



# NOTICE

Lund, March 14, 2008

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## Annual General Meeting of Alfa Laval AB (publ)

**The Annual General Meeting of the shareholders in Alfa Laval AB (publ) will be held on Tuesday, April 22, 2008 at 4.00 p.m. at Olympen, Tunavägen 39, Lund, Sweden. Registration for the Meeting will commence at 3.30 p.m. Refreshments will be served after the Meeting.**

*This is an unofficial translation of the Swedish notice. In case of any discrepancies between the Swedish notice and this English translation, the Swedish notice shall prevail.*

### **Program for shareholders**

In conjunction with the Meeting there will be an opportunity to view production of plate heat exchangers at the plant in Lund. The tour begins with a gathering at Olympen in Lund at 1.30 p.m. Buses will transport visitors to the production facility and back to the Meeting. The number of participants in the tour is limited and registration to participate in the tour must be made in conjunction with the notification to participate in the Meeting.

- 1.30 p.m. Buses depart from Olympen to Alfa Laval's production facility in Lund
- 3.00 p.m. Coffee is served
- 3.30 p.m. Registration begins
- 4.00 p.m. The opening of the Meeting

### **Right to participate**

Shareholders who wish to participate in the Meeting shall

- be recorded in the share register kept by VPC AB (The Swedish Central Securities Depository) as of Wednesday, April 16, 2008, and
- notify their participation to Alfa Laval AB, and their assistants (if any), not later than on Wednesday, April 16, 2008 at 12.00.

Shareholders, whose shares are registered in the name of a nominee, must temporarily register the shares in their own names with VPC AB in order to be entitled to participate in the Meeting. Such temporary ownership registration must be made not later than

Wednesday, April 16, 2008. This means that shareholders must inform the nominee in due time prior to that date.

### **Notification**

Notice of attendance to the Meeting may be given

- by mail to: Alfa Laval AB, Juridik, P.O. Box 73, SE-221 00 LUND, Sweden
- by e-mail: [arsstamma.lund@alfalaval.com](mailto:arsstamma.lund@alfalaval.com),
- by facsimile: +46 (0)46-36 71 87,
- on the website: [www.alfalaval.com](http://www.alfalaval.com), or
- by telephone: +46 (0)46-36 72 22, +46 (0)46-36 65 26 or +46 (0)46-36 65 00.

When giving notice of participation, please state name, personal identity number or corporate registration number, address and telephone number, together with the number of assistants (however, maximum of two). Please also include request to participate in the tour of the production facility when giving notice of participation. Shareholders who are represented by proxy must issue and enclose a dated power of attorney for the representative, which at the time of the Meeting must not be older than one year. Forms for power of attorney are available on Alfa Laval's website and can be ordered from Alfa Laval AB, Juridik, P.O. Box 73, SE-221 00 LUND, Sweden. Proxies and representatives for legal entities must also enclose a registration certificate. The power of attorney and the registration certificate, if any, must be sent to Alfa Laval AB in conjunction with the notification. As confirmation of the notification Alfa Laval AB will send an entrance card, which must be displayed at registration.

### **Proposed agenda**

1. Opening of the Meeting.
2. Election of the Chairman of the Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda for the Meeting.
5. Election of one or two persons to verify the minutes.
6. Determination whether the Meeting has been duly convened.
7. The Managing Director's speech.
8. Presentation of the work performed by the Board of Directors and the Committees of the Board of Director's.
9. Presentation of the annual report, the auditors' report and the consolidated annual report and the auditors' report on the consolidated annual report.
10. Resolutions:
  - (a) on adoption of the income statement and the balance sheet, the consolidated income statement, and the consolidated balance sheet;
  - (b) on the disposition of the Company's profit in accordance with the adopted balance sheet, and determination of record day for dividend; and
  - (c) on the discharge from liability of the Board of Directors and the Managing Director.
11. Presentation of the work of the Nomination Committee.
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 and the number of auditors and deputy auditors.
13. Determination of remuneration payable to the Board of Directors and the auditors.
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.
15. Presentation of the auditors' report regarding compliance with the principles for remuneration of the Company management established at the Annual General Meeting 2007.
16. Resolution on principles for remuneration of the Company management.

17. Resolution on the procedure for appointing the Nomination Committee for the next Annual General Meeting.
18. Resolutions on:
  - a) reduction of the share capital by cancellation of re-purchased shares and appropriation of the amount into a fund at the disposal of a General Meeting; and
  - b) a bonus issue.
19. Resolution on amendments to the Articles of Association.
20. Resolution on a split of shares.
21. Resolution on authorisation for the Board of Directors to purchase shares in the Company.
22. Other matters which according to the Swedish Companies Act or the Articles of Association shall be addressed at the Meeting.
23. Closing of the Meeting.

### **Proposals for resolutions**

#### Item 2

The Nomination Committee proposes that the Chairman of the Board of Directors, Anders Narvinger, is appointed Chairman of the Meeting.

#### Item 10 (b).

The Board of Directors proposes a dividend of SEK 9.00 per share for 2007. Friday, April 25, 2008 is proposed as record day for right to dividend. If the Meeting resolves in accordance with this proposal, VPC AB is expected to pay dividends on Wednesday, April 30, 2008.

#### Item 12 -14

The Nomination Committee proposes as follows:

Item 12: The number of members of the Board of Directors to be elected by the Meeting shall be eight with no deputies.

The number of auditors shall be two with two deputy auditors.

Item 13: The compensation to the Board of Directors shall be a total of SEK 3,485,000 (3,050,000) to be distributed to the elected members of the Board of Directors not employed with the Company as follows:

• Chairman of the Board of Directors	SEK 900,000 (800,000)
• Other members of the Board of Directors	SEK 360,000 (325,000)
• Supplement for Chairman of the Audit Committee	SEK 125,000 (100,000)
• Supplement for other members of the Audit Committee	SEK 75,000 (50,000)
• Supplement for Chairman of the Remuneration Committee	SEK 50,000 (50,000)
• Supplement for other members of the Remuneration Committee	SEK 50,000 (50,000)

Bracketed figures refer to compensation for 2007.

Compensation to the auditors shall be paid in accordance with the current agreement.

- Item 14: Re-election of the members of the Board of Directors Gunilla Berg, Björn Hägglund, Anders Narvinger, Finn Rausing, Jörn Rausing, Lars Renström, Waldemar Schmidt and Ulla Litzén.

The Nomination Committee proposes that Anders Narvinger shall be appointed 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.

Information on all members proposed to the Board of Directors and a report on the Nomination Committee's work is available at Alfa Laval AB's website, [www.alfalaval.com](http://www.alfalaval.com) and will also be available at the Meeting.

The Nomination Committee proposes that the authorized public accountants Kerstin Mouchard and Staffan Landén shall be appointed auditors of the Company for a period of four years following this Meeting i.e. for the period until the Annual General Meeting 2012. The Nomination Committee proposes that the authorized public accountants Håkan Olsson and Thomas Swensson shall be appointed deputy auditors of the Company for a period of four years following this Meeting, i.e. for the period until the Annual General Meeting 2012.

#### Item 16

The Board of Directors proposes that the Meeting resolves on the following principles for remuneration to the Company management.

##### 1. Scope

The "Company management" refers to the Managing Director and the other members of the group management. These principles applies to employment contracts for members of the Company management entered into following adoption of these principles by the Meeting, and to amendments to existing employment contracts for the concerned individuals made thereafter. The Board of Directors shall, in certain cases, have the right to deviate from the principles if there are special reasons to do so. Such special reasons may be, for example, if there is a need to offer members of the Company management residing abroad terms which are competitive in their country of residence.

##### 2. The main principle and how remuneration matters are prepared

The main principle for these principles is that Alfa Laval should offer remuneration on market conditions which will enable the Company to attract and retain a skilled Company management. The Board of Directors has established a Remuneration Committee with the task of preparing matters regarding remuneration and other employment terms for the Company management. The Board of Directors shall resolve on these matters following preparation by the Remuneration Committee.

##### 3. Fixed remuneration

The fixed salaries shall be revised annually and shall be based upon the competence and areas of responsibility of each individual.

##### 4. Variable remuneration

The variable remuneration comprises (i) an individual annual variable remuneration, and may, as a supplement, also include (ii) a long-term incentive program.

(i) The individual annual variable remuneration may be between 15 and 60 percent of the fixed remuneration, depending on position. The outcome shall depend on the degree of fulfilment of financial targets in particular, and to a more limited extent also on qualitative targets.

(ii) The Board of Directors intends in 2008 to resolve on the introduction of a long-term incentive program, to be directed to not more than 75 of the Company's top executives, including the Company management. The long-term incentive program is intended to be a supplement to the individual annual variable remuneration. It is the intention of the Board of Directors to introduce a long-term incentive program on similar terms in 2009 and 2010. The long-term incentive program for 2008 is a cash-based program connected to the Company's profit per share and will run for three years. The program may each year generate up to a maximum of 16,67 percent of the participants' individual annual variable remuneration. Payment will be made after three years, provided that the participant is an employee at that time.

The Board of Directors may consider proposing a share or share price-related program for the Company management to the Meeting.

#### 5. Pension benefits

A detailed description of current pension benefits for the Company management is available in note 3 of the Annual Report 2007.

As from 2006 a premium based early pension scheme with a premium of 15 percent of the pensionable income is offered. Early retirement benefits are committed selective and only after a special resolution of the Remuneration Committee. Retirement pension following the age of 65 and family pension in accordance with the ITP-plan (supplementary pensions for salaried employees) also include salary portions above the 30 basic amounts of the ITP-plan. This previous preferential based solution was renegotiated during 2006 with the majority of those included in the solution, and was replaced by a premium based solution, with a premium of 30 percent of the pensionable income beyond the 30 basic amounts. The Company management has a special family pension consisting of the difference between retirement pension and the family pension according to the ITP-plan. In addition to this, they have the opportunity to allocate salaries and bonuses to a temporary old-age and family pension.

#### 6. Non-monetary benefits

Members of the Company management have the right to normal non-monetary benefits, such as car and healthcare benefits. In certain cases, Alfa Laval can also arrange for housing.

#### 7. Dismissal and severance pay

Should Alfa Laval dismiss a member of the Company management, such person will be entitled to receive remuneration during the notice period and severance pay to an amount corresponding to a maximum of 24 monthly salaries.

#### Item 17

The current Nomination Committee consists of Finn Rausing, Tetra Laval, Lars-Åke Bokenberger, AMF-Pension, Jan Andersson, Swedbank Robur fonder, Lars Öhrstedt AFA/TFA-försäkringar, Peter Rudman, Nordea Fonder and the Chairman of the Board of Directors Anders Narvinger. Finn Rausing is Chairman.

The Nomination Committee proposes that the Meeting resolves:

**that** there shall be a Nomination Committee to prepare and present proposals to shareholders at the Annual General Meeting on the election of Chairman of the Annual General Meeting, Chairman of the Board of Directors, members of the Board of Directors and, where applicable, auditors as well as remuneration to the Board of Directors and the auditors;

**that** the Nomination Committee shall have no more than five members, who shall be the representatives of the five largest shareholders at the end of the third quarter. The majority of the Nomination Committee members must not be members of the Board of Directors. Members of the Nomination Committee shall be appointed as follows. The Chairman of the Board of Directors shall at the end of the third quarter contact the five largest shareholders in the Company, who shall have the right to appoint one member each of the Nomination Committee. In addition, the Nomination Committee may decide that the Chairman of the Board of Directors and other members of the Board of Directors shall be members of the Nomination Committee. If any of these five shareholders declines the right to appoint a member of the Nomination Committee, the next shareholder in terms of size of shareholders should be offered the opportunity to appoint a member of the Nomination Committee. There is no obligation to ask more than eight of the largest shareholders should several shareholders decline the right to appoint members to the Nomination Committee. However, more than eight shareholders should be asked if this is required for the Nomination Committee to comprise at least three members. Should a member resign from the Nomination Committee before its work is completed, the shareholder who appointed such member has the right to appoint a substitute member. The Nomination Committee should be chaired by an owner representative who may also be a member of the Board of Directors. The Chairman of the Board of Directors shall however not be appointed Chairman of the Nomination Committee. The Chairman of the Board of Directors shall, as part of the Nomination Committee's work, ensure that the Nomination Committee is informed on the Board of Directors work and need for specific competence and other circumstances that could be of importance for the Nomination Committee. Individual shareholders shall be entitled to submit proposals for members of the Board of Directors to the Nomination Committee for further evaluation within the work of the Nomination Committee;

**that** an appointed Nomination Committee shall remain until a new Nomination Committee is appointed. Should an owner represented in the Nomination Committee substantially decrease its ownership with the effect that such owner's representative would no longer be qualified for the Nomination Committee, another of the largest owners shall, upon decision from the Nomination Committee, be offered to appoint a new member to replace such representative;

**that** information on the composition of the Nomination Committee shall be announced publicly in the Company's third-quarter interim report and on the Company's website not later than six months prior to the Annual General Meeting;

**that** the Nomination Committee shall be entitled to charge the Company for costs for recruitment consultants, if necessary, in order to obtain a suitable selection of nominees for the Board of Directors; and

**that** the Nomination Committee shall report on its work at the Annual General Meeting.

#### Item 18

At the Annual General Meeting held on April 23, 2007, it was resolved, in accordance with the Board of Directors' proposal, to authorise the Board of Directors to acquire up to 10 percent of all shares in the Company on the OMX Nordic Exchange Stockholm. By virtue

of such authorisation the Company has purchased a total of 4,323,639 of its own shares as of March 11, 2008.

a) The Board of Directors proposes a reduction of the Company's share capital with SEK 43,236,390 by cancellation of the 4,323,639 repurchased shares. The proposal is subject to the Meeting's approval of Item 18 (b) below. The Board of Directors proposes that the reduction amount is allocated into a fund at the disposal of a General Meeting.

A valid resolution under Item 18 (a) requires the support of shareholders holding at least two thirds of both the votes cast and the shares represented at the Meeting.

b) The Board of Directors proposes, subject to the Meeting's approval of Item 18 (a) above, an increase of the Company's share capital with SEK 43,236,390 by means of transfer from non-restricted equity to the share capital (bonus issue). The increase shall be executed without issuing new shares. The reason for such bonus issue is that if the Company increases its share capital by an amount corresponding to the amount by which the share capital is reduced, by the proposal of the Board of Directors in Item 18 (a), the reduction of the share capital can be executed without approval from the Swedish Companies Registration Office, or in case of dispute, from the court.

The Board of Director's proposal in Item 18 (a) will reduce the Company's share capital with SEK 43,236,390 and the Board of Director's proposal in Item 18 (b) will increase the Company's share capital by way of a bonus issue with the corresponding amount. This will result in the share capital being unaffected. The Board of Director's report in accordance with chapter 20, section 13, and the auditors' report in accordance with chapter 20, section 14, of the Swedish Companies Act (2005:551) will both be included in the complete proposals.

#### Item 19

With reference to the proposal on split of shares in Item 20, and subject to the Meeting's approval of such proposal, the Board of Directors proposes to amend Article 4 of the Articles of Association with the effect that the minimum and maximum number of shares that can be issued is changed from a minimum of 74,500,000 and a maximum of 298,000,000 up to a new minimum of 300,000,000 and a new maximum of 1,192,000,000 number of shares. A resolution in accordance with the above is only valid if supported by shareholders holding at least two thirds of both the votes cast and of the shares represented at the Meeting.

The Board of Directors further proposes to amend Article 9 of the Articles of Association, by inserting a new paragraph 11, and to renumber the current Article 9, paragraph 11. The current wording:

11. Other possible issues to be dealt with at the General Meeting in accordance with the Swedish Companies Act or the Articles of Association.

Proposed change (amendment in italics)

*11. Resolution on principles for remuneration of the company management.*

12. Other matters which according to the Swedish Companies Act or the Articles of Association shall be addressed at the Meeting.

#### Item 20

With reference to the proposal under Item 19 to amend the Articles of Association and subject to the Meeting's approval of such proposal the Board of Directors proposes a split

of shares by which each existing share will be split into four (4) new shares. It is also proposed that the Board of Directors is authorised to decide the day on which the resolution shall be executed.

#### Item 21

The Board of Directors proposes that the Board of Directors is authorised to resolve, on one or on several occasions, during the period until next Annual General Meeting, on the purchase of own shares subject to that the holding of own shares must not exceed five (5) percent of all shares in the Company. Purchases shall be made on the OMX Nordic Exchange Stockholm at the market price prevailing at the time of each purchase. The purpose of the proposed repurchase is to give the Board of Directors the possibility to adjust the Company's capital structure during the period until the next Annual General Meeting. Further, the purpose is to adjust the capital structure of the Company by cancellation of the shares repurchased under this authorisation. A resolution in accordance with the above is only valid if supported by shareholders holding at least two thirds of both the votes cast and of the shares represented at the Meeting.

#### **Available documents**

The Annual Report, the auditors' report, the Board of Director's statement regarding the proposal for distribution of profits in accordance with Item 10 b), the auditors' report on the compliance with the principles for remuneration of the Company management resolved at the Annual General Meeting of 2007, and the complete proposals for the above decisions, will be held available for the shareholders at Alfa Laval AB as of March 26, 2008. Copies of the documents will be sent to shareholders requesting such documents and stating their postal addresses. In addition, the documentation will be held available on the Company's website as of the above date.

#### **Miscellaneous information**

As of March 14, 2008, the total number of shares and votes in the Company are 111,671,993. All shares have equal rights. As of March 11, 2008, the Company holds 4,323,639 own shares, which cannot be represented at the Meeting.

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Lund in March 2008  
ALFA LAVAL AB (publ)

The Board of Directors

*Alfa Laval AB (publ) discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 07.30 on March 14, 2008.*