

Annual General Meeting in Alfa Laval AB (publ)



The shareholders in Alfa Laval AB (publ) (Registration number 556587-8054 and registered office in Lund) are given notice to the Annual General Meeting on Tuesday, April 25, 2023

The Annual General Meeting of Alfa Laval AB will be held on Tuesday, April 25, 2023, at 4.00 p.m. CET at Scandic Star Lund, Gastelyckan, Glimmervägen 5, Lund, Sweden. Registration starts at 3.30 p.m. Coffee will be served at the venue from 3.00 p.m.

The company's CEO presentation will be published on Alfa Laval's website <https://www.alfalaval.com/investors/> after the general meeting.

Right to participate in the Annual General Meeting and notice of participation

A shareholder who wishes to participate in the Annual General Meeting must

1. be recorded in the share register maintained by Euroclear Sweden AB relating to the circumstances on April 17, 2023, and
2. notice participation as follows below.
 - A shareholder who wishes to participate in the Annual General Meeting by advance voting must notify its intention to participate in the general meeting by casting its advance vote in accordance with the instructions under the heading *Advance Voting* below, so that the advance vote is received by Euroclear Sweden AB no later than April 19, 2023.
 - A shareholder who wishes to participate in the Annual General Meeting at the venue in person or represented by a proxy, must notify participation at the latest April 19, 2023, to Euroclear Sweden AB. Notification of participation can either be made by phone to +46 8 402 91 98, Monday to Friday 9:00 a.m. to 4.00 p.m., or on the website <https://anmalan.vpc.se/euroclearproxy>. Please state, name, personal or corporate registration number, address, telephone number and the number of any accompanying advisor(s) (maximum two).

Nominee-registered shares

In addition to providing notification of participation as described above, a shareholder whose shares are held in the name of a nominee must register its shares in its own name so that the shareholder is recorded in the share register relating to the circumstances on April 17, 2023. The registration may be temporary (so-called voting right registration) and is requested from the nominee in accordance with the nominee's procedures. This means that the shareholder must notify the nominee in ample time. A voting right registration completed no later than the second banking day after April 17, 2023, is considered when preparing the register of shareholders.



Advance Voting

A special form for advance voting (postal voting) must be used. The form is available on Alfa Laval's website <https://www.alfalaval.com/investors/corporate-governance/annual-general-meeting/> under information about the Annual General Meeting 2023. The completed voting form can either be sent by email to GeneralMeetingService@euroclear.com or by mail to *Alfa Laval AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden*. The advance vote must be received by Euroclear Sweden AB no later than April 19, 2023. A shareholder can also exercise its voting right electronically through Bank-ID verification. Further instructions can be found on <https://anmalan.vpc.se/euroclearproxy>. A shareholder who casts its advance vote electronically must submit the vote no later than April 19, 2023. No special instructions, conditions, or other additions may be added to the advance vote. An advance voting form containing any special instructions or conditions will make the vote invalid in its entirety. For further instructions and conditions, please see the form for advance voting.

If a shareholder votes in advance as well as notifies its participation at the venue in person, the advance vote remains valid to the extent that the shareholder does not participate in a voting during the general meeting or otherwise withdraws the submitted advance vote. If the shareholder chooses to participate in a voting during the general meeting, the cast vote will replace the previously submitted advance vote on the item in question.

For any questions regarding the advance voting or to request a voting form sent by mail, please contact Euroclear Sweden AB on telephone +46 8 402 91 98 (Monday to Friday 9.00 a.m. to 4.00 p.m.).

Proxy etc.

Shareholders who vote in advance by proxy must enclose a written and dated proxy together with the completed voting form. If the shareholder is a legal entity, a certificate of incorporation or an equivalent certificate of authority must be enclosed as well.

If a shareholder is represented by a proxy at the venue, a written and dated proxy, as well as a certificate of incorporation or an equivalent certificate of authority, should be sent by mail to *Alfa Laval AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm* well in advance of the general meeting and must otherwise be brought to the general meeting.

A proxy form is available on Alfa Laval's website <https://www.alfalaval.com/investors/corporate-governance/annual-general-meeting/>.

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. Presentation by the CEO.
8. 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 applicable Executive Remuneration Policy.
9. 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.
10. Presentation of the Board of Directors' remuneration report for approval.
11. Determination of the number of members 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.
12. Determination of compensation to the Board of Directors and the Auditors.
13. Election of Chairman of the Board of Directors, other members and deputy members of the Board, as well as Auditors and deputy Auditors.
14. Resolution on reduction of the share capital by cancellation of shares in the company and on increase of the share capital through a bonus issue.
15. Resolution on Executive Remuneration Policy for compensation to executive officers.
16. Closing of the Annual General Meeting.

Proposed resolutions

Item 2

The Nomination Committee proposes that Dennis Jönsson, Chairman of the Board of Directors, is appointed Chairman of the Annual General Meeting.

Item 9 (b)

The Board of Directors proposes a distribution of profits in an amount of SEK 6 per share for 2022. Record date for the right to receive dividend is proposed to be April 27, 2023. If the general meeting resolves in accordance with this proposal, Euroclear Sweden AB is expected to pay the dividend on May 3, 2023.

Item 11 -13

The Nomination Committee proposes as follows.

Item 11: The number of Board members, elected by the general meeting, is proposed to be increased by one person and



thus consist of nine elected members with no deputies. Both the number of Auditors and the number of deputy Auditors are proposed to be two.

Item 12: The compensation to the Board of Directors is proposed to be SEK 7 150 000 (SEK 6 345 000). The compensation is to be distributed among the members of the Board who are elected by the general meeting and not employed by the company, as follows:

- | | |
|---|----------------------------------|
| • Chairman of the Board of Directors | SEK 1 950 000
(SEK 1 900 000) |
| • Other members of the Board of Directors | SEK 650 000
(SEK 635 000) |

Please note that the total amount proposed includes compensation for nine members of the Board compared to previously eight members.

In addition to the above proposed compensation, it is also proposed that additional compensation shall be distributed to the elected members of the Board who also hold a position in any of the Committees as follows below:

- | | |
|--|------------------------------|
| • Additional compensation to the Chairman of the Audit Committee | SEK 300 000
(SEK 300 000) |
| • Additional compensation to other members of the Audit Committee | SEK 150 000
(SEK 150 000) |
| • Additional compensation to the Chairman of the Remuneration Committee | SEK 75 000
(SEK 75 000) |
| • Additional compensation to other members of the Remuneration Committee | SEK 75 000
(SEK 75 000) |

Bracketed figures refer to compensation for year 2022.

Compensation to the Auditors is proposed to be paid as per approved invoice.

Item 13: The Nomination Committee proposes re-election of the Board members Dennis Jönsson, Finn Rausing, Henrik Lange, Jörn Rausing, Lilian Fossum Biner, Ray Mauritsson, and Ulf Wiinberg. Anna Müller och Nadine Crauwels are proposed to be elected as new members of the Board of Directors. Maria Moræus Hanssen has declined re-election.



The Nominating Committee further proposes that Dennis Jönsson is re-appointed as Chairman of the Board of Directors.

The Nominating Committee's proposals above concerns elections for the forthcoming year, thus for the time up to the end of the Annual General Meeting 2024.

Anna Müller holds the position as Senior Vice President Europe North & Central at Volvo Trucks since 2020. She has long experience in Volvo where she has held several senior positions since 2014. Before Anna Müller started at Volvo, she held the position as Managing Director at Ford Motor Company AB. Anna Müller was Chairman of the Board in Com & Company between 2017 and 2021 and has also held the position as Board member of the Swedish car industry association (Bil Sweden).

Nadine Crauwels holds the position as President Sandvik Machining Solutions and Executive Vice President at Sandvik. Nadine Crauwels has a long experience in Sandvik where she has held several senior positions in Switzerland and Belgium since 2000. In 2017 Nadine Crauwels took up the position as President Sandvik Coromant AB, a position she held until 2020 when she became President Sandvik Machining Solutions and member of the Group's Executive management.

Further information on the proposed Board members and the Nomination Committee's reasoned statement are available on Alfa Laval's website <https://www.alfalaval.com/investors/corporate-governance/> under information regarding the Board of Directors and the Annual General Meeting 2023.

In accordance with the Remuneration Committee's recommendation, the Nomination Committee proposes that the authorized public accountant Karoline Tedevall is re-elected, and that the authorized public accountant Andreas Troberg is elected as the company's Auditors for the forthcoming year, thus for the time up to the end of the Annual General Meeting 2024. The Nomination Committee further proposes that the authorized public accountants Henrik Jonzén and Andreas Mast are re-elected as the company's deputy Auditors for the forthcoming year, thus for the time up to the end of the 2024 Annual General Meeting.



Item 14

The Board of Directors proposes that the Annual General Meeting resolve to reduce the share capital by cancellation of the 550 508 shares currently held by Alfa Laval AB. The Board of Directors proposes that the reduction amount is transferred to the company's non-restricted equity, whereby the share capital is reduced by SEK 1 485 377.34. The 550 508 shares held by Alfa Laval AB, refer to such shares repurchased during the period from March 21, 2022, in connection with the publication of the notice to the Annual General Meeting 2022, and the 2022 Annual General Meeting. The shares were repurchased as a part of the share buyback program, initiated by the Board of Directors, following the authorization given by the Annual General Meeting 2021.

To restore the share capital after the reduction of the share capital, the Board of Directors proposes that the Annual General Meeting simultaneously resolves to increase the share capital by SEK 1 485 377.34 by way of a bonus issue without issuing new shares. The reduction amount is proposed to be transferred from the company's non-restricted equity.

The Board of Director's report in accordance with Chapter 20, Section 13 of the Swedish Companies Act:

The effect of the Board of Directors' proposal on reduction of the share capital is that the company's share capital and restricted equity will be reduced by SEK 1 485 377.34. The effect of the Board of Directors' proposal regarding increase of the share capital by way of a bonus issue is that the share capital and restricted equity will be increased by SEK 1 485 377.34. Thus, the combined effect is that neither the company's share capital nor the restricted equity is reduced. The auditors' statement in accordance with Chapter 20, Section 14 of the Swedish companies Act is included in the material for the Annual General Meeting.

Item 15

The Board of Directors proposes that the Annual General Meeting resolves on an amendment of the Executive remuneration policy for executive officers that was adopted by the Annual general Meeting 2021. The proposed amendment has been marked below.

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 2021-2023. ~~The This policy does not apply to any remuneration decided or approved by the general meeting. The This policy is substantially in line with the policy adopted in 2020 2021, however, with the addition of a possibility for the Board of Directors to delegate decision-making under the policy to its Remuneration Committee.~~



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> <https://www.alfalaval.com/investors/>

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 Board of Directors may delegate decision-making to the Remuneration Committee. 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)

<i>Purpose and link to strategy</i>	<i>To incentivise and create focus on the delivery of annual financial and strategic criteria.</i>
<i>Operational Details</i>	<ul style="list-style-type: none"> • <i>The performance criteria, weighting and targets are to be <u>determined</u> 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.</i> • <i>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.</i> • <i>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).</i>
<i>Opportunity Levels</i>	<p><i>The maximum opportunity for STI can amount up to 50% of fixed base salary. For the CEO the maximum opportunity can amount up to 60% of fixed base salary.</i></p> <p><i>The Remuneration Committee shall have the possibility to review the opportunity levels in order to ensure market competitiveness.</i></p>



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 Provide competitive and cost-effective benefits.

- Operational Details*
- *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.

Available documents

In connection with the publication of the notice for the Annual General Meeting, the Nomination Committee's proposals and its reasoned statement, will be held available on the company's website, <https://www.alfalaval.com/investors/corporate-governance/annual-general-meeting/>. The annual report and other basis for the resolutions will be available on the company's website, no later than April 4, 2023.

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 413 876 823 and Alfa Laval's holding of own shares amounts to 550 508. All shares are of the same class.

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 is possible



without significant harm to the company, give information on circumstances that may affect the assessment of an item on the agenda, circumstances that may affect the assessment of the financial situation of the company or its subsidiaries and the company's relationship with another group company.

Processing of personal data

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

Lund, March 2023

ALFA LAVAL AB (publ)

The Board of Directors