§1 Opening of the Annual General Meeting.

The Meeting was opened by the Chairman of the Board of Directors, Anders Narvinger.

§2 Election of a Chairman for the Meeting.

The Chairman of the Board of Directors, Anders Narvinger, was appointed Chairman of the Annual General Meeting, after having been proposed by Lars-Ake Bokenberger, representing AMF and the Nomination Committee. The Chairman appointed Emma Adlerton, Group General Counsel at Alfa Laval, to keep the minutes of the Meeting.

The Meeting approved that representatives of media and invited guests should be allowed to participate in the Meeting as audience.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 1,906,622 (0.68%) votes, abstained from voting concerning this proposal.

Emma Adlerton requested shareholders who would not give their consent, pursuant to the Personal Data Act (SFS 1998:204), to their personal data being noted in the minutes and to the publication of the minutes on the Company’s website, to announce to the Meeting such opinion in connection with their respective address.

§3 Preparation and approval of the voting register.

Emma Adlerton presented the procedure for establishing the voting list. A list including the shareholders that on the record date for the Meeting were recorded in the share register and that had given notice of attendance in due time before the Meeting had been prepared. The list was thereafter adjusted to reflect the shareholders that had been registered as present at the meeting and the subsequently adjusted voting list was presented to the Meeting.

The Meeting approved the adjusted list of shareholders as voting list at the Meeting, according to Exhibit 1. It was noted that the total number of votes represented at the Meeting was 279,607,394 votes constituting approximately 66.66% of the total number of votes in the Company. In total, 433 persons...
attended the Meeting, including representatives, assistants, guests and functionaries.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 1,906,622 (0.68%) votes, abstained from voting concerning this proposal.

§4 Approval of the agenda for the Meeting.

The Meeting adopted the agenda proposed in the convening notice as agenda for the Meeting.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 1,906,622 (0.68%) votes, abstained from voting concerning this proposal.

§5 Election of one or two persons to attest the minutes.

The Meeting resolved that the minutes were to be attested, in addition to the Chairman, by Annika Boström (Advokatfirman Glimstedt representing a number of institutional shareholders) and Ulf Andersson (representing Sveriges Aktiesparares Riksförbund, Aktiespararnas Serviceaktiebolag and Aktiespararna Topp Sverige).

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 1,906,622 (0.68%) votes, abstained from voting concerning this proposal.

§6 Determination whether the Meeting has been duly convened.

Emma Adlerton announced that the notice convening today’s Meeting, in accordance with the provisions of the Articles of Association, was announced on the Company’s website on March 18, 2016, and in the Swedish Official Gazette (Swedish: “Post- och Imrikes Tidningar”) and Dagens Nyheter on March 22, 2016. The Meeting established that it had been duly convened.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 1,906,622 (0.68%) votes abstained from voting concerning this proposal.

§7 Presentation by the Managing Director.

The CEO of the Company, Tom Erixon, reported on the financial year 2015 and informed about the current development in the group during the first quarter 2016. Tom Erixon also thanked all employees for good performance during 2015.

N.B. This is an unofficial translation of the Swedish minutes of Annual General Meeting 2016 into English. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.
Thereafter, the participants of the Meeting were given the opportunity to put forward their questions, during which the following questions were addressed:

**Carina Lundberg Markow**, representing Folksam and subsidiaries emphasized Folksam’s focus on sustainability and praised the Company for its work with the sustainability report in the annual report. **Carina Lundberg Markow** further addressed Transparency International’s recommendations regarding company tax transparency and asked if the Company in the future will report company tax country by country. The Company’s CFO, **Thomas Thuresson**, replied that note 15 in the annual report includes detailed information about tax for the Company Group, however, no information country by country. Furthermore, the Company currently monitors the development in this area, including the proposed new EU legislation, and the Company will ensure compliance with any potential new regulations stipulating that tax shall be reported country by country. **Thomas Thuresson** also addressed additional questions from **Carina Lundberg Markow**, and informed that the Company for the financial year 2015 had paid in total approximately SEK 1 580 million in company tax. The tax expense in Sweden is approximately SEK 156 million, which represents a tax rate of approximately 24.6%. The tax expense of the Company Group is approximately 28.3%.

**Ulf Andersson**, representing Aktiespararnas Riksförbund, praised the Company for the description of acquisitions in the annual report, and asked why the Company’s investments during the last few years have been below the target of 2%. **Anders Narvinger** replied that the Company is close to the target and that the Board of Directors is satisfied with the outcome of 1.7% for 2015.

**Ulf Andersson** further asked about sustainability and the Company’s use of energy and enquired about how involved the Board of Directors is in the environmental issues. **Anders Narvinger** responded that sustainability is a very important issue for the Company and that today’s board meeting had included sustainability as an item on the agenda. **Tom Erixon** pointed out that the Company has products that may contribute to reduce carbon dioxide emissions for customers. Further, the Company’s target is to decrease carbon dioxide emissions by 3% each year, which the Company reached for 2015, by *inter alia* changing the routes for certain transports.

**Jan Andersson**, representative for Swedbank Robur fonder, asked the Company if there are any plans to revise the targets for organic growth set at 8% and if there are any plans to increase the debt to equity ratio of the Company. **Tom Erixon** replied that it is challenging for the Company, as well as for many other industrial companies, to reach the current target for organic growth. However, the target is set for an economic cycle, which means that if the current downturn within oil and gas turns around, the organic growth for the Company may increase. Further, the Company’s targets are reviewed on a regular basis and should the current target for organic growth be regarded as unrealistic it may be revised. As regards the debt to equity ratio of the Company, **Tom Erixon** addressed that it is important for the Company to have a strong balance sheet in order to be able to take actions in connection with potential

---

N.B. This is an unofficial translation of the Swedish minutes of Annual General Meeting 2016 into English. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.
new acquisitions and other investments. Anders Narvinger added that the Company is prepared to increase the Company’s debt on a temporary basis in connection with new investments as was done for the acquisition of Frank Mohn in 2014.

Bengt Svensson, asked about the asbestos related law suits that are described in the annual report and if the Company believes there may be more asbestos related law suits in the future. The Group General Counsel, Emma Adlerton, replied that there is a current flow of new law suits and that the Company also manages to close ongoing matters at approximately the same rate.

Arne Westesson, assistant to Kierstin Westesson, asked how the Company viewed the development within fuel and if the Company could foresee a rapid technology development within fuel the same way as in the car industry. Tom Erixon responded that the fuel issue is interesting in for example the marine industry where the Company has products that may render fuel consumption more efficient.

§8 Report on the work of the Board of Directors and the Committees of the Board of Directors.

The Chairman of the Board of Directors, Anders Narvinger, reported on the work of the Board of Directors and the work of the Remuneration Committee of the Board. Finn Rausing, Chairman of the Board’s Audit Committee, reported on the work in the Audit Committee. He also thanked Helene Willberg, who will leave her position as Auditor of the Company after the Meeting, for the cooperation during her term as Company Auditor.

Ulf Andersson, representing Aktiespararnas Riksförbund, asked the Chairman of the Audit Committee, Finn Rausing, what other assignments for the Company that the Company’s auditors have in addition to the audit assignment. Finn Rausing clarified that the Company’s auditors are personally elected and employed by KPMG. He further explained that note 7 in the annual report describes to which extent KPMG has been engaged by the Company for other assignments besides the assignment as auditors and that it has been very moderately.

§9 Presentation of the annual report and the Auditors’ report, as well as the consolidated annual report and the Auditors’ report for the group, and the Auditors’ report regarding compliance with the guidelines for compensation to senior management adopted at the 2015 Annual General Meeting.

The annual report and the Auditors’ report for the Company and the consolidated annual report as well as the Auditors’ report on the consolidated annual report for the financial year January 1–December 31, 2015, were presented. It was noted that the annual report and the Auditors’ report for the Company as well as the consolidated annual report and the Auditors’ report for

N.B. This is an unofficial translation of the Swedish minutes of Annual General Meeting 2016 into English. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.
the group had been available at the offices of the Company and on its website since March 31, 2016 and that copies had been sent to shareholders who had requested this and informed about their postal address and that copies of the printed annual report were available in the registration area for the Annual General Meeting. The Meeting resolved that the annual report for the Company as well as the consolidated annual report had been duly presented.

Helene Willberg, one of the Company’s two Auditors, described the main contents of the Auditors’ report.

The Meeting concluded that the Auditors’ report for the Company and the Auditors’ report for the group for the financial year January 1–December 31, 2015 had been duly presented.

Helene Willberg also presented the Auditors’ report, in accordance with Chapter 8 Section 54 of the Swedish Companies Act (SFS 2005:551), regarding compliance with the guidelines for compensation to senior management adopted by the Annual General Meeting 2015, Exhibit 2, after which the Meeting established that this report had been duly presented.

The Chairman also informed the Meeting that the below mentioned statements and decision materials had been available to the shareholders for more than three weeks prior to the Meeting and had been distributed at the Meeting. The documents in question are:

- Statement by the Board of Directors concerning the proposed dividend,
- The Board of Directors’ complete proposal for a resolution on guidelines for compensation to senior management, and
- The Nomination Committee’s complete proposal for a resolution on guidelines for the election of Nomination Committee.

The Meeting concluded that the above mentioned documents had been duly presented.

§10(a) Resolution on adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet.

The Meeting resolved to approve the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet, all as per December 31, 2015 and as presented in the 2015 annual report.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 55,055 (0.02%) votes, voted against this proposal.

N.B. This is an unofficial translation of the Swedish minutes of Annual General Meeting 2016 into English. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.
§10(b) Resolution on allocation of the Company’s profit according to the adopted balance sheet and on record date for distribution of profits.

The Meeting resolved, in accordance with the proposal of the Board of Directors on the disposition of the Company’s profit, as supported by the Auditors, that dividend shall be paid by SEK 4.25 per share for the financial year 2015, and that the remaining earnings shall be carried forward.

The Meeting further resolved that the record date for determining who shall be entitled to receive dividend shall be Wednesday April 27, 2016.

It was noted that the dividend is estimated to be distributed by Euroclear Sweden AB on Monday May 2, 2016.

§10(c) Resolution on discharge from liability for members of the Board of Directors and the Managing Director.

Subject to what is stated below, the Meeting, in accordance with the recommendation from the Auditors, unanimously resolved to discharge the members of the Board of Directors and the Managing Director from liability in respect of their management of the Company’s business for the financial year 2015.

It was noted that neither the members of the Board of Directors nor the Managing Director owning shares in the Company participated in this resolution as far as it regarded themselves.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 28,275 (0.01%) votes, voted against this proposal.

§11 Report on the work of the Nomination Committee.

Finn Rausing, Chairman of the Nomination Committee and representative of Tetra Laval, reported on the work of the Nomination Committee.

It was established that the Nomination Committee represented approximately 76% of the number of votes present at the Meeting and approximately 51% of all shares in the Company.

Ulf Andersson, representing Aktiespararnas Riksförbund, addressed that Aktiespararnas Riksförbund advocates that the Nomination Committee shall be elected by the Annual General Meeting and shall represent all shareholders, and asked the Nomination Committee why they had decided not to replace the vacant position on the Board of Directors when the former CEO, Lars Renström, had declined re-election. The chairman of the Nomination Committee, Finn Rausing, responded that the Nomination Committee represents a large ownership portion in the Company and that the work of the Nomination Committee focuses on safeguarding the interests of all shareholders.

N.B. This is an unofficial translation of the Swedish minutes of Annual General Meeting 2016 into English. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.
Furthermore, Finn Rauing replied that in his view the CEO of a Company should not be part of the Board of Directors and that it is appropriate to separate these roles. He added that the Nomination Committee had chosen not to replace Lars Renström’s position on the Board of Directors.

§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 Meeting as well as the number of Auditors and deputy Auditors.

Lars-Åke Bokenberger, representing the Nomination Committee, proposed, in accordance with the proposition contained in the convening notice, that the number of Board members to be elected by the Meeting shall be eight with no deputies, and that the number of Auditors shall be two and that the number of deputy Auditors shall be two.

The Meeting resolved that the number of members of the Board of Directors to be elected by the Meeting shall be eight with no deputies and that the number of Auditors shall be two and that the number of deputy Auditors shall be two.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 22,871 (0.01%) votes, voted against this proposal.

§13 Determination of the compensation to the Board of Directors and the Auditors.

Lars-Åke Bokenberger, representing the Nomination Committee, proposed and the Meeting resolved that the compensation to the Board of Directors shall be SEK 5,105,000 to be distributed among the members of the Board of Directors elected by the Meeting and not employed by the Company, as follows:

Chairman of the Board of Directors: SEK 1,500,000
Other members of the Board of Directors: SEK 515,000

Furthermore, the Meeting resolved that, in addition to the above compensation to the members of the Board of Directors who are elected by the Meeting and who are not employed by the Company, the compensation mentioned below shall be distributed to the Chairman or members of the Committees mentioned below:

Extra amount for the Chairman of the Audit Committee: SEK 150,000
Extra amount for the other members of the Audit Committee: SEK 100,000
Extra amount for the Chairman of the Remuneration Committee: SEK 50,000
Extra amount for other members of the Remuneration Committee: SEK 50,000

N.B. This is an unofficial translation of the Swedish minutes of Annual General Meeting 2016 into English. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.
The Meeting further resolved that the Company, provided that it is cost neutral for the Company and after written agreement between the Company and a (Swedish) limited liability company wholly-owned by a Board member or a Board member’s private business, may approve that the Board fee is invoiced through the company wholly-owned by the Board member or by the Board member’s private business. The invoiced fee shall be increased with an amount corresponding to social security payments pursuant to law and value added tax pursuant to law.

The Meeting further resolved that the fee to the Company’s Auditors shall be paid as per approved invoice.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 192,533 (0.07%) votes, voted against this proposal.

§14 Election of Chairman of the Board of Directors, members of the Board of Directors and deputy members of the Board of Directors, Auditors and deputy Auditors.

Lars-Åke Bokenberger, representing the Nomination Committee, proposed, in accordance with the proposition in the convening notice, and the Meeting resolved, to re-elect Gunilla Berg, Arne Frank, Ulla Litzén, Anders Narvinger, Finn Rausing, Jörn Rausing, Ulf Wiinberg and Margareth Øvrum as members of the Board of Directors.

It was noted that Lars Renström, who had retired from his position as CEO of the Company in March 2016, had declined re-election.

The Meeting further resolved to re-elect Anders Narvinger as Chairman of the Board of Directors and that in case Anders Narvinger’s assignment as Chairman of the Board of Directors should end prematurely, the Board of Directors shall appoint a new Chairman.

Lars-Åke Bokenberger, as representative of the Nomination Committee, also informed that the Nomination Committee has assessed that all eight members elected by the Meeting are independent of the Company and the management and that the Nomination Committee also has made the assessment that all of the members elected by the Meeting, except for Board members Finn Rausing and Jörn Rausing are independent of the Company’s major shareholder.

The Chairman informed that three employee representatives and three deputies are elected to represent the employees on the Board of Directors and that these are to be elected by the respective trade union. Currently, the employee representatives are Bror Garcia Lantz, Henrik Nielsen and Susanna Norrby, with Leif Norkvist, Christer Olofsson and Stefan Sandell as deputies.

N.B. This is an unofficial translation of the Swedish minutes of Annual General Meeting 2016 into English. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.
The Meeting further resolved to re-elect the authorized public accountant Håkan Olsson Reising and to elect Joakim Thilstedt as auditors for the Company for the coming year, that is up to and including the Annual General Meeting 2017, and to re-elect the authorized public accountants David Olow and Duane Swanson to be deputy Auditors for the Company for the coming year, that is up to and including the Annual General Meeting 2017.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 187,717 (0.07%) votes, abstained from voting regarding this proposal and a minority representing 8,470,472 (3.03%) votes, voted against this proposal.

§15 Resolution on guidelines for compensation to senior management.

The Chairman presented the Board of Directors’ proposal on guidelines for compensation to and other employment conditions for the senior management, Exhibit 3. He also clarified that the proposed guidelines for compensation to senior management correspond in substance with the guidelines that have been approved at the last years’ Annual General Meetings.

The Meeting resolved to adopt the proposal of the Board of Directors on guidelines for compensation to senior management, Exhibit 3.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 5,195,998 (1.86%) votes, abstained from voting regarding this proposal and a minority representing 14,696,403 (5.26%) votes, voted against this proposal.

Ulf Andersson, representing Aktiesparamas Riksförsbund, presented that Aktiespararna recommends sharebased incentive programmes for the senior management rather than cash based programmes. Anders Narvinger explained that the Company with assistance of external consultants had reviewed different proposals for incentive programmes and that the Board of Directors had assessed that the current programme is straight forward, cost efficient and well suited for its purpose, and that the Board of Directors therefore had chosen not to suggest a share based incentive programme.

§16 Resolution on the Nomination Committee.

Lars-Åke Bokenberger, representing the Nomination Committee, proposed, in accordance with the proposition set out in the convening notice, and the Meeting resolved to adopt the Nomination Committee’s proposal regarding instruction for appointing the Chairman and members of the Nomination Committee and for the work of the Nomination Committee, Exhibit 4.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 217,334 (0.08%) votes, voted against this proposal.

N.B. This is an unofficial translation of the Swedish minutes of Annual General Meeting 2016 into English. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.
§17 Closing of the Meeting.

Anders Narvinger thanked the former CEO and Board member, Lars Renström, for the successful and value creating work performed during his management of the Company, and who after 12 years as CEO and President had retired during March 2016.

The Chairman declared the Annual General Meeting of 2016 closed and welcomed the shareholders to the Annual General Meeting of 2017.
At the minutes:

Emma Adlerton

Approved:

Anders Narvinger

Annika Boström

Gerth Fristöm

N.B. This is an unofficial translation of the Swedish minutes of Annual General Meeting 2016 into English. In case of any discrepancies between the Swedish text and the English translation, the Swedish text shall prevail.
Auditor’s opinion under Chapter 8 Section 54 of the Swedish Companies Act (2005:551) as to whether the guidelines of the annual general meeting on the remuneration of senior executives have been followed

To the annual general meeting of Alfa Laval AB (publ.), Corporate identity No 556587-8054

Introduction

We have audited whether the Board of Directors and the Chief Executive Officer of Alfa Laval AB (publ.) during the year 2015 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 26 April 2014 and the annual general meeting on 23 April 2015.

Responsibility of the Board of Directors and the Chief Executive Officer

The Board of Directors and the Chief Executive Officer are responsible for the guidelines being followed and for the internal control that the Board of Directors and the Chief Executive Officer deem necessary to ensure that the guidelines are followed.

Responsibility of the auditor

Our responsibility is to issue an opinion, based on our audit, to the annual general meeting as to whether the guidelines have been followed. We have conducted the audit in accordance with FAR recommendation RevIt 8 Audit of remuneration of senior executives of listed companies. This recommendation requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance that the guidelines adopted by the annual general meeting are followed in all material aspects. The audit firm applies International Standard on Quality Control 1 and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

The audit has covered the company’s organization for and documentation of remuneration issues for senior executives, the new decisions on remuneration that have been taken and a selection of the payments made during the financial year to the senior executives. The auditor chooses what procedures are to be performed, in part by assessing the risk of the guidelines not being followed in all material aspects. In making those risk assessments, the auditor considers internal control relevant to compliance with the guidelines in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company’s internal control.

We believe that our audit provides a reasonable basis for our opinion set out below.

Opinion

We consider that the Board of Directors and Chief Executive Officer of Alfa Laval AB (publ.) during 2015 have followed the guidelines on remuneration of senior executives adopted at the annual general meeting on 28 April 2014 and the annual general meeting on 23 April 2015.

Lund 2016-03-18

Håkan Olsson Reising
Authorized Public Accountant
KPMG AB

Helene Willberg
Authorized Public Accountant
KPMG AB
N.B. The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation the Swedish text shall prevail.

Item 15

The Board of Directors' proposal for resolution on guidelines for compensation to senior management

The Board of Directors of Alfa Laval AB (publ) proposes that the Annual General Meeting to be held on 25 April 2018 adopts a resolution in the form set out below regarding guidelines for compensation to senior management.

It was resolved to adopt the following guidelines for compensation to senior management:

1. Scope

The term senior management refers to the Managing Director and the group management. These guidelines apply to employment contracts for members of the senior management entered into following the adoption of these guidelines by the meeting, and to amendments to existing employment contracts for senior management made thereafter. The Board of Directors has the right to deviate from the guidelines if there are special circumstances for such deviation in an individual case. Special circumstances may, e.g., be that it must be possible to offer to members of the senior management who reside outside Sweden terms which are competitive in their country of residence.

2. The main principle and how compensation matters are prepared

The main principle for the guidelines is that Alfa Laval AB shall offer compensation on market terms so that the Company can attract and retain a competent senior management. The Board of Directors has established a Committee within the Board, with the tasks of preparing the guidelines for compensation for the senior management, which shall be resolved upon by the Annual General Meeting, as well as to propose to the Board of Directors remuneration and employment provisions for the Managing Director. The Board of Directors shall resolve on matters regarding remuneration and employment provisions for the Managing Director following preparation by the Remuneration Committee. The Committee shall resolve on matters regarding remuneration and employment provisions for senior management which reports directly to the Managing Director. The Committee shall continuously report to the Board of Directors.

3. Fixed compensation

The fixed salaries shall be revised annually and shall be based upon the competence and areas of responsibility of each individual.

4. Variable compensation

The variable compensation comprises (i) an individual annual variable compensation, and may also, as a supplement, include (ii) a long-term incentive program.

The individual annual variable compensation may be between 30 and 60 percent of the fixed compensation, depending on position. The outcome depends on the degree of fulfilment of, in particular, financial targets, and to a more limited extent also on qualitative targets.
(ii) The long-term incentive program directed to not more than 85 of the Company's top executives, including the senior management, is intended to be a supplement to the individual annual variable compensation. It is the Board of Directors' proposal to implement a long-term incentive program also in 2016, on terms similar to those of the current programs. The long-term incentive program for 2016 is, just as the long-term incentive programs for 2013, 2014 and 2015, a cash-based program connected to the Company's earnings per share, taking possible acquisitions of the Company's own shares into account. The long-term incentive program for 2016 will run for three years. The proposed program may generate up to a maximum of 75 percent in total of the participants' individual annual variable compensation over a period of three years. Payment to the participants of the program will be made after three years, provided, however, that they are still employees at that time.

The Board of Directors may consider to propose the General Meeting a share or share price-related program for the senior management.

5. Pension benefits

A detailed description of current pension schemes for the senior management is available in note 6 of the Annual Report for 2015.

Early retirement is offered selectively and only after a special decision by the Remuneration Committee. As from 2006, a premium based early retirement scheme with a premium of 15 percent of the pensionable income is offered.

For old age pension, in addition to the ITP benefits, a premium based scheme, with a premium of 30 percent of the pensionable income above 30 basic amounts is being offered since 2006. Members of the senior management also have a special family pension which fills the gap between the old-age pension and the family pension according to the ITP plan. In addition, they have the opportunity to allocate salary and bonus to a temporary old-age and family pension.

6. Non-monetary benefits

Members of the senior management have the right to normal non-monetary benefits, such as company car and healthcare benefits. In certain cases, Alfa Laval AB can also arrange for a residence provided by the Company.

7. Dismissal and severance pay

Should Alfa Laval AB dismiss a member of the senior management, the compensation during the notice period and the severance pay may be an amount corresponding to a maximum of two annual salaries.

8. Estimated costs for variable compensation

If all targets on which the variable remuneration is based on are reached and based on the present remuneration rates, the total cost for variable compensation to senior management, at maximum outcome of (i) individual annual variable compensation, and (ii) implemented long-term incentive programs, may during 2016 amount to a maximum of SEK 29,936,337 (exclusive of social security payments), whereof SEK 8,662,500 for Alfa Laval AB's
Managing Director (also President). The estimate is based on the persons currently being part of the senior management. The costs may change if the number of persons in the senior management is changed.

9. Remuneration resolved upon that is not due for payment

At the time of the Annual General Meeting on 25 April 2016, Alfa Laval AB has no unsettled obligations of compensation, except current obligations to senior management in accordance with the principles of compensation described in note 6 to the annual report for 2015.

The auditors' report, in accordance with Chapter 8, Section 54 of the Swedish Companies Act, regarding the compliance with the Annual General Meeting's principles for compensation to senior management is attached to this proposal and will also be available at the Annual General Meeting.

The Board of Directors' account of the result of the Remuneration Committee's evaluation in accordance with section 10.3 of the Swedish Corporate Governance Code is attached to this proposal and will also be available at the Annual General Meeting.

---

1 In addition to this amount, at maximum outcome of (i) individual annual variable compensation and (ii) implemented long-term incentive programs, costs amounting to SEK 2,703,751 for 2016, may be added in respect of Alfa Laval AB's former Managing Director who will leave his employment in the company during 2016.
N.B. The English text is an unofficial translation. In case of any discrepancies between the Swedish text and the English translation the Swedish text shall prevail.

Item 16

The Nomination Committee’s proposal for resolution on the Nomination Committee

The Nomination Committee of Alfa Laval AB (publ) proposes that the Annual General Meeting to be held on 25 April 2016 adopts the following principles regarding appointment of the Nomination Committee and instructions for the Nomination Committee, to be valid until another resolution is adopted by the general meeting.

It was resolved to adopt the following principles regarding appointment of the Nomination Committee and instructions for the Nomination Committee:

The Chairman of the Board of Directors shall be assigned, in consultation with the company’s major shareholders, to appoint a Nomination Committee ahead of the forthcoming Annual General Meeting.

The Nomination Committee shall comprise of the Chairman of the Board of Directors and a minimum of five committee members. The committee members shall consist of the largest shareholders, or group of shareholders that have been grouped together in the Euroclear system (such group shall be viewed as one shareholder) based on Euroclear Sweden AB’s shareholder information at 30 September the year prior to the Annual General Meeting.

If a shareholder waives the right to appoint a representative, the shareholder who is the next largest owner shall be offered the opportunity to appoint a representative. The majority of the members of the Nomination Committee shall be independent from the company and company management. The Nomination Committee’s mandate period extends until a new Nomination Committee has been appointed. If an already appointed member resigns from the Nomination Committee, the shareholder that has appointed the member shall have the right to appoint a new member as replacement. If the major shareholder whom an appointed member represents significantly reduces its shareholding in the company, the Nomination Committee may offer another shareholder to appoint a member as replacement.

The duties of the Nomination Committee include:

- to evaluate the composition and work of the Board of Directors,
- to prepare a proposal to the Annual General Meeting regarding election of the Board of Directors and the Chairman of the Board of Directors,
- to prepare a proposal, in cooperation with the company’s Audit Committee, to the Annual General Meeting regarding election of auditor,
- to prepare a proposal to the Annual General Meeting regarding fees to the Board of Directors, divided between the Chairman and other Board members as well as possible remuneration for committee work, and auditor,
- to prepare a proposal to the Annual General Meeting regarding a Chairman for the meeting, and
- to prepare a proposal on principles for appointment of the next Nomination Committee, to the extent applicable.
The composition of the Nomination Committee shall be announced in the company’s financial report for the third quarter and published on the company’s website no later than six months prior to the Annual General Meeting. The Nomination Committee is entitled to receive reasonable remuneration from the company for expenditure incurred with regard to evaluation and recruitment. Members of the Nomination Committee shall not receive any remuneration from the company.