



Annual General Meeting in Alfa Laval AB (publ)

The shareholders in Alfa Laval AB (publ) (Reg. No. 556587-8054, registered office: Lund) are hereby given notice to the Annual General Meeting on Tuesday 27 April 2021

Due to the extraordinary situation that currently is prevailing as a result of the COVID-19 pandemic, Alfa Laval AB's Annual General Meeting 2021 will be carried out through advance voting pursuant a temporary legislation. No physical meeting with the possibility to attend in person or by proxy will take place. Consequently, there will be no customary arrangement in connection with the meeting, meaning that no food and beverages will be served, and the usual tour of the production facility is cancelled.

Information on the resolutions passed at the Annual General Meeting 2021 will be published on Alfa Laval's website, <https://www.alfalaval.com/investors/>, on 27 April 2021. The company's CEO presentation will also be published on the website on 21 April 2021.

Any shareholder with questions to the Board of Directors or the CEO, is encouraged to submit such questions well in advance of the general meeting, however, no later than Saturday 17 April 2021. The questions may be sent by e-mail to arsstamma.lund@alfalaval.com or by mail to the address Alfa Laval AB, Juridik, P.O. Box 73, SE-221 00 Lund, Sweden. The questions will be answered in writing to the shareholder that has requested the information and on the company's website no later than 22 April 2021. The information will also be available in writing at the company. Further information can be found under the heading *Information at the Annual General Meeting*.

Notification

A shareholder who wishes to attend the general meeting must.

- be recorded as shareholder in the register of shareholders prepared by Euroclear Sweden AB relating to the circumstances on 19 April 2021, and
- notify participation no later than 26 April 2021, by submitting its advance vote in accordance with the instructions under the heading *Advance voting* below, so that the advance vote is received by Euroclear Sweden AB no later than 26 April 2021.

To be entitled to participate in the meeting, a shareholder whose shares are held in the name of a nominee must, in addition to providing notification of participation, register its shares in its own name so that the shareholder is recorded in the register of shareholders

as at 19 April 2021. Such registration may be temporary (so-called voting right registration) and is requested from the nominee in accordance with the nominee's procedures and at such time in advance as the nominee determines. A voting right registration completed no later than the second banking day after the 19 April 2021 is taken into account when preparing the register of shareholders.

Advance Voting

Shareholders may exercise their voting rights at the Annual General Meeting 2021 only by voting in advance (so called postal voting) in accordance with section 20 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. The advance voting is also regarded as the notification of participation at the general meeting.

A special form for advance voting must be used. The form is available on Alfa Laval's website <https://www.alfalaval.com/investors/> under information concerning the Annual General Meeting. The completed voting form may be sent by email to GeneralMeetingServices@euroclear.com or by mail to Alfa Laval AB, c/o Euroclear Sweden AB, Box 191, 101 23 Stockholm, Sweden. The advance vote must be received by Euroclear Sweden AB no later than Monday 26 April 2021.

Shareholders who vote in advance by proxy must enclose a proxy with the form. A proxy form is available at Alfa Laval's website <https://www.alfalaval.com/investors/> but can also be obtained directly from Alfa Laval. A shareholder who is a legal entity, shall enclose a certificate of registration or a corresponding document with the form.

A shareholder who is a natural person can exercise its voting right electronically through verification using a BankID. Further instructions regarding this can be found at <https://anmalan.vpc.se/euroclearproxy>. A shareholder who casts its advance vote electronically must submit the vote no later than Monday 26 April 2021 at 11.59 P.M.

An advance vote may not be provided with special instructions, conditions, or other additions. If a shareholder writes special instructions or conditions in the advance voting form, the vote in its entirety is invalid. For further instructions and conditions, please see the form for advance voting.

For questions about the advance voting or to request a voting form by mail, please contact Euroclear Sweden AB on telephone 08-402 91 33 (Monday-Friday 9.00 A.M. – 4.00 P.M.).

Proposed agenda

1. Election of Chairman for the general meeting.
2. Election of one or two persons to attest the minutes.
3. Preparation and approval of the voting register.
4. Approval of the agenda for the general meeting.
5. Determination whether the general meeting has been duly convened.
6. Presentation of the annual report and the Auditor's report, as well as the consolidated annual report and the Auditor's report for the group, and the Auditor's report regarding compliance with the Executive Remuneration Policy adopted at the 2020 Annual General Meeting.
7. Resolution on
 - (a) the adoption of the income statement and the balance sheet as well as the consolidated income statement and the consolidated balance sheet;

- (b) allocation of the company's profit according to the adopted balance sheet, and record date for distribution of profits; and
- (c) discharge from liability for members of the Board of Directors and the CEO.
- 8. Presentation of the Board of Directors' remuneration report for approval.
- 9. Determination of the number of members of the Board of Directors and deputy members of the Board of Directors to be elected by the general meeting as well as the number of Auditors and deputy Auditors.
- 10. Determination of the compensation to the Board of Directors and the Auditors.
- 11. Election of Chairman of the Board of Directors, other members of the Board of Directors and deputy members of the Board of Directors, as well as Auditors and deputy Auditors.
- 12. Resolution on Executive remuneration policy for compensation to executive officers.
- 13. Resolution on authorization for the Board of Directors to decide on purchase of shares in the company.
- 14. Resolution to amend the Articles of Association.

Proposed resolutions

Item 1

The Nomination Committee proposes that the Chairman of the Board of Directors, Dennis Jönsson, or if he is prevented from attending the person instead appointed by the Nomination Committee, is appointed Chairman of the 2021 Annual General Meeting.

Item 2

The Board of Directors proposes Advokat Annika Boström, or if she is prevented from attending, the person instead appointed by the Board of Directors, to be elected to attest the minutes of the meeting. The task also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the general meeting.

Item 3

The voting register proposed for approval under item 3 on the proposed agenda, is the voting list prepared by Euroclear Sweden AB on behalf of the company, based on the general meeting shareholders' register and incoming advance votes, as verified by the person assigned to attest the minutes.

Item 7 (b)

The Board of Directors proposes a distribution of profits in an amount of SEK 5,50 per share for 2020. Thursday 29 April 2021 is proposed as record date for the right to receive dividend. If the general meeting resolves in accordance with this proposal, Euroclear Sweden AB is expected to pay the dividend on Tuesday 4 May 2021.

Item 9-11

The Nomination Committee proposals are as follows:

- Item 9: The number of members of the Board of Directors, who are elected by the general meeting, is proposed to be extended with one person and thereby consist of nine elected members with no deputies. Both the number of Auditors and the number of deputy Auditors are proposed to be two.
- Item 10: The compensation to the Board of Directors is proposed to be SEK 6,770,000 (SEK 5,845,000). The compensation is to be distributed among the members of the Board who are elected by the general meeting and not employed by the company, as follows:

- Chairman of the Board of Directors SEK 1,850,000
(SEK 1,750,000)
- Other members of the Board of Directors SEK 615,000
(SEK 585,000)

In addition to the above proposed compensations to members of the Board of Directors, it is also proposed that the compensations mentioned below shall be distributed to members of the Board who also hold a position as member of any of the following Committees:

- Extra amount for the Chairman of the Audit Committee SEK 250,000
(SEK 200,000)
- Extra amount for the other members of the Audit Committee SEK 150,000
(SEK 125,000)
- Extra amount for the Chairman of the Remuneration Committee SEK 75,000
(SEK 50,000)
- Extra amount for the other members of the Remuneration Committee SEK 75,000
(SEK 50,000)

Bracketed figures refer to compensation for year 2020. Please note that the total amount proposed for 2021 includes compensation for nine members of the Board compared to eight members in 2020.

Compensation to the Auditors is proposed to be paid as per approved invoice.

Item 11: Members of the Board of Directors Maria Moræus Hanssen, Dennis Jönsson, Henrik Lange, Ray Mauritsson, Heléne Mellquist, Finn Rausing, Jörn Rausing and Ulf Wiinberg are proposed to be re-elected for the time up to the end of the Annual General Meeting 2022. Lilian Fossum Biner is proposed to be elected as new member of the Board of Directors.

Lilian Fossum Biner has over the past 20 years built a solid experience from Board assignments in a several large companies, listed as well as private. Fossum Biner has among other things held the position as Chairman of the Board in Cloetta AB during the years 2016 to 2020, and is currently Board member in Scania AB, Carlsberg A/S and Givaudan S.A amongst other. Fossum Biner has as a basis an extensive experience from retail and consumer goods companies where she has held a several senior positions.

The Nomination Committee proposes that Dennis Jönsson shall be re-appointed as 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.

Information on all members proposed to the Board of Directors and the Nomination Committee's reasoned statement is available at Alfa Laval's website, <https://www.alfalaval.com/investors/>.

The Nomination Committee proposes, in accordance with the Remuneration Committee's recommendation, that the authorized public accountants Staffan Landén and Karoline Tedevall are re-elected as the company's Auditors for the forthcoming year, thus for the time up to the end of the Annual General Meeting 2022. The Nomination Committee further proposes that the authorized public accountants Henrik Jonzén and Andreas Mast are re-elected, as the company's deputy Auditors for the forthcoming year, thus for the time up to the end of the 2022 Annual General Meeting.

Item 12

The Board of Directors proposes, that the Annual General Meeting resolves on an amendment of the remuneration policy for executive officers that was adopted by the Annual General Meeting 2020. The proposed amendment consists of an increase from 40 percent to 50 percent of the fixed base salary of the maximal opportunity for STI for executive officers, excluding the CEO. The proposed amendment has been marked below (underlined respctively crossed over).

Executive Remuneration Policy

The executive officers, i.e. the CEO and other members of Group Management reporting to the CEO, fall within the provisions of this policy. The policy is forward-looking, i.e. applicable to remuneration agreed, and amendments to remuneration already agreed, after adoption of the policy by the annual general meeting in April ~~2020~~ 2021. This policy does not apply to any remuneration decided or approved by the general meeting. The policy is substantially in line with the policy adopted in ~~2019~~ 2020, ~~but more detailed due to new legislation.~~

A prerequisite for the successful implementation of the company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the company is able to recruit and retain qualified personnel, consequently it is necessary that the company offers market competitive remuneration. For information regarding Alfa Laval's business strategy, please visit <https://www.alfalaval.com/investors/in-brief/#xaa>

This policy enables the company to offer the executive officers a competitive total remuneration. The remuneration shall be on market terms and may consist of the following components: fixed base salary, variable cash remuneration (including STI and LTIP), pension benefits and other benefits. The components, their purpose and link to the company's business strategy are described below.

The decision-making process to determine, review and implement the policy

The Board of Directors has established a Committee within the Board (the Remuneration Committee), with the tasks of preparing, within the Board of Directors, the policy for remuneration for executive officers. The Board of Directors shall propose a revised policy at least every fourth year and submit it to the general meeting. The policy shall be in force until a new policy is adopted by the general meeting.

Unless otherwise stated herein, the Board of Directors shall resolve on matters regarding remuneration and employment provisions for all other executive officers. The Committee

shall continuously report to the Board of Directors. The CEO and the other executive officers shall not be present when their respective remuneration terms are decided.

Additionally, the general meeting may – irrespective of this policy– resolve on, among other things, share-related or share price-related remuneration.

Fixed Base Salary

Purpose and link to strategy	Supports the attraction and retention of the best talents. Ensures competitiveness while controlling fixed costs to maximise efficiency.
Operational Details	<ul style="list-style-type: none"> • Normally reviewed annually and increases will usually be effective from 1 January or following a change in responsibilities. • The Remuneration Committee will consider, among other things, the following parameters when reviewing fixed base salary: <ul style="list-style-type: none"> - Economic and salary conditions and trends. - The individual's performance and responsibilities. - Base salaries and total remuneration at other companies that operate in the same markets, typically benchmarked against similar roles.

Variable Cash Remuneration

A portion of the total remuneration for the executive officers is linked to business performance so that total remuneration will increase or decrease in line with performance, thus promoting the company's business strategy and long-term interests.

Annual Short Term Incentive (STI)

Purpose and link to strategy	To incentivise and create focus on the delivery of annual financial and strategic criteria.
Operational Details	<ul style="list-style-type: none"> • The performance criteria, weighting and targets are to be proposed by the Remuneration Committee annually and approved by the Board of Directors. Targets shall be set by reference to the company's operating plan and historical and projected performance. • The outcome of criteria for awarding STI is to be measured over a period of one year and depend on the degree of fulfilment of predetermined targets. • The Board of Directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to reclaim in

whole or in part STI paid on incorrect grounds (so-called claw-back).

Opportunity Levels

The maximum opportunity for STI can amount up to 40 50% of fixed base salary. For the CEO the maximum opportunity can amount up to 60% of fixed base salary.

The Remuneration Committee shall have the possibility to review the opportunity levels in order to ensure market competitiveness.

Performance criteria

The STI plan awards shall be based on mainly financial criteria. The criteria shall be designed so as to contribute to the company's business strategy and long-term interests.

Long Term Incentive Plan (LTIP)

Purpose and link to strategy

Give extra focus on the long-term value creation for the shareholders.

Operational Details

- An annual grant of the LTIP, with a three-year performance period, can be decided by the Board of Directors each year.
- Payment to the participants of the program are made after year three, provided, that they are still employed at the date of payment.
- The Board of Directors shall have the possibility, under applicable law or contractual provisions, subject to the restrictions that may apply under law or contract, to reclaim in whole or in part LTIP paid on incorrect grounds (claw-back).
- In the event of a restructuring of the Company or any other extraordinary event which the Remuneration Committee considers will affect the value of an award, the method of calculating the proportion of the maximum value of the award which will be paid to a Participant on vesting may be adjusted in such manner as the Remuneration Committee shall determine to be fair and reasonable.

Opportunity Levels

For executive officers the maximum opportunity for LTIP can amount up to 40% of fixed base salary for each three-year performance period. For the CEO the maximum opportunity can amount up to 50% of fixed base salary for each three-year performance period.

Performance Criteria

The performance criteria of the LTIP are to be related to financial targets over a business cycle, including but not necessarily limited to, Operating margin (adjusted EBITA margin) and Net invoicing growth. Maximum outcome is awarded when the externally communicated long-term financial targets are clearly exceeded.

For retention or recruitment purposes or extraordinary performance beyond the individual's ordinary tasks the Remuneration Committee based on proposal of CEO, may decide on a specific cash remuneration. Such remuneration may not exceed an annual amount corresponding to 40 percent of fixed annual cash salary and may not be paid more than once each year per individual.

Pension Benefits

Purpose and link to strategy

Provide competitive and cost-effective pension benefits.

Operational Details

- Pension benefits shall be defined contribution (premium defined) unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions.
- Variable cash remuneration shall not qualify for pension benefits unless the executive officer is part of mandatory collective agreed provisions where this is stipulated.
- Early retirement may be offered selectively and only after a special decision by the Remuneration Committee, with a defined contribution early retirement scheme.
- For executive officers governed by rules other than Swedish, pension benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.

Opportunity Levels

- The pension premiums for defined contribution pension shall amount to not more than 50 per cent of the pensionable salary (for the CEO fixed annual base salary).

Other Benefits

Purpose and link to strategy

Provide competitive and cost-effective benefits.

Operational Details

- Other benefits may include but is not limited to life insurance, disability insurance, medical insurance/cover (Sw: sjukvårdsförsäkring), and a company car or car allowance.
- For executive officers governed by rules other

than Swedish, benefits may be duly adjusted for compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.

- Executive officers who are international assignees (for example expatriates) to or from Sweden may receive additional remuneration and other benefits to the extent reasonable in light of the special circumstances associated with the international assignment arrangement, taking into account, to the extent possible, the overall purpose of this policy.

Opportunity Levels

- Other benefits may amount to not more than 5 per cent of the fixed annual cash salary and shall be set at a level which the Remuneration Committee considers to:
 - provide the relevant level of benefit depending on role and the individual circumstances,
 - be in line with comparable roles in companies with similar size and complexity in the local market, and
 - be appropriate compared to the benefits offered to the wider workforce in the local market.

Termination of employment

Details

- If notice of termination of employment is made by the company:
 - The notice period may not exceed twelve months.
 - Fixed cash salary during the period of notice and severance pay may together not exceed an amount equivalent to the fixed cash salary for two years.
- When termination is made by the executive officer, the period of notice may not exceed six months without any right to severance pay.
- Appropriate so-called good leaver/bad leaver principles are to be applied for STI and LTIP.
- Repatriation – If the executive officer is an international assignee the company may reimburse reasonable cost for the repatriation of good leavers, taking into account, to the extent possible, the overall purpose of this policy.
- For executive officers governed by rules other than Swedish, payments in connection with termination may be duly adjusted for

compliance with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of this policy.

Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for this remuneration policy, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time. The development of the difference between the remuneration to executive officers and remuneration to other employees will be disclosed in the remuneration report.

Derogation from the policy

The Board of Directors may temporarily resolve to derogate from the policy, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to derogate from the policy.

Additional information regarding executive remuneration is available in the Alfa Laval Annual Report.

Item 13

The Board of Directors proposes authorization to the Board of Directors to decide to purchase shares in the company as follows.

The Board of Directors is authorized, during a period up until the Annual General Meeting 2022, to purchase shares in the company on as many occasions as it deems appropriate, however, only to the extent that the company's holding at no time exceeds five percent (5 %) of the total amount of shares in the company. Purchase shall be made on Nasdaq Stockholm at a price per share within the prevailing price interval. The purpose of the authorization is to give the Board the possibility to adjust the capital structure of the company until the next Annual General Meeting, after which the Board intends to propose to the Annual General Meeting 2022 a resolution to cancel the repurchased shares. Furthermore, the Board of Directors intends to propose to the same general meeting a corresponding bonus issue of shares to restore the size of the share capital.

Item 14

The Board of Directors proposes that the Annual General Meeting resolves to include two new sections in Alfa Laval's Articles of Association, with the purpose of enabling collection of proxies in accordance with the procedure that is stated in Chapter 7, Section 4 of the Swedish Companies Act, and give the Board of Directors the possibility to decide that shareholders may vote in advance. The proposed amendments are set out below.

Current wording	Proposed wording
<p>§ 10</p> <p>En aktieägare får delta i bolagsstämma endast om aktieägaren anmäler detta till bolaget den dag som anges i kallelsen till stämman. Sistnämnda dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och inte infalla tidigare än femte vardagen före bolagsstämman.</p> <p>Aktieägare får vid bolagsstämma medföra ett eller två biträden, dock endast om aktieägaren gjort anmälan härom enligt föregående stycke.</p> <p><i>A shareholder may participate in a general meeting of shareholders only if the shareholder notifies the company on the day stated in the notice convening the meeting. The latter day may not be a Sunday, other Swedish public holiday, Saturday, Mid-Summer Eve, Christmas Eve or New Year's Eve and shall not occur earlier than the fifth weekday (Saturdays included) prior to the meeting.</i></p> <p><i>A shareholder may bring one or two advisors to the general meeting of the shareholders, however only where the shareholder has notified the company in the manner specified in the previous paragraph.</i></p>	<p>§ 10</p> <p>En aktieägare får delta i bolagsstämma endast om aktieägaren anmäler detta till bolaget den dag som anges i kallelsen till stämman. Sistnämnda dag får inte vara söndag, annan allmän helgdag, lördag, midsommarafton, julafton eller nyårsafton och inte infalla tidigare än femte vardagen före bolagsstämman.</p> <p>Aktieägare får vid bolagsstämma medföra ett eller två biträden, dock endast om aktieägaren gjort anmälan härom enligt föregående stycke.</p> <p><u>Styrelsen får samla in fullmakter enligt det förfarande som anges i 7 kap. 4 § andra stycket aktiebolagslagen (2005:551).</u></p> <p><u>Styrelsen får inför en bolagsstämma besluta att aktieägare skall kunna utöva sin rösträtt före bolagsstämman enligt vad som anges i 7 kap. 4 a § aktiebolagslagen (2005:551).</u></p> <p><i>A shareholder may participate in a general meeting of shareholders only if the shareholder notifies the company on the day stated in the notice convening the meeting. The latter day may not be a Sunday, other Swedish public holiday, Saturday, Mid-Summer Eve, Christmas Eve or New Year's Eve and shall not occur earlier than the fifth weekday (Saturdays included) prior to the meeting.</i></p> <p><i>A shareholder may bring one or two advisors to the general meeting of the shareholders, however only where the shareholder has notified the company in the manner specified in the previous paragraph.</i></p> <p><u>The Board of Directors may collect proxies pursuant to the procedure stated in Chapter 7, Section 4, second paragraph of the Swedish Companies Act (2005:551).</u></p> <p><u>The Board of Directors may, before a general meeting, decide that the shareholders shall be able to exercise their voting rights in advance of the general meeting pursuant to the procedure stated in Chapter 7, Section 4 a of the Swedish Companies Act (2005:551).</u></p>

Available documents

Alfa Laval AB's annual report will be published on Alfa Laval's webpage <https://www.alfalaval.com/investors/publications/> on 31 March 2021 at 10.00 A.M. The other basis for the resolutions, including the Nomination Committee's proposals and their reasoned statement, will be held available on <https://www.alfalaval.com/investors/>, no

later than 30 March 2021. Copies of the documents will be sent to shareholders who so request and announce their postal address. The financial statements, the auditor's report, the Board of Directors' report on remuneration, the auditor's statement regarding the remuneration policy for the executive officers as well as the Board of Directors' statement pursuant to the proposal on authorization for the Board of Directors to purchase shares in the company, are presented by being available at the company and on the company's webpage. The general meeting shareholders' register will be available at Alfa Laval, Rudeboksvägen 1, SE-226 55 Lund Sweden.

Number of shares and votes in the company

At the date of this notice, the total number of shares and votes in the company is 419,456,315. All shares are of the same class. The company itself holds no shares in the company.

Information at the Annual General Meeting

The Board of Directors and the CEO shall, if any shareholder so requests, and if the Board of Directors considers that this can be done without significant harm for the company, give information on circumstances that can affect the judgement of an item on the agenda, circumstances that can affect the assessment of the financial situation of the company or its subsidiaries and the company's relationship with another group company.

Because the general meeting is conducted by voting in advance, a request of information shall be submitted in writing to the company. This follows from the temporary legislation in section 23 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A written request may be submitted well in advance of the Annual General Meeting, however, no later than Saturday 17 April 2021. A request may be sent by e-mail to arsstamma.lund@alfalaval.com or by mail to the address Alfa Laval AB, Juridik, P.O. Box 73, SE-221 00 Lund, Sweden.

The request for information will be answered in writing to the shareholders that have requested the information and, on the company's website no later than 22 April 2021. The information will also be available in writing at the company. Shareholders who request the information by mail need to give a respond address in the mail.

Processing of personal data

For further information about the company's processing of personal data and your rights, see the Privacy Policy at the following link: <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf> or contact the company at the following email address: dataprivacy@alfalaval.com.

Lund, March 2021

ALFA LAVAL AB (publ)

The Board of Directors