

*Non-official translation*

## **The Report of the Board of Directors of AB Electrolux required by rule 10.3 in the Swedish Corporate Governance Code before the Annual General Meeting in 2011**

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The Board hereby report the results of the evaluation required by bullets two and three of rule 9.1 in the Swedish Corporate Governance Code. The report relates to the period after the Annual General Meeting (the "AGM") held on March 30, 2010.

The Board has established a Remuneration Committee, which has been comprised of three board members: Barbara Milian Thoralfsson (Chairman), Johan Molin and Marcus Wallenberg.

The 2010 AGM resolved on guidelines for remuneration and other terms of employment for Group Management. The Remuneration Committee has evaluated these guidelines and the application of the guidelines during the period as well as the current remuneration structures and levels for Group Management. The Committee has concluded that the guidelines have allowed Electrolux to recruit and retain the right personnel to Group Management. The guidelines have also contributed to make the compensation for Group Management well balanced. The Committee considered that the guidelines effectively have supported its purpose and has recommended the Board to propose that the 2011 AGM shall approve Remuneration Guidelines for 2011 that do not include any fundamental changes versus those applied in 2010. The Committee also concluded that the current remuneration structures and levels for Group Management are reasonable and well operating.

The 2010 AGM also resolved on a performance based, long-term incentive program for 2010. The Remuneration Committee has evaluated this program as well as previous incentive programs. The Committee has concluded that the programs function effectively. The Committee has therefore recommended the Board to propose that the 2011 AGM shall approve a performance based, long-term incentive program for 2011 with the same main elements as the program for 2010.

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Stockholm, February 2011

*THE BOARD OF DIRECTORS*