

## **AB Electrolux Nomination Committee's explanatory statement regarding its proposals to the Annual General Meeting 2020, including an account of how the Nomination Committee has conducted its work**

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Electrolux Nomination Committee for the Annual General Meeting (AGM) 2020 was composed on the basis of the ownership status of the company as of August 31, 2019.

The Chairman of the Nomination Committee is Johan Forssell, Investor AB. The other owner representatives are Kaj Thorén, Alecta, Marianne Nilsson, Swedbank Robur funds, and Anders Oscarsson, AMF – Försäkring och Fonder. The Nomination Committee also includes Staffan Bohman and Fredrik Persson, Chairman and Director, respectively, of the Board of Electrolux.

Shareholders have been able to submit proposals to the Nomination Committee via e-mail.

### **Proposal and explanatory statement regarding election of Board of Directors and proposal on fees**

Hasse Johansson and Ulrika Saxon have informed the Nomination Committee that they decline re-election. The Nomination Committee proposes re-election of Staffan Bohman, Petra Hedengran, Ulla Litzén, Fredrik Persson, David Porter, Jonas Samuelson and Kai Wörn as Board Members. The Nomination Committee also proposes that Henrik Henriksson and Karin Overbeck are elected as new Board Members.

Henrik Henriksson is President and CEO of Scania AB. He is also a Board Member of Scania AB and Hexagon AB. He has previously held various senior positions within Scania including four years as Export Director in Scania South Africa Pty Ltd in Johannesburg, South Africa. He holds a Bachelor of Science in Business Administration. Henrik Henriksson, born 1970, is a Swedish citizen.

Karin Overbeck is CEO of Freudenberg Home and Cleaning Solutions GmbH. She has previously held various senior positions within the KAO Corporation as well as in L'Oréal, Tchibo and Unilever. She holds a master's degree in Economics, Marketing and Finance. Karin Overbeck, born 1966, is a German citizen.

The Nomination Committee further proposes that Staffan Bohman is re-elected Chairman of the Board for the coming year.

The Nomination Committee's proposal is thus that the following Directors are elected to the Board of Electrolux for a term of office until the next AGM:

- Staffan Bohman, Chairman
- Petra Hedengran
- Henrik Henriksson
- Ulla Litzén
- Karin Overbeck
- Fredrik Persson
- David Porter
- Jonas Samuelson, President and CEO
- Kai Wörn

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In the nomination work for this year's AGM, the Nomination Committee has made an assessment of the composition and size of the current Board as well as the Electrolux Group's operations. Areas of particular interest have been Electrolux strategies and goals and the demands on the Board that are expected from the Group's positioning for the future. A good understanding of Electrolux business and strategy is important for the members of the Nomination Committee. The Nomination Committee has therefore taken into account the information provided by the Chairman regarding the company's position and strategy including its high ambitions within sustainability, and which competences and experiences are considered important for Electrolux. As a part of its evaluation, the Nomination Committee has studied the result of the board and chairman evaluations respectively and been informed about how the board work functions. The Nomination Committee has noted that the Directors have a high Board meeting attendance and that they are well prepared at the meetings. Three out of eight<sup>1</sup> of the proposed Directors of the Board to be elected at the shareholders' meeting are women. The Nomination Committee has before the AGM 2020 held six meetings. In between, the committee members have also had ongoing discussions.

After a thorough evaluation, the Nomination Committee has found that the board work functions well. Those different fields of competence and experience considered important to Electrolux are also after the proposed new elections well represented on the Board. The Nomination Committee considers that the composition and the size of the proposed Board is appropriate to meet Electrolux needs. The Nomination Committee has also assessed that the proposed Board members will be able to devote the necessary time required to fulfil their tasks as Board members in Electrolux.

The Nomination Committee has applied rule 4.1 of the Swedish Corporate Governance Code as diversity policy in its nomination work. The Nomination Committee considers that a breadth and versatility as regards age, nationality, educational background, gender, experience, competences and the term of office is represented among the proposed Directors of the Board. The Nomination Committee believes that diversity is vital and that it is important that coming Nomination Committees continue to work actively to achieve a gender balance in the Board.

Henrik Henriksson has deep knowledge within manufacturing, digitalization and transformation and extensive experience of leading international operations. Karin Overbeck has extensive experience within marketing and sales and of leading international operations. She also has a strong consumer focus. Henrik Henriksson and Karin Overbeck are deemed independent in relation to both Electrolux and Electrolux management as well as Electrolux major shareholders. The Nomination Committee believes that Henrik Henriksson and Karin Overbeck will contribute with valuable competence and experience and that they are very well suited as Board Members of Electrolux.

It is noted that the Nomination Committee has found that the proposed Board is considered to be in compliance with relevant requirements for independence.

The Nomination Committee has discussed the level and structure of the Board compensation. A basic principle when assessing Board fees is that these shall be competitive and make it possible to recruit and retain individuals with the best possible competence. When assessing the level of fees, a comparison has been made in relation to Board fees in companies of equal size and complexity. Against this background, the Nomination Committee has concluded that the proposed increase is reasonable and well justified.

The Nomination Committee has reviewed the current instructions for the Nomination Committee, which were resolved by the Annual General Meeting 2011, and has decided that no changes will be proposed. The Nomination Committee has also resolved to adopt a recommendation for Board Members' acquisitions and holdings of Electrolux shares with the same wording as last year.

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<sup>1</sup> In this calculation, the President and CEO has not been included in the total number of Directors of the Board.

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**Proposal for election of auditor and fees to the auditor**

The Nomination Committee proposes, in accordance with the recommendation by the Audit Committee, re-election of the audit firm Deloitte AB as the company's auditor for the period until the end of the 2021 Annual General Meeting and that the Auditor's fees be paid as incurred, for the Auditor's term of office, on approved account.

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Stockholm, February 2020  
*AB Electrolux Nomination Committee*