

## **THE NOMINATION COMMITTEE'S REASONED STATEMENT AS REGARDS PROPOSAL OF BOARD OF DIRECTORS IN ALFA LAVAL AB (PUBL)**

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The Nomination Committee proposes re-election of board members Gunilla Berg, Arne Frank, Ulla Litzén, Björn Hägglund, Anders Narvinger, Finn Rausing, Jörn Rausing, Lars Renström and Ulf Wiinberg.

In addition, the Nomination Committee proposes that Anders Narvinger is appointed Chairman of the Board of Directors. Should Anders Narvinger's assignment as Chairman of the Board of Directors end prematurely, the Board of Directors shall appoint a new Chairman.

The Nomination Committee's proposal entails that the Board of Directors will consist of nine members elected by the General Meeting.

Information on the members proposed to the Board of Directors is presented in the investor section of Alfa Laval's website, under Corporate Governance (<http://www.alfalaval.com/about-us/investors/corporate-governance/board-of-directors/pages/board-of-directors.aspx>).

The Nomination Committee has during its work studied an internal evaluation of the work of the Board of Directors. Further, the Nomination Committee has interviewed members of the Board of Directors and has also met the CEO of Alfa Laval, who has reported on the company's operations. The proposal which is presented to the Annual General Meeting has been prepared in accordance with the framework for the work of the Nomination Committee, decided at the Annual General Meeting of Alfa Laval AB on 23 April 2013.

With regard to the company's global operations, the Nomination Committee has in its work strived to present a proposal on the composition of the Board of Directors characterized by diversity and variety with respect to experience, knowledge, competence and

background. The Nomination Committee has in particular considered that the members of the Board of Directors altogether represent a variety of, for Alfa Laval, relevant industrial experience and experience from the finance- and capital market. Taken together, the Nomination Committee considers the proposed Board of Directors to, with respect to the company's operations, development and in other respects, constitutes an appropriate composition characterized by diversity and variety with respect to the competence, experience, and background of the members elected by the General Meeting.

The Nomination Committee has, in accordance with the requirements set forth in the Swedish Corporate Governance Code (Sw. *Svensk kod för bolagsstyrning*), discussed the issue concerning the members of the Board of Directors' independency. The Nomination Committee has assessed that eight out of the nine members proposed to be elected by the General Meeting are independent of the company and the management. In this regard, Lars Renström, the CEO of Alfa Laval, constitutes an exception. Further, the Nomination Committee has assessed that all of the members to be elected by the General Meeting, except for board members Finn Rausing and Jörn Rausing, are independent of the company's major shareholders. Accordingly, the proposal on the composition of the Board of Directors meets applicable requirements of independent board members as set forth in the Swedish Corporate Governance Code.

Lund, Sweden, in March 2014

The Nomination Committee of Alfa Laval AB (publ)