



Annual General Meeting in Alfa Laval AB (publ)

The shareholders in Alfa Laval AB (publ) (Reg. No. 556587-8054, registered office: Lund) are given notice to attend the Annual General Meeting held on Thursday 23 April 2020 at 4.00 p.m. CET at Scandic Star Lund, Gastelyckan, Glimmervägen 5, Lund, Sweden. Registration for the general meeting begins at 3.15 p.m. CET.

Special arrangements due to the risk of spreading the COVID-19 infection

At the date of this notice, the Public Health Organization of Sweden, considers the risk of the COVID-19 infection being spread, as very high. To reduce the general risk of spreading the infection, the authority's recommendations are to avoid large gatherings and crowded places. If it is not possible to avoid gatherings, the time spent in a gathering should be minimized.

A priority for Alfa Laval is to protect the company's shareholders and their opportunity to exercise their rights as shareholders at the Annual General Meeting. As a result of this, Alfa Laval has decided to implement special precautionary and risk-minimization measures at the Annual General Meeting on 23 April 2020. The following changes will be made to the arrangement compared to Alfa Laval's previous general meetings.

- No food and beverages will be served in connection with the general meeting. This means that there will be no coffee before the general meeting and no food after the general meeting.
- The time for registration will be changed from 3.30 p.m. to 3.15 p.m. Please note that queue formation and congestion at the registration will increase if everyone arrives just before the opening of the general meeting.
- The usual tour of the production facility is cancelled.
- The company's CEO presentation will be recorded in advance and published on the company's website, <https://www.alfalaval.com/>, in connection with the opening of the general meeting. Only a short presentation will be given by the CEO at the general meeting. Any shareholder with questions to the CEO will have the opportunity to submit such questions in advance. The questions will be answered in connection with the pre-recorded CEO presentation or in writing on the company's website. Further information will be published on the website, well in advance of the Annual General Meeting.
- The number of people attending who are not shareholders, will be reduced.

- The duration of the general meeting will be minimized without infringing the rights of the shareholders.

Shareholders displaying any symptoms of illness, who have recently travelled to or from a risk area, or who are considered to be part of a risk group, are requested to refrain from attending the general meeting and to vote via proxy. Proxy forms are available on the company's website. Please note that Alfa Laval is not permitted to gather powers of attorney and act as proxy.

The Annual General Meeting will be held on April 23, 2020 at Scandic Star Lund. In the event that another venue for the general meeting would be more suitable from a risk minimizing perspective, the venue might be changed closer to the date of the general meeting. Information about a potential change of venue will be published at Alfa Laval's website.

The extent of the continued spread of the COVID-19 infection remains difficult to estimate and Alfa Laval monitors the development carefully. In the event that further changes concerning the Annual General Meeting are needed, information will be published on Alfa Laval's website, www.alfalaval.com/.

Program for shareholders

- 3.15 p.m. Registration for the Annual General Meeting begins
- 4.00 p.m. The Annual General Meeting is opened

Right to participate

Shareholders who wish to participate in the general meeting and have the right to vote shall

- be registered in the share register maintained by Euroclear Sweden AB on Friday 17 April 2020, and
- notify participation to Alfa Laval AB – together with any advisors (at the most, two) – no later than on Friday 17 April 2020, preferably before 12.00 noon.

In addition, a shareholder with nominee-registered shares must have the shares registered in its own name in the share register maintained by Euroclear Sweden AB. Such ownership registration, which may be temporary, must be completed by Friday 17 April 2020. This means that the shareholder must notify the nominee in ample time prior to this date.

Notification

Notification to participate in the general meeting must be done in one of the following ways:

- by e-mail to arsstamma.lund@alfalaval.com,
- on the company's website www.alfalaval.com/investors/corporate-governance/,
- by telephone to number +46 46 36 74 00 or +46 46 36 65 00, weekdays between 8.00 a.m. and 4.00 p.m., or
- by mail to the address Alfa Laval AB, Juridik, P.O. Box 73, SE-221 00 Lund, Sweden.

The notification shall include name, personal or corporate registration number, address and telephone number, as well as information of any advisors (at the most, two). A proxy for a shareholder shall, at the general meeting at the latest, present the original copy of a dated proxy form in writing. The proxy form may at the time of the general meeting not be older than one year, if not the limitation stated in the proxy is longer (however, not more than five years). A proxy form is available at the company's website www.alfalaval.com/investors/

[corporate-governance/](#) but can also be obtained from Alfa Laval AB, Juridik, P.O. Box 73, SE-221 00 Lund, Sweden. In addition, a proxy or a representative of a legal entity shall submit a certificate of registration no later than at the general meeting. To facilitate the registration, the proxy form and the certificate of registration shall be sent (although not electronically) to Alfa Laval AB in connection with the notification. As confirmation of the notification, Alfa Laval AB will on Monday 20 April 2020 at the earliest, dispatch an entrance card to be presented at the registration.

Proposed agenda

1. Opening of the Annual General Meeting.
2. Election of Chairman for the general meeting.
3. Preparation and approval of the voting register.
4. Approval of the agenda for the general meeting.
5. Election of one or two persons to attest the minutes.
6. Determination whether the general meeting has been duly convened.
7. Statement by the CEO.
8. Report on the work of the Board of Directors and the Committees of the Board of Directors.
9. Presentation of the annual report and the Auditor's report, as well as the consolidated annual report and the Auditor's report for the group, and the Auditor's report regarding compliance with the *Guidelines for compensation to executive officers* adopted at the 2019 Annual General Meeting.
10. Resolution on
 - (a) the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet;
 - (b) allocation of the company's profit according to the adopted balance sheet, and record date for distribution of profits; and
 - (c) discharge from liability for members of the Board of Directors and the CEO.
11. Report on the work of the Nomination Committee.
12. Determination of the number of members of the Board of Directors and deputy members of the Board of Directors to be elected by the general meeting as well as the number of Auditors and deputy Auditors.
13. Determination of the compensation to the Board of Directors and the Auditors.
14. Election of Chairman of the Board of Directors, other members of the Board of Directors and deputy members of the Board of Directors, as well as Auditors and deputy Auditors.
15. Resolution on *Executive remuneration policy* for compensation to executive officers.
16. Resolution to amend the Articles of Association.
17. Closing of the Annual General Meeting.

Proposed resolutions

Item 2

The Nomination Committee proposes that the Chairman of the Board of Directors, Anders Narvinger, is appointed Chairman of the 2020 Annual General Meeting.

Item 10 (b)

The Board of Directors proposes a distribution of profits in an amount of SEK 5,50 per share for 2019. Monday 27 April 2020 is proposed as record date for the right to receive dividend. If the general meeting resolves in accordance with this proposal, Euroclear Sweden AB is expected to pay the dividend on Thursday 30 April 2020.

2006 to 2019 he held the position as President and CEO. He left the position and Tetra Pak in the end of April 2019.

Ray Mauritsson is since 2003 President and CEO at Axis AB. Ray Mauritsson has long experience within Axis where he has held several senior positions since 1995. Ray Mauritsson is currently board member in HMS Networks.

The Nomination Committee proposes that Dennis Jönsson shall be appointed as new Chairman of the Board of Directors. Should Dennis Jönsson's assignment as Chairman of the Board of Directors end prematurely, the Board of Directors shall appoint a new Chairman.

Information on all members proposed to the Board of Directors and the Nomination Committee's reasoned statement is available at Alfa Laval AB's website, www.alfalaval.com/investors/corporate-governance/, and will also be available at the general meeting.

The Nomination Committee proposes, in accordance with the Remuneration Committee's recommendation, that the authorized public accountants Staffan Landén and Karoline Tedevall are re-elected as the company's Auditors for the forthcoming year, thus for the time up to the end of the 2021 Annual General Meeting. The Nomination Committee further proposes that the authorized public accountant Henrik Jonzén is re-elected and that the authorized public accountant Andreas Mast is elected, as the company's deputy Auditors for the forthcoming year, thus for the time up to the end of the 2021 Annual General Meeting. Nina Bergman has declined re-election.

Item 15

The Board of Directors hereby proposes, that the general meeting decides to adopt the following remuneration policy for executive officers.

Executive Remuneration Policy

The executive officers, i.e. the CEO and other members of Group Management reporting to the CEO, fall within the provisions of this policy. The policy is forward-looking, i.e. applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the policy by the annual general meeting in April 2020. This policy does not apply to any remuneration decided or approved by the general meeting. The policy is substantially in line with the policy adopted in 2019, but more detailed due to new legislation.

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel, consequently it is necessary that the company offers market competitive remuneration. For information regarding Alfa Laval's business strategy, please visit <https://www.alfalaval.com/investors/in-brief/#xaa>

This policy enables the company to offer the executive officers a competitive total remuneration. The remuneration shall be on market terms and may consist of the following components: fixed base salary, variable cash remuneration (including STI and LTIP),

pension benefits and other benefits. The components, their purpose and link to the company's business strategy are described below.

The decision-making process to determine, review and implement the policy

The Board of Directors has established a Committee within the Board (the Remuneration Committee), with the tasks of preparing, within the Board of Directors, the policy for remuneration for executive officers. The Board of Directors shall propose a revised policy at least every fourth year and submit it to the general meeting. The policy shall be in force until a new policy is adopted by the general meeting.

Unless otherwise stated herein, the Board of Directors shall resolve on matters regarding remuneration and employment provisions for all other executive officers. The Committee shall continuously report to the Board of Directors. The CEO and the other executive officers shall not be present when their respective remuneration terms are decided.

Additionally, the general meeting may – irrespective of this policy– resolve on, among other things, share-related or share price-related remuneration.

Fixed Base Salary

Purpose and link to strategy

Supports the attraction and retention of the best talents. Ensures competitiveness while controlling fixed costs to maximise efficiency.

Operational Details

- Normally reviewed annually and increases will usually be effective from 1 January or following a change in responsibilities.
- The Remuneration Committee will consider, among other things, the following parameters when reviewing fixed base salary:
 - Economic and salary conditions and trends.
 - The individual's performance and responsibilities.
 - Base salaries and total remuneration at other companies that operate in the same markets, typically benchmarked against similar roles.

Variable Cash Remuneration

A portion of the total remuneration for the executive officers is linked to business performance so that total remuneration will increase or decrease in line with performance, thus promoting the company's business strategy and long-term interests.

Annual Short Term Incentive (STI)

Purpose and link to strategy

To incentivise and create focus on the delivery of annual financial and strategic criteria.

Operational Details

- The performance criteria, weighting and targets are to be proposed by the

Remuneration Committee annually and approved by the Board of Directors. Targets shall be set by reference to the company's operating plan and historical and projected performance.

- The outcome of criteria for awarding STI is to be measured over a period of one year and depend on the degree of fulfilment of predetermined targets.
- The Board of Directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to reclaim in whole or in part STI paid on incorrect grounds (so-called claw-back).

Opportunity Levels

The maximum opportunity for STI can amount up to 40% of fixed base salary. For the CEO the maximum opportunity can amount up to 60% of fixed base salary.

The Remuneration Committee shall have the possibility to review the opportunity levels in order to ensure market competitiveness.

Performance criteria

The STI plan awards shall be based on mainly financial criteria. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests.

Long Term Incentive Plan (LTIP)

Purpose and link to strategy

Give extra focus on the long-term value creation for the shareholders.

Operational Details

- An annual grant of the LTIP, with a three-year performance period, can be decided by the Board of Directors each year.
- Payment to the participants of the program are made after year three, provided, that they are still employed at the date of payment.
- The Board of Directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to reclaim in whole or in part LTIP paid on incorrect grounds (claw-back).
- In the event of a restructuring of the Company or any other extraordinary event which the Remuneration Committee considers will affect the value of an award, the method of calculating the proportion of the maximum

value of the award which will be paid to a Participant on vesting may be adjusted in such manner as the Remuneration Committee shall determine to be fair and reasonable.

Opportunity Levels For executive officers the maximum opportunity for LTIP can amount up to 40% of fixed base salary for each three-year performance period. For the CEO the maximum opportunity can amount up to 50% of fixed base salary for each three-year performance period.

Performance Criteria The performance criteria of the LTIP are to be related to financial targets over a business cycle, including but not necessarily limited to, Operating margin (adjusted EBITA margin) and Net invoicing growth. Maximum outcome is awarded when the externally communicated long-term financial targets are clearly exceeded.

For retention or recruitment purposes or extraordinary performance beyond the individual's ordinary tasks the Remuneration Committee based on proposal of CEO, may decide on a specific cash remuneration. Such remuneration may not exceed an annual amount corresponding to 40 percent of fixed annual cash salary and may not be paid more than once each year per individual.

Pension Benefits

Purpose and link to strategy Provide competitive and cost-effective pension benefits.

Operational Details

- Pension benefits shall be defined contribution (premium defined) unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions.
- Variable cash remuneration shall not qualify for pension benefits unless the executive officer is part of mandatory collective agreed provisions where this is stipulated.
- Early retirement may be offered selectively and only after a special decision by the Remuneration Committee, with a defined contribution early retirement scheme.
- For executive officers governed by rules other than Swedish, pension benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.

Opportunity Levels

- The pension premiums for defined

contribution pension shall amount to not more than 50 per cent of the pensionable salary (for the CEO fixed annual base salary).

Other Benefits

Purpose and link to strategy
Operational Details

Provide competitive and cost-effective benefits.

- Other benefits may include but is not limited to life insurance, disability insurance, medical insurance/cover (Sw: sjukvårdsförsäkring), and a company car or car allowance.
- For executive officers governed by rules other than Swedish, benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.
- Executive officers who are international assignees (for example expatriates) to or from Sweden may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the international assignment arrangement, taking into account, to the extent possible, the overall purpose of this policy.

Opportunity Levels

- Other benefits may amount to not more than 5 per cent of the fixed annual cash salary and shall be set at a level which the Remuneration Committee considers to:
 - provide the relevant level of benefit depending on role and the individual circumstances,
 - be in line with comparable roles in companies with similar size and complexity in the local market, and
 - be appropriate compared to the benefits offered to the wider workforce in the local market.

Termination of employment

Details

- If notice of termination of employment is made by the company:
 - The notice period may not exceed twelve months.
 - Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for two years.
- When termination is made by the executive

officer, the period of notice may not exceed six months without any right to severance pay.

- Appropriate so-called good leaver/bad leaver principles are to be applied for STI and LTIP.
- Repatriation – If the executive officer is an international assignee the company may reimburse reasonable cost for the repatriation of good leavers, taking into account, to the extent possible, the overall purpose of this policy.
- For executive officers governed by rules other than Swedish, payments in connection with termination may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.

Salary and employment conditions for employees

In the preparation of the Board of Directors’ proposal for this remuneration policy, salary and employment conditions for employees of the company have been taken into account by including information on the employees’ total income, the components of the remuneration and increase and growth rate over time. The development of the difference between the remuneration to executive officers and remuneration to other employees will be disclosed in the remuneration report.

Derogation from the policy

The Board of Directors may temporarily resolve to derogate from the policy, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company’s long-term interests, including its sustainability, or to ensure the company’s financial viability. As set out above, the Remuneration Committee’s tasks include preparing the Board of Directors’ resolutions in remuneration-related matters. This includes any resolutions to derogate from the policy.

Additional information regarding executive remuneration is available in the Alfa Laval Annual Report.

Item 16

The Board of Directors proposes that the general meeting, due to new legislation, decides to amend Alfa Laval AB’s Articles of Association as follows. It should be noted that some amendments are only semantic and constitute no changes in the English version.

Current wording	Proposed wording
§ 1	§ 1
Bolagets firma är Alfa Laval AB. Bolaget är publikt (publ).	Bolagets firma företagsnamn är Alfa Laval AB. Bolaget är publikt (publ).
<i>The name of the company (Sw: firma) is Alfa Laval AB. The company is a public company (publ).</i>	<i>The name of the company (Sw: företagsnamn) is Alfa Laval AB. The company is a public company (publ).</i>

<p style="text-align: center;">§ 10</p> <p>Aktieägare som vill delta i förhandlingarna vid bolagsstämma skall dels vara upptagen i utskrift eller annan framställning av hela aktieboken avseende förhållandena fem vardagar före stämman, dels göra anmälan till bolaget senast kl 12.00 den dag som anges i kallelsen till stämman. Sistnämnda dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och inte infalla tidigare än femte vardagen före bolagsstämman.</p> <p>Aktieägare får vid bolagsstämma medföra ett eller två biträden, dock endast om aktieägaren gjort anmälan härom enligt föregående stycke.</p> <p><i>A shareholder who wish to participate in a general meeting of shareholders shall be recorded in a print-out or other record of the share register setting forth the circumstances five weekdays prior to the meeting, and notify the company not later than 12 am on the day stated in the notice convening the meeting. The latter day may not be a Sunday, other Swedish public holiday, Saturday, Mid-Summer Eve, Christmas Eve or New Year's Eve and shall not occur earlier than the fifth weekday (Saturdays included) prior to the meeting.</i></p> <p><i>A shareholder may bring one or two advisors to the general meeting of the shareholders, however only where the shareholder has notified the company in the manner specified in the previous paragraph.</i></p>	<p style="text-align: center;">§ 10</p> <p>Aktieägare som vill delta i förhandlingarna vid bolagsstämma skall dels vara upptagen i utskrift eller annan framställning av hela aktieboken avseende förhållandena fem vardagar före stämman, dels göra anmälan En aktieägare får delta i bolagsstämma endast om aktieägaren anmäler detta till bolaget senast kl 12.00 den dag som anges i kallelsen till stämman. Sistnämnda dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och inte infalla tidigare än femte vardagen före bolagsstämman.</p> <p>Aktieägare får vid bolagsstämma medföra ett eller två biträden, dock endast om aktieägaren gjort anmälan härom enligt föregående stycke</p> <p>A shareholder who wish to participate in a general meeting of shareholders shall be recorded in a print-out or other record of the share register setting forth the circumstances five weekdays prior to the meeting, and A shareholder may participate in a general meeting of shareholders only if the shareholder notifies the company not later than 12 am on the day stated in the notice convening the meeting. The latter day may not be a Sunday, other Swedish public holiday, Saturday, Mid-Summer Eve, Christmas Eve or New Year's Eve and shall not occur earlier than the fifth weekday (Saturdays included) prior to the meeting.</p> <p><i>A shareholder may bring one or two advisors to the general meeting of the shareholders, however only where the shareholder has notified the company in the manner specified in the previous paragraph.</i></p>
<p style="text-align: center;">§ 11</p> <p>Bolagets aktier skall vara registrerade i ett avstämningsregister enligt lagen (1998:1479) om kontoföring av finansiella instrument.</p> <p><i>The shares of the company shall be registered in a share register pursuant to the Financial Instruments Accounts Act (1998:1479).</i></p>	<p style="text-align: center;">§ 11</p> <p>Bolagets aktier skall vara registrerade i ett avstämningsregister enligt lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument.</p> <p><i>The shares of the company shall be registered in a share register pursuant to the Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479) (Sw. lagen (1998:1479) om värdepapperscentraler och kontoföring av finansiella instrument.).</i></p>

Available documents

The annual report and other basis for the resolutions will be held available for the shareholders at Alfa Laval AB on Friday 27 March 2020 at the latest. Copies of the documents will be sent to shareholders who so request and announce their postal address. The documents will also be held available on the company's website, www.alfalaval.com/investors/corporate-governance/, no later than on the previously mentioned date. The Nomination Committee's proposals and their reasoned statement will also be published on the above-mentioned website.

Number of shares and votes in the Company

At the date of this notice, the total number of shares and votes in the company is 419,456,315. All shares are of the same class. The company itself holds no shares in the company.

Information at the Annual General Meeting

The Board of Directors and the CEO shall, if any shareholder so requests, and if the Board of Directors considers that this can be done without significant harm for the company, give information on circumstances that can affect the assessment of an item on the agenda, circumstances that can affect the assessment of the financial situation of the company or its subsidiaries and the company's relationship with another group company.

Due to the currently high risk of an increased spread of the COVID-19 infection, the general meeting should be kept as short as possible without restricting the shareholders' right to exercise their rights at the general meeting. For this reason, all shareholders are asked to, as far as possible, submit any above-mentioned questions in advance so the CEO can address the questions in the pre-recorded presentation or in writing on the company's webpage.

Processing of personal data

For further information about the company's processing of personal data and your rights, see the Privacy Policy at the following link: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf> or contact the company at the following email address: dataprivacy@alfalaval.com.

Lund, March 2020

ALFA LAVAL AB (publ)

The Board of Directors