

Minutes from the Annual
General Meeting with the
shareholders in **Alfa Laval AB**
(publ), reg. no 556587-8054,
("Company") on April 24, 2019
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 **Jan Andersson**, representing Swedbank Robur 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 2,182,390 votes (0.87% of present 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 General Data Protection Regulation (Regulation (EU) 2016/679) (*Sw. dataskyddsförordningen*), 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 251,063,255 votes constituting approximately

60% of the total number of votes in the Company. In total, 358 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 2,182,390 votes (0.87% of present 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 2,182,390 votes (0.87% of present 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** (representing a number of institutional shareholders) and **Cornelia Gustafzon** (representing Sveriges Aktiesparares Riksförbund).

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 2,182,390 votes (0.87% of present 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 20, 2019, and in the Swedish Official Gazette (*Sw. "Post- och Inrikes Tidningar"*) on March 22, 2019. 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 2,182,390 votes (0.87% of present 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 2018 and informed about the development of the sectors in which the group conducts business, the focus on the digital agenda in recent years and the focus on enhanced customer value through an improved customer experience, enhanced product

offering and an upgraded service offering. He also presented the group's social objectives and the environmental trends that drive the development of the group. **Sameer Kalra** was presented as new Head of the Marine Division. Tom Erixon further informed about the main aspects of the strategy for 2019 and the current development in the group during the first quarter 2019.

Tom Erixon also thanked all employees for the great work during 2018.

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 KPA, began by asking a question about how the environmental challenges will affect the group's operations. **Tom Erixon** replied that there is no simple answer, but the group is constantly working on developing new products to handle the environmental challenges. Among other things, the group is working on the development of products in waste water treatment and power storage.

Cornelia Gustafzon, representing Sveriges Aktiesparares Riksförbund, asked a question about how the group works against money laundering. **Tom Erixon** replied that the group has been spared, but that large customers have taken a strong hold on issues concerning money laundering. He went on to state that the group has a strong focus on education of employees regarding business ethics.

Cornelia Gustafzon continued to ask a question about how the Company looks at the possibility of live broadcasting the Annual General Meeting online, in order to create an increased interest for the Company. **Anders Narvinger** replied that such discussions have been conducted in recent years, but that currently it is not justified to change the structure of the Annual General Meeting since the shareholders are well represented at the Company's Annual General Meetings. Finally, he noted that the Company is following developments and continuously evaluates how the Company's Annual General Meetings can be improved in the long term.

Tore Nilsson, an individual shareholder, completed the question opportunity by asking a question whether Chinese nuclear power plants are still interesting customers to the group. **Tom Erixon** replied that the group has many customers in China, but supplies far more products to, for example, Chinese data centers than to nuclear power plants.

§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. He mentioned that criticism from some foreign shareholders has previously been raised about uncertainties regarding the long-term incentive program. After the Company has made certain clarifications regarding the long-term incentive program for this year's Annual General Meeting, the foreign

shareholders have to a greater extent announced that they are voting for the proposal.

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 2018 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, 2018 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, 2019 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.

Staffan Landén, 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, 2018 had been duly presented.

Staffan Landén 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 2018, 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 five 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, 2018 and as presented in the 2018 annual report.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 1,452,717 votes (0.58% of present votes), abstained from voting concerning this proposal and a minority representing 34,757 votes (0.01% of present votes), voted against 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 5 per share for the financial year 2018, 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 Friday April 26, 2019.

It was noted that the dividend is estimated to be distributed by Euroclear Sweden AB on Thursday May 2, 2019.

§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, 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 2018.

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 1,452,717 votes (0.58% of present votes), abstained from voting regarding this proposal and a minority representing 1,014,832 votes (0.40% of present votes), voted against this proposal.

§11 Report on the work of the Nomination Committee.

Jörn 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 78% of the number of votes present at the Meeting and approximately 46% 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 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.

§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 5,845,000 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 1,750,000
- Other members of the Board of Directors: SEK 585,000

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 200,000
- 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.

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 262,951 votes (0.10% of present 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, Anna Ohlsson-Leijon and Henrik Lange as members of the Board of Directors. Furthermore, Heléne Mellquist and Maria Moræus Hanssen were proposed to be elected as new members of the Board of Directors.

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

The Chairman noted that Margareth Øvrum had declined re-election.

Lars-Åke Bokenberger, representing the Nomination Committee, introduced Heléne Mellquist and Maria Moræus Hanssen and informed about, among other things, Heléne Mellquist's current assignment as Senior Vice President of Volvo Lastvagnar, Area Europe, and her long experience from the Volvo Group, where she has held various senior positions. Lars-Åke Bokenberger further informed about Maria Moræus Hanssen's current assignment as Chief Executive Officer of DEA Deutsche Erdoel and her long experience from Norsk Hydro, Statoil and Aker, where she has held several senior positions.

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, Anna Ohlsson-Leijon and Henrik Lange as members of the Board of Directors. Thereto, Heléne Mellquist and Maria Moræus Hanssen were elected as new members 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 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 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 re-elect the authorized public accountants Staffan Landén and Karoline Tedevall from EY as auditors for the Company for the coming year, that is up to and including the Annual General Meeting 2020, and to re-elect the authorized public accountants Henrik Jonzén och Nina Bergman from EY to be deputy Auditors for the Company for the coming year, that is up to and including the Annual General Meeting 2020.

According to the voting instructions that had been notified to the Company in advance of the Meeting, a minority, representing 705,428 votes (0.28% of present votes), abstained from voting regarding this proposal and a minority representing 31,506,323 votes (12.55% of present 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 for 2019 to implement a three-year cash-based program that corresponds to last years' program. 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 898,483 votes (0.36% of present votes), abstained from voting regarding this proposal and a minority representing 7,578,356 votes (3.02% of present votes), voted against this

proposal.

§16 Closing of the Meeting.

Finally, **Anders Narvinger** thanked the member of the Board of Directors **Margareth Øvrum**, who after four years as a member of the Board of Directors in the Company has chosen to leave her assignment, for her professional and committed work in the Board of Directors.

Anders Narvinger informed that the Gustaf Award 2019 was awarded to four key employees; Jonas Alván, Peter Sahlén, Peter Nielsen and Anders Lindmark, who for a long time have been working on developing and commercializing the group's product that cleans ballast water, PureBallast. PureBallast has been developed jointly by Alfa Laval and Wallenius Water. **Tom Erixon** presented PureBallast and its use. **Anders Narvinger** and **Tom Erixon** handed over the award to the two present award winners Peter Sahlén and Anders Lindmark.

The Chairman declared the Annual General Meeting of 2019 closed and welcomed the shareholders to the Annual General Meeting of 2020 which will take place on April 23, 2020.

Unofficial translation

At the minutes:

Approved:

Emma Adlerton

Anders Narvinger

Annika Boström

Cornelia Gustafzon