

## **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 2020 consists of Finn Rausing (Tetra Laval), Ramsay Brufer (Alecta Pensionsförsäkring), Jan Andersson (Swedbank Robur Fonder), Vegard Torsnes (Norges Bank Investment Management) and Lars-Åke Bokenberger (AMF Försäkring och Fonder) as well as the Chairman of the Board, Anders Narvinger. Finn Rausing is Chairman of the Nomination Committee. The Nomination Committee has held four formal meetings in respect of the Annual General Meeting 2020 and has also had contacts over telephone and by e-mail. The meetings included, *inter alia*, an evaluation of the composition of the Board of Directors, 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 Finn Rausing, Jörn Rausing, Ulf Wiinberg, Henrik Lange, Heléne Mellquist and Maria Moræus Hanssen. Furthermore, the Nomination Committee proposes election of Dennis Jönsson and Ray Maurtsson as new members of the Board of Directors. Anders Narvinger and Anna Ohlsson-Leijon have declined re-election.

In addition, the Nomination Committee proposes that Dennis Jönsson shall be appointed as new Chairman of the Board of Directors. Should Dennis Jönsson's assignment as Chairman of the Board of Directors end prematurely, the Board of Directors shall appoint a new Chairman.

As a result of the Nomination Committee's proposal, the Board of Directors will, during the next term, comprise of eight members elected by the general meeting.

Information on the proposed members of the Board of Directors is presented on Alfa Laval AB's website, under the section concerning the Annual General Meeting 2020:

<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. The evaluation was made through open discussions with, and interviews of 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 met Alfa Laval AB's CEO Tom Erixon, 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 propose a Board of Directors that represents a diversity and breadth of

experience, knowledge, competence and background. The Nomination Committee has in particular aimed for that the members of the Board of Directors altogether shall represent a variety of, for Alfa Laval, relevant industrial experience, as well as experience within the, for Alfa Laval, relevant development areas. Regarding the assignment as Chairman of the Board of Directors, the Nomination Committee has aimed to find a candidate with extensive experience of leading an international corporation of similar nature as Alfa Laval. As a result of the previously mentioned, the Nomination Committee has defined the required profiles for the Chairman of the Board and the additional member of the Board, and moreover, has searched for candidates corresponding to those profiles.

The Nomination Committee has decided to propose Dennis Jönsson as new member and Chairman of the Board of Directors, as well as Ray Mauritsson as new member of the Board of Directors.

Dennis Jönsson left his position as President and CEO at Tetra Pak in April 2019. At the time of his resignation, he had worked within the company for 36 years, whereof as President and CEO since 2006. Dennis Jönsson has, through his work in Tetra Pak, documented experience in successfully leading an international corporation in a, for Alfa Laval, important and relevant industry. Considering Dennis Jönsson's experience and competence, the Nomination Committee's assessment is that Dennis Jönsson is outmost qualified for the position as Chairman of the Board of Directors. Furthermore, the Nomination Committee is convinced that with Dennis Jönsson as Chairman, Alfa Laval will continue its successful journey, based on growth with strong customer focus in the same profitable way as under Anders Narvinger's chairmanship.

Ray Mauritsson is President and CEO at Axis AB since 2003. Ray Mauritsson has long experience within Axis where he has held a several senior positions. Ray Mauritsson is currently board member in HMS Networks. The Nomination Committee deems Ray Mauritsson to be well qualified as member of the Board and considers his experience, particularly in product development and network solutions, well complements the overall competence of the Board.

In consideration of the extensive experiences and competences that Dennis Jönsson and Ray Mauritsson will bring, the Nomination Committee's overall assessment is that the proposed Board of Directors represents the diversity and breadth of experience, knowledge, competence and background which in the future will contribute to continued economic profitability for Alfa Laval.

The Nomination Committee has during recent years strived for an even gender balance within the Board of Directors in accordance with the ambitions set out in the Swedish Corporate Governance Code (Sw. *Svensk kod för bolagsstyrning*). The proposed Board of Directors consists of two women and six men, which corresponds to a women proportion of 25 %. This is lower than desired and the Nomination Committee will continue to pay thorough attention to the gender balance.

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.

The Nomination Committee has applied the provision 4.1 in the Swedish Corporate Governance Code (the "Code") as diversity policy when considering the proposal of the Board of Directors.

The Nomination Committee has, in accordance with the requirements set forth in the Code, discussed the issue concerning the independence of the members of the Board of Directors. 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 the members to be elected by the general meeting, except for Finn Rausing, Jörn Rausing and Dennis Jönsson, 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 Code.

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Lund, Sweden, in March 2020  
The Nomination Committee of Alfa Laval AB (publ)