

*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 2**

### **The Nomination Committee's proposal for the election of a Chairman for the meeting**

The Nomination Committee of Alfa Laval AB (publ) proposes that the Annual General Meeting to be held on 26 April 2017 adopts the following resolution in respect of election of Chairman of the meeting.

It was resolved to appoint the Chairman of the Board of Directors, Anders Narvinger, to be the Chairman of the 2017 Annual General Meeting.

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**Item 10 b)**

**The Board of Directors' proposal for resolution on the allocation of the Company's profit according to the adopted balance sheet, and on record date for distribution of profits**

The Board of Directors of Alfa Laval AB (publ) proposes that the Annual General Meeting to be held on 26 April 2017 adopts a resolution in the form set out below regarding allocation of the Company's profit according to the adopted balance sheet and regarding record date for distribution of profits.

It was resolved that distribution of profits shall be made in an amount of SEK 4.25 per share for 2016 corresponding to a total of SEK 1,782,689,339 and that the remaining earnings of SEK 7,414,425,270 shall be carried forward. Record date for the right to receive dividend shall be Friday 28 April 2017. Euroclear Sweden AB is expected to pay the dividend on Thursday 4 May 2017.

*The statement from the Board of Directors pursuant to Chapter 18, Section 4 of the Swedish Companies Act is attached to this proposal and will be presented at the Annual General Meeting.*

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## **Item 12**

### **The Nomination Committee's proposal for resolution on the 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**

The Nomination Committee of Alfa Laval AB (publ) proposes that the Annual General Meeting to be held on 26 April 2017 adopts a resolution in the form set out below regarding the determination of the number of members of the Board of Directors, deputy members of the Board of Directors, Auditors and deputy Auditors to be elected by the meeting.

It was resolved that the number of members of the Board of Directors to be elected by the meeting shall be eight with no deputies. Further, it was resolved that the number of Auditors shall be two and that the number of deputy Auditors shall be two.

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### **Item 13**

#### **The Nomination Committee's proposal for resolution on the determination of the compensation to the Board of Directors and the Auditors**

The Nomination Committee of Alfa Laval AB (publ) proposes that the Annual General Meeting to be held on 26 April 2017 adopts a resolution in the form set out below regarding the determination of the compensation to the Board of Directors and the Auditors.

It was resolved that the compensation to the Board of Directors shall be SEK 5,250,000 to be distributed among the members of the Board of Directors who are elected by the meeting and not employed by the Company, as follows:

- Chairman of the Board of Directors SEK 1,575,000
- Other members of the Board of Directors SEK 525,000

Furthermore, it was resolved that, in addition to the above mentioned compensation to the members of the Board of Directors who are elected by the meeting and who are not employed by the Company, the additional compensation mentioned below shall be distributed to the board members who are Chairman or a member 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 the other members of the Remuneration Committee SEK 50,000

It was resolved that compensation to the Auditors shall be paid as per approved invoice.

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#### **Item 14**

##### **The Nomination Committee's proposal for resolution on the election of Chairman of the Board of Directors, other members of the Board of Directors, deputy members of the Board of Directors, Auditors and deputy Auditors**

The Nomination Committee of Alfa Laval AB (publ) proposes that the Annual General Meeting to be held on 26 April 2017 adopts a resolution in the form set out below regarding the election of Chairman of the Board of Directors, other members of the Board of Directors, deputy members of the Board of Directors, Auditors and deputy Auditors.

It was resolved to re-elect Arne Frank, Ulla Litzén, Anders Narvinger, Finn Rausing, Jörn Rausing, Ulf Wiinberg and Margareth Øvrum as members of the Board of Directors and to re-elect Anders Narvinger to be the Chairman of the Board of Directors for the time up to the end of the 2018 Annual General Meeting. Gunilla Berg has declared that she declines re-election.

It was resolved to elect Anna Ohlsson-Leijon as new member 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.

It was resolved, in accordance with the remuneration committee's recommendation, to re-elect the authorized public accountants Håkan Olsson Reising and Joakim Thilstedt as the Company's Auditors for the forthcoming year, thus for the time up to the end of the 2018 Annual General Meeting and to re-elect the authorized public accountants David Olow and Duane Swanson as the Company's deputy Auditors for the forthcoming year, thus for the time up to the end of the 2018 Annual General Meeting.

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*Information on all members proposed to the Board of Directors and the Nomination Committee's reasoned statement regarding its proposal regarding the Board of Directors, is available at Alfa Laval AB's website, <http://www.alfalaval.com/investors/corporate-governance/annual-general-meetings/> and will also be available at the Annual General Meeting.*

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## **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 26 April 2017 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 2017, on terms similar to those of the current programs. The long-term incentive program for 2017 is, just as the long-term incentive programs for 2014, 2015 and 2016, 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 2017 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 2016.

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 2017 amount to a maximum of SEK 26,895,306 (exclusive of social security payments), whereof SEK 9,712,500 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 26 April 2017, 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 2017.

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*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.*



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