

Press Release

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Notice convening the Annual General Meeting of AB Electrolux

Stockholm, Sweden, February 15, 2021

The shareholders of AB Electrolux, reg. no. 556009-4178, are hereby given notice of the Annual General Meeting to be held on Thursday, March 25, 2021.

Due to the coronavirus, the Board of Directors has decided that the Annual General Meeting should be conducted without the physical presence of shareholders, representatives or third parties and that the shareholders before the meeting should be able to exercise their voting rights only by post. Information on the resolutions passed at the meeting will be disclosed on March 25, 2021, as soon as the outcome of the postal voting has been finally confirmed.

Registration and notification

A person who wishes to participate in the Annual General Meeting by postal voting must

- be listed as a shareholder in the presentation of the share register prepared by Euroclear Sweden AB concerning the circumstances on Wednesday, March 17, 2021, and
- give notice of intent to participate no later than on Wednesday, March 24, 2021, by casting its postal votes in accordance with the instructions under the heading *Postal voting* below so that the postal voting form is received by Euroclear Sweden AB no later than that day.

In order to be entitled to participate in the meeting, a shareholder whose shares are registered in the name of a nominee must, in addition to giving notice of participation in the Annual General Meeting by submitting its postal vote, register its shares in its own name so that the shareholder is listed in the presentation of the share register as of the record date Wednesday, March 17, 2021. Such re-registration may be temporary (so-called voting rights registration), and request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such time in advance as decided by the nominee. Voting rights registration that have been made by the nominee no later than Friday, March 19, 2021 will be taken into account in the presentation of the share register.

Postal voting

The Board of Directors has decided that shareholders should be able to exercise their voting rights only by postal voting in accordance with section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form must be used for the postal vote. The form for postal voting is available on the Group's website www.electroluxgroup.com/agm2021. Completed and signed forms for postal voting can be sent by mail to AB Electrolux (publ), c/o Euroclear Sweden, Box 191, SE-101 23 Stockholm, Sweden or by e-mail to GeneralMeetingService@euroclear.com. Completed forms must be received by Euroclear no later than March 24, 2021. Shareholders who are natural persons may also cast their votes electronically through verification with BankID via the Euroclear Sweden AB's website <https://anmalan.vpc.se/EuroclearProxy>. Such electronic votes must be submitted no later than March 24, 2021.

The shareholders may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form and at <https://anmalan.vpc.se/EuroclearProxy>.

Powers of attorney

If the shareholder submits its postal vote by proxy, a written and dated Power of Attorney signed by the shareholder must be attached to the postal voting form. Proxy forms are available on the Group's website www.electroluxgroup.com/agm2021. If the shareholder is a legal person, a registration certificate or other authorization document must be attached to the form.

Shareholders' right to receive information

The Board of Directors and the President and 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 and circumstances that may affect the assessment of the company's or its subsidiaries' financial situation and the company's relation to other companies within the Group. A request for such information shall be made in writing to the company no later than ten days prior to the Annual General Meeting, i.e. no later than March 15, 2021, at the address of AB Electrolux (publ), General Counsel, 105 45 Stockholm, Sweden or by e-mail at agm@electrolux.com. The questions and responses will be made available on the Group's website www.electroluxgroup.com/agm2021, together with a webcast with the Chairman and the CEO including their reflections on 2020, no later than March 20, 2021. The questions and answers will also be available at the company's head office, S:t Göransgatan 143 in Stockholm, Sweden on the same date. The information is also sent to the shareholders who requested it and stated their address.

Agenda

1. Election of Chairman of the Meeting.
2. Election of two minutes-checkers.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
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. Resolution on adoption of the Income Statement and the Balance Sheet as well as the Consolidated Income Statement and the Consolidated Balance Sheet.
8. Resolution on discharge from liability of the Directors and the President for 2020.
9. Resolution on dispositions in respect of the company's profit pursuant to the adopted Balance Sheet and determination of record dates for dividend.
10. Determination of the number of Directors and Deputy Directors.
11. Determination of fees to the Board of Directors and the Auditor.
12. Election of Board of Directors and Chairman of the Board of Directors.
 - a) Election of Staffan Bohman as Director. (re-election)
 - b) Election of Petra Hedengran as Director. (re-election)
 - c) Election of Henrik Henriksson as Director. (re-election)
 - d) Election of Ulla Litzén as Director. (re-election)
 - e) Election of Karin Overbeck as Director. (re-election)
 - f) Election of Fredrik Persson as Director. (re-election)
 - g) Election of David Porter as Director. (re-election)
 - h) Election of Jonas Samuelson as Director. (re-election)
 - i) Election of Staffan Bohman as Chairman. (re-election)
13. Election of Auditor. (re-election)
14. Resolution on approval of Remuneration Report.

15. Resolution on implementation of a performance based, long-term share program for 2021.
16. Resolutions on
 - a) acquisition of own shares, and
 - b) transfer of own shares on account of company acquisitions.

Item 1 – Election of Chairman of the Meeting

The Electrolux nomination committee, consisting of the Chairman Johan Forssell, Investor AB, and the members Carina Silberg, Alecta, Marianne Nilsson, Swedbank Robur funds, and Tomas Risbecker, AMF – Försäkring och Fonder, Staffan Bohman and Fredrik Persson, Chairman and Director, respectively, of the Board of Directors of the company, proposes:

- Björn Kristiansson, member of the Swedish Bar Association, as chairman of the Annual General Meeting or in the event he is prevented from participating, the person appointed by the Board of Directors.

Item 2 – Election of two minutes-checkers

The Board of Directors proposes Ramsay Brufer, Alecta, and Anders Oscarsson, AMF, or if one or both of them are prevented from participating, the person(s) appointed by the Board of Directors, to check the minutes. The assignment to check the minutes also include checking the voting list and that the received postal votes are correctly reflected in the minutes of the meeting.

Item 3 – Preparation and approval of the voting list

The voting list proposed to be approved is the voting list prepared by Euroclear Sweden AB on behalf of the company, based on the General Meeting share register and received postal votes, controlled and checked by the persons assigned to check the minutes.

Item 9 – Dividend and record dates

The Board of Directors proposes a dividend for the fiscal year 2020 of SEK 8.00 per share. The dividend is proposed to be paid in two equal installments of SEK 4.00 per installment and share, the first with the record date Monday, March 29, 2021, and the second with the record date Wednesday, September 29, 2021. Subject to resolution by the General Meeting in accordance with this proposal, the first installment of dividend is expected to be distributed by Euroclear Sweden AB on Thursday, April 1, 2021 and the second installment on Monday, October 4, 2021.

Item 10 – Number of Directors

The nomination committee proposes:

- Eight Directors and no Deputy Directors.

Item 11 – Fees to the Board of Directors and the Auditor

The nomination committee proposes Directors' fees as follows:

- SEK 2,285,000 to the Chairman of the Board of Directors and SEK 665,000 to each of the other Directors appointed by the Annual General Meeting not employed by Electrolux; and
- for committee work, to the members who are appointed by the Board of Directors: SEK 290,000 to the Chairman of the audit committee and SEK 185,000 to each of the other members of the committee and SEK 170,000 to the Chairman of the

remuneration committee and SEK 115,000 to each of the other members of the committee.

The Nomination Committee also proposes that the Auditor's fee be paid as incurred, for the Auditor's term of office, on approved account.

Item 12 – Election of the Board of Directors and Chairman of the Board

The nomination committee proposes:

- Re-election of Directors Staffan Bohman, Petra Hedengran, Henrik Henriksson, Ulla Litzén, Karin Overbeck, Fredrik Persson, David Porter and Jonas Samuelson.
- Re-election of Staffan Bohman as Chairman of the Board of Directors.

Item 13 – Election of 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 2022 Annual General Meeting.

Item 14 – Approval of Remuneration Report

The Board of Directors proposes that the Annual General Meeting resolves to approve the Board of Directors' report on remuneration pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

Item 15 – Implementation of a performance based long-term share program for 2021

The Board of Directors has decided to propose a long-term incentive program for 2021. The Board is convinced that the proposed program will be beneficial to the company's shareholders as it will contribute to the possibilities to recruit and retain competent employees, is expected to increase the commitment and the motivation of the program participants and will strengthen the participants' ties to the Electrolux Group and its shareholders.

The Board of Directors proposes, in view of the above, that the Annual General Meeting resolves to implement a performance based, long-term share program for 2021 (the "Share Program 2021") with the following principal terms and conditions:

- a) The program is proposed to include up to 350 senior managers and key employees of the Electrolux Group, who are divided into six groups; the President and CEO ("Group 1"), other members of Group Management ("Group 2"), and four additional groups for other senior managers and key employees ("Group 3-6"). Invitation to participate in the program shall be provided by Electrolux no later than on May 17, 2021.
- b) Participants are offered to be allocated Performance Shares, provided that the participant remains employed until January 1, 2024. Exemptions to this requirement may be prescribed in specific cases, including a participant's death, disability, retirement or the divestiture through a sale, spin-off or otherwise of the participant's employing company from the Electrolux Group.
- c) The Performance Shares shall be based on maximum performance values for each participant category. The maximum performance value for the participants in Group 1 will be 100 per cent of the participant's annual base salary for 2021, for participants in Group 2, 90 per cent of the participant's annual base salary for 2021, for participants in Group 3, 80 per cent of the participant's annual base salary for 2021, for participants in Group 4, 60 per cent of the participant's annual base salary for 2021, for participants in Group 5, 50 per cent of the participant's annual base salary for 2021, and for participants in Group 6, 40 per

cent of the participant's annual base salary for 2021. The total sum of the maximum values of the Performance Shares thus defined for all participants will not exceed SEK 380m excluding social costs.

- d) Each maximum value shall thereafter be converted into a maximum number of Performance Shares¹, based on the average closing price paid for Electrolux B-shares on Nasdaq 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.
- e) The calculation of the number of Performance Shares shall be connected to performance targets for the Group established by the Board for (i) earnings per share, (ii) return on net assets,² and (iii) CO₂ reduction³. The performance targets adopted by the Board will stipulate a minimum level and a maximum level, with the relative weight of the performance targets (i), (ii) and (iii) being 60 per cent, 20 per cent and 20 per cent respectively.
- f) The performance period is the financial year 2021 with respect to performance targets (i) and (ii) and the financial years 2021–2023 with respect to performance target (iii). Performance outcome of the established performance targets will be determined by the Board after the expiry of the performance period for the respective performance target. If the maximum performance level is reached or exceeded, the allocation will amount to (and will not exceed) the maximum number of Performance Shares following from c) and d). If performance is below the maximum level but exceeds the minimum level, a proportionate allocation of shares will be made. No allocation will be made if performance amounts to or is below the minimum level. Information on the performance targets and the outcome will be provided no later than in connection with the allocation of Performance Shares in accordance with h).
- g) The total award of Performance Shares may never exceed one (1) per cent of the total number of shares in Electrolux. If required, allotments shall be reduced to ensure that this dilution cap is observed.
- h) If all conditions in the Share Program 2021 are met, allocation of Performance Shares will take place in the first half of 2024. Allocation will be free of charge except for tax liabilities.
- i) Certain deviations in or adjustments of the terms and conditions for the Share Program 2021 may be made based on local rules and regulations as well as applicable market practice or market conditions or where appropriate due to group re-organizations, including cash settlement instead of delivery of shares under certain circumstances.
- j) The Board of Directors, or a committee established by the Board for these purposes, shall be responsible for the preparation and management of the Share Program 2021, within the framework of the aforementioned terms and conditions.

¹ With a possibility for the Board of Directors to make adjustments for extraordinary events such as bonus issue, split, rights issue and/or other similar events.

² With a possibility for the Board of Directors to make adjustments to (i) and (ii) for extraordinary events.

³ The CO₂ reduction target refers to greenhouse gas reductions within the following three areas: (i) operations, (ii) energy from product use, and (iii) use of hydrofluorocarbons (HFCs), and will be measured on selected predefined product categories and regions.

- k) If material changes would occur within the Electrolux Group or on the market that, according to the Board's assessment, would lead to the conditions for allocation of Performance Shares no longer being reasonable, the Board will have the right to make also other adjustments of the Share Program 2021, including e.g. a right to resolve on a reduced allotment of shares.

Costs for the Share Program 2021

The total costs for the Share Program 2021 if the maximum number of Performance Shares are delivered, are estimated to a maximum of SEK 411m, which corresponds to approximately 2.2 per cent of total employment cost for 2020. The costs will be recognized over the years 2021-2023. The costs have been calculated as the sum of salary costs, including social costs, and administration costs for the program. Administration costs are estimated to be less than SEK 1m. If no allotment of shares is made, only administration costs will arise.

The costs have been calculated based on the value, at the start of the program, of the Performance Shares that may be allotted at maximum performance, with a reduction of the present value of estimated dividend payments during a three-year period. The estimate on maximum costs assumes maximum performance and that the number of participants that will leave the Group during the performance period is the same as the historical average since the introduction of share programs in 2004. In the calculation, a maximum share price of SEK 268 per share has been applied.

If repurchased shares are allocated under the program the number of outstanding shares is estimated to increase with not more than 2,753,000 B-shares.⁴ Such maximum increase would have a dilutive effect on earnings per share of approximately 0.95 per cent. The total maximum increase in the number of outstanding shares of all outstanding share programs is estimated to not more than 4,492,000 B-shares, corresponding to a dilutive effect on earnings per share of approximately 1.54 per cent. In this calculation, maximum allotment of shares has been assumed for Share Program 2021 and expected allotment has been assumed for the share programs for 2019 and 2020.

Hedging measures for the Share Program 2021

The Board of Directors does not currently propose any method for securing the undertakings under the Share Program 2021. Delivery of Performance Shares in accordance with the terms of the Share Program 2021 will take place in 2024.

Preparation of the proposal for the Share Program 2021

The proposal regarding the Share Program 2021 has been prepared by the Remuneration Committee and the Board of Directors.

Previous incentive programs in Electrolux

For a description of the company's other share related incentive programs, reference is made to the Annual Report for 2020, note 27, and the company's website, www.electroluxgroup.com. In addition to the programs described, no other share related incentive programs have been implemented in Electrolux.

Item 16 – Acquisition and transfer of own shares

Electrolux has previously, on the basis of authorizations 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 January 1, 2021, Electrolux held 21,522,858 own B shares,

⁴ With a possibility for the Board of Directors to make adjustments for extraordinary events such as bonus issue, split, rights issue and/or other similar events.

corresponding to approximately 7.0 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 on one or several occasions, 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 per cent of all shares issued by the company.
2. The shares may be acquired on Nasdaq 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 purpose of the proposal is to be able to use repurchased shares on account of potential company acquisitions and the company's share related incentive programs, and to be able to adapt the company's capital structure, thereby contributing to increased shareholder value.

The Board of Directors has issued a statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act.

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 on one or several occasions, to resolve on transfers of the company's 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 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.

Majority requirement

In order for the resolutions by the General Meeting in accordance with the Board of Directors' proposals under item 16 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.

Shares and votes

There are in total 308,920,308 shares in the company of which, as of February 15, 2021, 8,192,539 are A shares, each carrying one vote, and 300,727,769 are B shares, each carrying one-tenth of a vote, corresponding to in total 38,265,315.9 votes. As of the same date the company holds 21,522,858 own B shares, corresponding to 2,152,285.8 votes that may not be represented at the General Meeting.

Processing of personal data

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Documents

The Board of Directors' complete proposals are set out above. Information about persons proposed as members of the Board of Directors of Electrolux, information about proposed Auditor and the Nomination Committee's statement etc., can be found on the company's website, www.electroluxgroup.com/agm2021. The Annual Report (including the Board of Directors' statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act relating to the proposal under item 9 above), the Auditor's Report, the Auditor's statement pursuant to Chapter 8, Section 54 of the Swedish Companies Act regarding the remuneration guidelines for the group management, the Remuneration Report pursuant to Chapter 8, Section 53 a of the Swedish Companies Act, and the Board of Directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act relating to the proposal under item 16 a) above will be available at the company, AB Electrolux, S:t Göransgatan 143, SE105 45 Stockholm, Sweden and on the Group's website, www.electroluxgroup.com/agm2021, as from February 25, 2021. The documents are presented by being available at the company and on the Group's website. They will also be sent to shareholders who so request and state their address. In other respects, complete proposals are provided under the respective item in this notice. The general meeting share register will be available at the company's head office, S:t Göransgatan 143, Stockholm, Sweden.

Stockholm in February 2021
AB Electrolux (publ)
THE BOARD OF DIRECTORS

Electrolux is a leading global appliance company that has shaped living for the better for more than 100 years. We reinvent taste, care and wellbeing experiences for millions of people, always striving to be at the forefront of sustainability in society through our solutions and operations. Under our brands, including Electrolux, AEG and Frigidaire, we sell approximately 60 million household products in approximately 120 markets every year. In 2020 Electrolux had sales of SEK 116 billion and employed 48,000 people around the world. For more information go to www.electroluxgroup.com.