sweden and on the Group's web site on the Internet, [www.electrolux.com/agm](http://www.electrolux.com/agm). The documents will also be sent to shareholders who so request and state their address, as from March 10, 2011.

Stockholm in February 2011  
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 innovative products 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, cookers and air-conditioners sold under esteemed brands such as Electrolux, AEG, Eureka and Frigidaire. In 2010 Electrolux had sales of SEK 106 billion and 52,000 employees. For more information go to [www.electrolux.com/press](http://www.electrolux.com/press) and [www.electrolux.com/news](http://www.electrolux.com/news).

Electrolux may be required to disclose the information provided herein pursuant to the Securities Market Act.