

Minutes from the Annual General Meeting with the shareholders in **Alfa Laval AB (publ)**, reg. no 556587-8054, (“Company”) on April 23, 2018 in Lund

§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-Åke 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 1,873,676 (0.75%) votes, abstained from voting concerning this proposal.

Emma Adlerton informed that the minutes will be published on the Company’s website and requested shareholders who would not give their consent, pursuant to the Personal Data Act (*Sw. personuppgiftslagen*), to their personal data being noted in the minutes, 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 246,650,357 votes constituting approximately

58.8 % of the total number of votes in the Company. In total, 346 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 1,873,676 (0.75%) 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 1,873,676 (0.75%) 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** (Ljungholm & Boström Advokater representing a number of institutional shareholders) and **Joakim Sandström** (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 1,873,676 (0.75%) 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 16, 2018, and in the Swedish Official Gazette (Sw. "Post- och Inrikes Tidningar") on March 19, 2018. In addition, it was advertised in Dagens Nyheter. 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 1,873,676 (0.75%) 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 2017 and informed about the development of the sectors in which the group conducts business, the completed restructuring program and the implementation of the new

organization. He further informed about the main aspects of the strategy for 2018, how the continued work on sustainability matters is pursued and the current development in the group during the first quarter 2018.

Tom Erixon also thanked all employees for the great work during 2017.

Thereafter, the participants of the Meeting were given the opportunity to put forward their questions, during which the following questions were addressed:

Joakim Sandström, representing Sveriges Aktiesparares Riksförbund, Aktiespararnas Serviceaktiebolag and Aktiespararna Topp Sverige, began with thanking for the great work performed during the year and then asked Tom Erixon why the group have not made any acquisitions during the financial year 2017. **Tom Erixon** replied that the Company during the year had been involved in several acquisition processes, however due to for example the price, neither of these processes were followed through. In addition, Tom Erixon noted that due to the restructuring process within the Company the past year it has not been possible to focus on matters related to acquisition, which will now change.

Joakim Sandström continued with a question about future plans for the parts of the group's business referred to as "Greenhouse". **Tom Erixon** replied that the operations in "Greenhouse" either will be divested or, if assessed suitable to be part of the group's long-term product portfolio with respect to profitability for instance, be reintegrated into the group. Tom Erixon further noted that three smaller operations in "Greenhouse" either already have been divested or will be within the near future. In case of any sale, it is important for the Company to find responsible buyers, not least considering the interests of customers and the employees in these regions.

Lastly, **Joakim Sandström** asked about the group's reduced growth in Western Europe. **Tom Erixon** replicated that the picture is somewhat diverse, but that he however did not see a general decline for the group in Western Europe, instead the business is in general steady in these regions.

§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.

§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 2017 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, 2017 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 the group had been available at the offices of the Company and on its website since March 26, 2018 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.

It was also noted that the sustainability report had been prepared separately from the company report and that this had also been available on the Company's website and that copies of the sustainability report were available in the registration area for the Annual General Meeting.

Håkan Olsson Reising, one of the Company's two auditors, presented the main content 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, 2017 had been duly presented.

Håkan Olsson Reising also presented the Auditors' report, in accordance with Chapter 8 Section 54 of the Companies Act (*Sw. aktiebolagslagen*), regarding compliance with the guidelines for compensation to senior management adopted by the Annual General Meeting 2017, 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 approximately four 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, and
- The Board of Directors' complete proposal for a resolution on guidelines for compensation to senior management.

The Meeting concluded that also 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, 2017 and as presented in the 2017 annual report.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 2,402,976 (0.96%) votes, abstained from voting concerning this proposal.

§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 2017, 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 25, 2018.

It was noted that the dividend is estimated to be distributed by Euroclear Sweden AB on Monday April 30, 2018.

§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 2017.

It was noted that neither the members of the Board of Directors nor the Managing Director of 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 2,402,976 (0.96%) votes, abstained from voting regarding this proposal and a minority representing 228,227 (0.09%) 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 71.8% of the number of votes present at the Meeting and approximately 42.2% of all shares in the Company.

§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 seven 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 seven with no deputies and that the number of Auditors shall be two and that the number of deputy Auditors shall be two.

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

Lars-Åke Bokenberger, representing the Nomination Committee, proposed that the compensation to the Board of Directors shall be SEK 5,035,000 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 1,675,000
- Other members of the Board of Directors: SEK 560,000

Furthermore, the Nomination Committee proposed, 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, that 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 175,000
- Extra amount for the other members of the Audit Committee: SEK 125,000
- Extra amount for the Chairman of the Remuneration Committee: SEK 50,000

- Extra amount for other members of the Remuneration Committee: SEK 50,000

The fee to the Company's Auditors was proposed be paid as per approved invoice.

Joakim Sandström, representing Sveriges Aktiesparares Riksförbund, Aktiespararnas Serviceaktiebolag and Aktiespararna Topp Sverige, pointed out that the proposed increase of compensation to the Chairman of the Board of Directors and the other members of the Board of Directors exceeds the inflation. **Lars-Åke Bokenberger** noted that the Board of Directors' work is very well functioning, which justifies the proposed compensation to the Chairman of the Board of Directors and the other members of the Board of Directors.

The Meeting resolved in accordance with the proposal.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 57,200 (0.02%) 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, to re-elect Anders Narvinger, Finn Rausing, Jörn Rausing, Ulf Wiinberg, Margareth Øvrum and Anna Ohlsson-Leijon as members of the Board of Directors. Furthermore, Henrik Lange was proposed to be elected as new member of the Board of Directors.

Anders Narvinger was proposed as Chairman of the Board of Directors.

The Chairman noted that Arne Frank tragically passed away during the year and that Ulla Litzén had declined re-election.

Lars-Åke Bokenberger, representing the Nomination Committee, introduced Henrik Lange and informed about, among other things, his current assignment as CEO of Gunnebo AB and that he previously has had leading positions within the SKF group.

The Chairman informed that information about the proposed persons was distributed at the meeting and available on the Company's website.

The Meeting resolved, in accordance with the proposition in the convening notice, to re-elect Anders Narvinger, Finn Rausing, Jörn Rausing, Ulf Wiinberg, Margareth Øvrum och Anna Ohlsson-Leijon as members of the Board of Directors. Thereto, Henrik Lange was elected as new member of the Board of Directors. 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 have the right to appoint a new Chairman.

Lars-Åke Bokenberger, as representative of the Nomination Committee, also informed that the Nomination Committee has assessed that all seven 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 shareholders.

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 García Lantz, Henrik Nielsen and Susanne Jonsson, with Leif Norkvist, Johnny Hulthén and Stefan Sandell as deputies.

The Meeting further resolved, in accordance with the recommendation from the Board's Audit Committee, to elect the authorized public accountants Staffan Landén and Karoline Tedevall as auditors for the Company for the coming year, that is up to and including the Annual General Meeting 2019, and to elect the authorized public accountants Henrik Jonzén och Nina Bergman to be deputy Auditors for the Company for the coming year, that is up to and including the Annual General Meeting 2019.

The Chairman thanked the authorized public accountants Joakim Thilstedt, Håkan Olsson Reising, David Olow and Duane Swanson for their great work during the financial year.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 3,819,261 (1.53%) votes, abstained from voting regarding this proposal and a minority representing 26,811,898 (10.73%) 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 Chairman explained that as far as the long-term incentive programme is concerned, it is the intention of the Board of Directors to implement a three-year cash-based program that corresponds to last years' program, but with the difference that the prior programs are based on the Company's earnings per share while the program of 2018 is intended to be based on adjusted margin of EBITA as well as invoicing growth. The outcome of the program is calculated to an average of three years of the program as regards the result of EBITA and invoicing growth. There

will be maximum outcome when the externally communicated long-term goals are clearly exceeded.

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 223,818 (0.09%) votes, abstained from voting regarding this proposal and a minority representing 30,051,526 (12.03%) votes, voted against this proposal.

§16 Resolution on nominating committee.

Jan Andersson, representing the Nomination Committee, presented the Nomination Committee's revised guidelines regarding the appointment of the Nomination Committee. He also pointed out that the proposed guidelines correspond in substance with the guidelines that have been approved at previous Annual General Meeting with one exception. Previous year the representatives of the Nomination Committee have been appointed amongst the major shareholders based on shareholder statistics per end of September the year before the Annual General Meeting. The Nomination Committee now proposed that this point in time is changed to the end of August in order to give the Nomination Committee better preconditions to perform their work for the next coming Annual General Meeting. The guidelines are otherwise unchanged.

As before, it was proposed that the guidelines should apply until new guidelines are resolved.

The Meeting resolved the Nomination Committee's proposal on revised guidelines regarding the appointment of the Nomination Committee.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 285,784 (0.11%) votes, voted against this proposal.

§17 Closing of the Meeting.

Finally, **Anders Narvinger** thanked **Arne Frank**, who tragically passed away during 2017, and **Ulla Litzén**, who after 12 years as a member of the Board of Directors in the Company has chosen to leave her assignment, for their professional and committed work in the Board of Directors.

The Chairman declared the Annual General Meeting of 2018 closed and welcomed the shareholders to the Annual General Meeting of 2019 which will take place on April 24, 2019.

Unofficial translation

At the minutes:

Approved:

Emma Adlerton

Anders Narvinger

Annika Boström

Joakim Sandström