

The Report of the Board of Directors of AB Electrolux pursuant to rule 10.3 in the Swedish Corporate Governance Code before the Annual General Meeting in 2020

The Board hereby reports the results of the evaluation pursuant to 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 April 10, 2019.

The Board has established a Remuneration Committee, which is composed of three board members: Petra Hedengran (Chairman), Staffan Bohman and Ulrika Saxon.

The 2019 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 maintaining the compensation for Group Management well balanced. The Committee considered that the guidelines effectively have supported their purpose and has recommended the Board to propose that the 2020 AGM shall approve Remuneration Guidelines that in substance correspond to those applied as from the 2019 AGM. However, in order to meet new legal requirements, the proposed guidelines for remuneration are more detailed than the previous guidelines. The Committee also concluded that the current remuneration structures and levels for Group Management are reasonable and well operating.

The 2019 AGM also resolved on a performance based, long-term incentive program for 2019. The Remuneration Committee has evaluated this program as well as previous incentive programs. The Committee has concluded that the 2019 program works effectively. The Committee has therefore recommended the Board to propose that the 2020 AGM shall approve a performance based, long-term incentive program for 2020 with the same main elements as the program for 2019.

Stockholm, January 2020

THE BOARD OF DIRECTORS