

The Nomination Committee's reasoned statement as regards proposal of Board of Directors in Alfa Laval AB (publ)

1. Background

The Nomination Committee in respect of the Annual General Meeting 2019 consists of Jörn Rausing (Tetra Laval), Lars-Åke Bokenberger (AMF), Jan Andersson (Swedbank Robur Fonder) Ramsay Brufer (Alecta) and Vegard Torsnes (Norges Bank Investment Management) as well as the Chairman of the Board, Anders Narvinger. Jörn Rausing is Chairman of the Nomination Committee. The Nomination Committee has held five formal meetings in respect of the Annual General Meeting 2019 and has also had contacts over telephone and via e-mail. The meetings included, *inter alia*, an evaluation of the Board's composition, an assessment of the potential future competence requirements of the Board, and an evaluation of candidates for the Board of Directors for the next term.

2. Proposal

The Nomination Committee proposes re-election of the board members Anders Narvinger, Finn Rausing, Jörn Rausing, Ulf Wiinberg, Anna Ohlsson-Leijon and Henrik Lange. Furthermore, the Nomination Committee proposes election of Heléne Mellquist and Maria Moræus Hanssen as new members of the Board of Directors. Margareth Øvrøm has declined re-election.

In addition, the Nomination Committee proposes that Anders Narvinger is re-appointed as Chairman of the Board of Directors. Should Anders Narvinger's assignment as Chairman of the Board of Directors end prematurely, the Board of Directors shall appoint a new Chairman.

The Nomination Committee's proposal entails that the Board of Directors, during the next term, shall comprise of eight members elected by the General Meeting.

Information on the members proposed to the Board of Directors is presented on Alfa Laval's website, under the section for the Annual General Meeting 2019 (<https://www.alfalaval.com/investors/corporate-governance/>).

3. Reasoned statement as regards proposal of Board of Directors

The Nomination Committee has during its work reviewed an internal evaluation of the work of the Board of Directors, which was carried out by the Chairman of the Board of Directors. The evaluation was made through open discussions and interviews with the individual members of the Board of Directors. The evaluation focuses on the work procedures of the Board, the working climate and the need for specific competence within the Board. Furthermore, the Nomination Committee has interviewed members of the Board of Directors and has also met the CEO of Alfa Laval, who has reported on the Company's operations. The proposal which is presented to the Annual General Meeting has been prepared in accordance with the framework for the work of the Nomination Committee, resolved by the Annual General Meeting of Alfa Laval AB.

With regard to the Company's global operations, the Nomination Committee has in its work strived to present a proposal on the composition of the Board of Directors characterized by diversity and variety with respect to experience, knowledge, competence and background. The Nomination Committee has in particular considered that the members of the Board of

Directors altogether represent a variety of, for Alfa Laval, relevant industrial experience. The Nomination Committee has also assessed the requirement set out in the Swedish Corporate Governance Code (*Sw. Svensk kod för bolagsstyrning*) regarding gender balance. The proposed Board of Directors consists of three women and five men, which corresponds to a women's proportion of 38 %. This is well in line with the ambitions communicated by the Swedish Corporate Governance Board.

The Nomination Committee has decided to propose Heléne Mellquist and Maria Moræus Hanssen as new members of the Board of Directors.

Heléne Mellquist is currently Senior Vice President of Volvo Lastvagnar, Area International. From 1 April she will be responsible for Area Europe. Heléne has long experience from the Volvo Group, where she has held various senior positions, such as Chief Financial Officer and several Vice President appointments. She has also been Chief Executive Officer of TransAtlantic AB. Heléne Mellquist is currently board member in Cavotec and Thule Group. The Nomination Committee deems Mellquist to be well qualified as new member of the Board of Directors and considers that Mellquist's combination of financial and operational competence as well as long experience in the industry and international business will broaden the combined competence of the Board of Directors.

Maria Moræus Hanssen is since 2018 Chief Executive Officer of DEA Deutsche Erdoel. Moræus Hanssen has long experience from Norsk Hydro, Statoil and Aker, where she has held several senior positions and Vice President appointments. The Nomination Committee deems Moræus Hanssen to be well qualified as new member of the Board of Directors and considers that her operational competence and long experience in the oil industry will broaden the competence of the Board of Directors.

It is the Nomination Committee's opinion that the proposed members are able to set aside the time required to fulfill their respective Board assignments in Alfa Laval.

In the light of the foregoing and applying the diversity policy (*Sw. mångfaldhetspolicy*) set forth in 4.1 in the Swedish Corporate Governance Code, the Nomination Committee considers the proposed Board of Directors to, with respect to the Company's operations, development and in other respects, have an appropriate composition characterized by diversity and variety with respect to competence, experience, and background of the members elected by the General Meeting.

The Nomination Committee has, in accordance with the requirements set forth in the Swedish Corporate Governance Code, discussed the issue concerning the members of the Board of Directors' independence. The Nomination Committee has assessed that all members proposed to be elected by the General Meeting are independent of the Company and the management. Furthermore, the Nomination Committee has assessed that all of the members to be elected by the General Meeting, except for the board members Finn Rausing and Jörn Rausing, are independent of the Company's major shareholders. Accordingly, the proposal on the composition of the Board of Directors meets applicable requirements of independent board members as set forth in the Swedish Corporate Governance Code.

Lund, Sweden, in March 2019

The Nomination Committee of Alfa Laval AB (publ)