

NOTICE TO CONVENE the Annual General Meeting of FLSmidth & Co. A/S

The Board of Directors hereby calls the Annual General Meeting to be held on Thursday 30 March 2017 at 16.00 (CET) at Tivoli Congress Center, Arni Magnussons Gade 2-4, DK-1577 Copenhagen V.

Agenda:

- 1. The Board of Directors' report on the company's activities in 2016**
- 2. Presentation and approval of the Annual Report for 2016**
- 3. Approval of the Board of Directors' fees:**

a. Final approval of fees for 2016

The Board of Directors proposes unchanged approval of the fees for 2016 that were pre-approved by the General Meeting in 2016.

The fees are based on a base fee of DKK 400,000 (the "Base Fee") with twice that amount to the Vice Chairman and three times that amount to the Chairman. Furthermore, an additional fee corresponding to 25% of the Base Fee shall be paid for membership of a board committee, while the chairman of any such committee shall receive an additional fee corresponding to 50% of the Base Fee. The Chairman and Vice Chairman of the Board of Directors do not receive committee fees.

The total remuneration to the members of the Board of Directors for 2016 amounts to DKK 5.9m, cf. note 6.1 in the Annual Report (page 117).

b. Preliminary determination of fees for 2017

The Board of Directors proposes to increase the fee level for 2017. The Base Fee has not been adjusted since the General Meeting in 2009. The increase is proposed in consideration of the complexity of the issues dealt with in FLSmidth & Co. A/S and the fact that the company needs to be able to attract competence from across the globe.

Against this background, the Board of Directors proposes that the following fee structure for 2017 is approved by the General Meeting:

The Base Fee for 2017 shall be DKK 450,000. The Vice Chairman and the Chairman shall continue to receive twice and three times the Base Fee, respectively, for their extended duties. Board members who are also member of a board committee shall be entitled to an additional fee, which for ordinary committee members shall be DKK 125,000, whereas the additional fee for committee chairmen shall be DKK 225,000. The Chairman and the Vice Chairman of the Board of Directors will not receive committee fees.

In addition to the above-mentioned fees, the company pays expenses, including travel and transportation costs, associated with the services rendered for the Board of Directors, and the company may also pay foreign social taxes and similar taxes levied by foreign authorities in relation to the fees.

The fees for 2017 will be presented to the General Meeting in 2018 for final approval.

- 4. Distribution of profits or covering of losses in accordance with the approved Annual Report**

The Board of Directors proposes that a dividend of DKK 6 per share be paid out, corresponding to a total dividend distribution of DKK 307m for 2016.

- 5. Election of members to the Board of Directors**

The Board of Directors proposes that Mr Vagn Ove Sørensen, Mr Tom Knutzen, Ms Caroline Grégoire Sainte Marie, Mr Marius Jacques Kloppers and Mr Richard Robinson Smith (Rob Smith) are re-elected as members of the Board of Directors.

In addition, the Board of Directors proposes that Ms Anne Louise Eberhard is elected as a new member of the Board of Directors.

Mr Torkil Bentzen and Mr Sten Jakobsson do not seek re-election for the Board of Directors.

Information about management positions and other background information in respect of each candidate is set out in the attached appendix 1, and the information is also available on the company's website, www.flsmidth.com.

- 6. Appointment of auditor**

The audit committee has completed a tender process, in which emphasis was placed on the audit firm's understanding of risk, the strength and depth of global audit competences, industry understanding and price. Against this background, the audit committee has selected two candidates of which Ernst & Young Godkendt Revisionspartnerselskab (CVR no. 30 70 02 28) ("Ernst & Young") is recommended for election as it is assessed that Ernst & Young on balance will be able to deliver the best service compared to the chosen criteria.

In accordance with the recommendation by the audit committee, the Board of Directors proposes that Ernst & Young be elected as the company's auditor. The audit committee has informed the Board of Directors that it has not been influenced

by third parties nor has it been subject to any contractual obligation restricting the General Meeting's choice of certain auditors or audit firms.

7. Proposals from the Board of Directors

The Board of Directors submits the following proposals:

7.1 – Amendment of the Articles of Association – company announcements in English

The Board of Directors proposes that a new Article 5, paragraph 9, be inserted in the Articles of Association stating that the Board of Directors may decide to prepare company announcements in English only.

The new Article 5, paragraph 9, will be worded as follows:

"Company announcements may be prepared in English only, if decided by the Board of Directors."

The proposed amended Articles of Association is attached hereto as appendix 2 and is also available on the company's website, www.flsmidth.com.

7.2 – Amendment of the Articles of Association – introduction of electronic communication

The Board of Directors proposes to insert a new Article in the Articles of Association regarding introduction of electronic communication in connection with all communication between the company and the shareholders.

With this Article, the following wording is inserted as a new Article 10a in the Articles of Association:

"Electronic Communication

Article 10a

The Company uses electronic document exchange and electronic mail (electronic communication) in its communication with the shareholders. The Company may at all times choose to communicate by ordinary post instead.

Electronic communication may be used by the Company for convening annual and extraordinary General Meetings, including distribution of the agenda and complete proposals, proxies, statements by the Board of Directors and auditors, interim reports, annual reports as well as all other announcements and documents which, in accordance with the Company's Articles of Association or the Danish Companies Act, must be exchanged between the Company and the shareholders as well as general information from the Company to the shareholders.

Information regarding the requirements for the systems in use as well as the procedure with the Company in respect of electronic communication will be published on the Company's website.

The Company shall request an email address from the shareholders to which announcements etc. may be sent. It is the responsibility of the shareholders to ensure that the Company is in possession of the correct email address."

Furthermore, as a consequence of the above it is proposed that the following is added to the current wording of Article 5, paragraph 3:

", cf. Article 10a below regarding the use of electronic communication."

The proposed amendments to the Articles of Association are set out in appendix 2 attached hereto, which is also available on the company's website, www.flsmidth.com.

7.3 – Treasury shares

The Board of Directors proposes that it be authorised until the next Annual General Meeting to let the company acquire treasury shares equivalent to a total of 10% of the company's share capital at the time of the authorisation, provided that the company's total holding of treasury shares at no point exceeds 10% of the company's share capital. The consideration may not deviate more than 10% from the official price quoted on Nasdaq Copenhagen at the time of acquisition.

7.4 – Approval of updated guidelines for incentive pay

The Board of Directors proposes that the company's guidelines for incentive pay, cf. section 139 of the Danish Companies Act, be updated and approved by the General Meeting.

The Board of Directors finds that an increased focus on variable remuneration for the company's Group Executive Management is needed. When benchmarking against the neighbouring market, where the trend in recent years has been a shift in the pay composition from fixed towards more variable pay, the Board of Directors finds solid strategical reasons to suggest increases in the maximum levels for both the long-term and the short-term incentive programmes. This will provide the Board of Directors with the possibility to focus increasingly on pay-for-performance for the Group Executive Management, which is the signal the Board of Directors wishes to send. For the long-term incentive programme it is proposed to increase the maximum value of the individual performance share grants from 35% to a maximum of 50% of the base salary (including pension, if any), and for the short-term incentive programme it is proposed to increase the maximum level from 50% to 75% of the base salary (including pension, if any).

The proposed updated version of the guidelines for incentive pay is attached hereto as appendix 3 and is also available on the company's website, www.flsmidth.com.

8. Any other business

Adoption requirements

The proposal set forth in item 7.2 of the agenda must be adopted by at least 2/3 of the votes cast as well as 2/3 of the share capital represented at the Annual General Meeting. The remaining proposals on the agenda can be adopted by a simple majority of votes.

Size of the share capital and the shareholders' voting rights

The company's share capital amounts to nominally DKK 1,025,000,000, divided into shares of DKK 20. Each share of DKK 20 entitles the holder to 20 votes.

The registration date is Thursday 23 March 2017.

Shareholders holding shares in the company on the registration date have the right to attend and vote at the Annual General Meeting. The number of shares held by the shareholder is calculated at the registration date based on the shares held by the shareholder according to the share register and any notifications of ownership received by the company for entry into the share register. Attendance at the General Meeting is also subject to the shareholder having timely obtained an admission card as described below.

Admission card

Shareholders wishing to attend the Annual General Meeting must request an admission card. The request must be received by the company no later than Friday 24 March 2017 at 23.59 (CET). Admission cards may be ordered via FLSmidth's InvestorPortal at www.flsmidth.com/agm or by submitting the registration form, which can be downloaded from www.flsmidth.com/agm. If the form is used, it must be sent to VP Investor Services, Weidekampsgade 14, P.O.Box 4040, DK-2300 Copenhagen S (fax: +45 4358 8867 or a scanned version via email to vpinvestor@vp.dk). The form must be received within the deadline. An admission card can also be ordered for an adviser.

As something new FLSmidth & Co. A/S will send out admission cards to the Company's shareholders by email. In order to receive an admission card electronically the shareholders email address must be registered at FLSmidth's InvestorPortal at www.flsmidth.com/agm. Following registration the shareholder will receive an electronic admission card, which must be presented at the Annual General Meeting by using e.g. a smartphone or tablet. Alternatively, shareholders may instead bring a printed version of the admission card. If a shareholder fails to bring the admission card, entry to the Annual General Meeting may be obtained by way of presentation of appropriate proof of identification. Electronic voting (e-voter) will be handed out at the entrance to the Annual General Meeting.

Proxy

Proxies must be submitted electronically via FLSmidth's InvestorPortal at www.flsmidth.com/agm (requires electronic password) or in writing by using the proxy/postal vote form that can be downloaded from the company's website, www.flsmidth.com/agm. If the form is used, the completed and signed form must be received by VP Investor Services, Weidekampsgade 14, P.O.Box 4040, DK-2300 Copenhagen S (fax: +45 4358 8867, email: vpinvestor@vp.dk) no later than Friday 24 March 2017 at 23.59 (CET).

Postal vote

Postal votes must be submitted electronically via FLSmidth's InvestorPortal at www.flsmidth.com/agm (requires electronic password) or in writing by using the proxy/postal vote form that can be downloaded from the company's website, www.flsmidth.com/agm. If the form is used, the completed and signed form must be received by VP Investor Services, Weidekampsgade 14, P.O.Box 4040, DK-2300 Copenhagen S (fax: +45 4358 8867, email: vpinvestor@vp.dk) no later than Wednesday 29 March 2017 at 12:00 (CET). Once a postal vote has been submitted it cannot be withdrawn.

Further information

Until and including the day of the Annual General Meeting, the company's website, www.flsmidth.com/agm, will provide additional information about the General Meeting, including the Annual Report for 2016, information about the total number of shares and voting rights on the date of the notice, the notice with the agenda and the complete proposals, including appendices, the proxy/postal vote form for the Annual General Meeting and the Articles of Association. The Annual Report for 2016 is only available in English, and this is the official version, which will be filed with the Danish Business Authority.

This information will also be available for inspection by the shareholders at the company's head office at Vigerslev Allé 77, DK-2500 Valby, from Wednesday 8 March 2017.

Questions from shareholders

Shareholders may submit questions regarding the agenda or the documents, etc. to be used at the Annual General Meeting in writing to FLSmidth & Co. A/S, Vigerslev Alle 77, DK-2500 Valby, or via email to corpir@flsmidth.com.

Electronic voting

Electronic voting (e-voter) will be used if one or more items on the agenda are put to vote. E-voters will be handed out at the entrance to the Annual General Meeting.

Webcast

The entire Annual General Meeting will be webcasted live on the company's website, www.flsmidth.com/agm, and the webcast will also subsequently be available at the website. Webcast will only cover the podium.

Parking at Tivoli Congress Center

Tivoli Congress Center is located at Arni Magnussons Gade 2-4, DK-1577 Copenhagen V, and can be reached by car and public transportation. There is a limited number of parking spaces in the car park under Tivoli Congress Center. The entrance to the car park is from Kristian Erslevs Gade. There is a charge for parking.

After the Annual General Meeting the company will serve light refreshments.

Valby, February 2017
FLSmidth & Co. A/S

The Board of Directors



Vagn Ove Sørensen

Chairman of the Board of Directors of FLSmidth & Co. A/S

Vagn Ove Sørensen, age 57, Danish, member of the Board of Directors of FLSmidth & Co. A/S elected at the Annual General Meeting since 2009. Chairman of the Board since 2011.

Executive posts:

Besides his post at FLSmidth & Co. A/S, Vagn Ove Sørensen is Chairman of the Board of Directors of TDC A/S (Denmark) (leaving 9 March), TIA Technology A/S (Denmark), Zebra A/S (Denmark), Scandic Hotels AB (Sweden), Select Service Partner Plc (UK), and Thor Denmark Holding ApS (Denmark). Vice Chairman of the Board of Directors of Nordic Aviation Capital A/S (Denmark). Member of the Board of Directors of CP Dyvig & Co. A/S (Denmark), VFS Global, CHEP Aerospace, JP/Politikens Hus A/S (Denmark), Air Canada (Canada), Royal Caribbean Cruises Ltd. (USA), and Braganza AS (Norway). Senior Advisor to EQT Partners and Morgan Stanley. CEO of E-Force ApS (Denmark).

Board status (as defined by the Committee on Corporate Governance):
Independent

Shareholding in FLSmidth & Co. A/S: 7,501

Background:

2001-2006: CEO, Austrian Airlines
1994-2001: Executive Vice President, Scandinavian Airlines Systems

Education:

MSc (Economics and Business Administration), Aarhus Business School

Special competencies in relation to FLSmidth:

Former CEO, experience in acquisitions and disposals, financing, stock markets, international contracts and accounting.



Tom Knutzen

Member of the Board of Directors of FLSmidth & Co. A/S

Tom Knutzen, age 54, Danish, member of the Board of Directors of FLSmidth & Co. A/S elected at the Annual General Meeting since 2012.

Executive posts:

Besides his post at FLSmidth & Co. A/S, Tom Knutzen is member of the Board of Directors and Chairman of the Board Audit Committee for Nordea Bank AB (publ) (Sweden) (leaving 16 March), CEO of Jungbunzlauer Suisse AG (Switzerland).

Board status (as defined by the Committee on Corporate Governance):
Independent

Shareholding in FLSmidth & Co. A/S: 12,500

Background:

2012 - : CEO, Jungbunzlauer Suisse AG
2006-2011: CEO, Danisco A/S
2000-2006: CEO, NKT Holding A/S
1996-2000: CFO, NKT Holding A/S

Education:

MSc (Economics) in Finance and Strategic Planning, Copenhagen Business School

Special competencies in relation to FLSmidth:

CEO, former CEO, experience in global high technology manufacturing companies, technology development, acquisitions and disposals, financing and stock markets, international contracts, and accounting.



Caroline Grégoire Sainte Marie

Member of the Board of Directors of FLSmidth & Co. A/S

Caroline Grégoire Sainte Marie, age 59, French, member of the Board of Directors of FLSmidth & Co. A/S elected at the Annual General Meeting since 2012.

Executive posts:

Besides her post at FLSmidth & Co. A/S, Caroline Grégoire Sainte Marie is member of the Boards of Directors of Groupama SA (France), Eramet (France), Wienerberger AG (Austria), Look&Fin (Belgium) and investor and member of the Board of Directors of CALYOS (Belgium) and Founding President of Definnov (France).

Board status (as defined by the Committee on Corporate Governance):
Independent

Shareholding in FLSmidth & Co. A/S: 500

Background:

2009-2011: CEO, Frans Bonhomme
2006-2009: CEO, Tarmac, France and Belgium
1997-2006: Various managerial posts, Groupe Lafarge (France), including CEO of Lafarge Germany and Czech Republic, Senior Vice President for Mergers & Acquisitions in Lafarge's Cement Division, CFO of Lafarge Specialty Products.

Education:

BA Commercial Law, Institut d'Etudes Politiques de Paris

Special competencies in relation to FLSmidth:

Former CEO and CFO, experience in acquisitions and disposals, financing and stock markets, international contracts and accounting, and extensive knowledge of the cement industry.



Marius Jacques Kloppers

Member of the Board of Directors of FLSmidth & Co. A/S

Marius Kloppers, age 54, Australian/South African, member of the Board of Directors of FLSmidth & Co. A/S elected at the Annual General Meeting since 2016.

Board status (as defined by the Committee on Corporate Governance):
Independent

Shareholding in FLSmidth & Co. A/S: 0

Background:

2013-present: Advisor, BHP Billiton
2007-2013: CEO, BHP Billiton
1993-2007: Various executive positions, BHP Billiton
1992-1993: McKinsey & Company, Consultant, The Netherlands
1987-1991: Career break. PhD Material Science, MIT, USA/MBA-IN-SEAD, France
1986-1987: Mintek, Engineer, South Africa

Education:

1991: MBA, INSEAD, France
1990: PhD, Material Science, Massachusetts Institute of Technology, USA
1985: Beng, Chemical, Univeristy of Pretoria, South Africa

Special competencies in relation to FLSmidth:

Former CEO, experience in mergers and acquisitions, financing and stock markets, international contracts, technology management, minerals and energy and process industry, large capital projects, and commodity markets and trading.



Richard Robinson Smith (Rob Smith)

Member of the Board of Directors of FLSmidth & Co. A/S

Rob Smith, age 51, German/American, member of the Board of Directors of FLSmidth & Co. A/S elected at the Annual General Meeting since 2016.

Board status (as defined by the Committee on Corporate Governance):
Independent

Shareholding in FLSmidth & Co. A/S: 1,000

Background:

2013-present: Senior Vice President & General Manager at AGCO Corporation, USA
2007-2013: TRW Automotive, VP and General Manager, Engine Components, Germany
2005-2006: TYCO Electronics, VP Global Automotive Division, Germany
2002-2005: Bombardier Transportation, VP and General Manager, Services Material Solutions, Germany
2000-2001: Dell Computer Corporation, Director, Materials, Supply Chain Management, USA
1994-2000: Lucas Industries/Lucas Varity, USA
1987-1991: United States Army, USA

Education:

2001: PhD International Operations Management WHU - Graduate School of Management, Germany
1994: MSc International Operations Management, WHU - Graduate School of Management, Germany
1987: BSc Engineering, Princeton University, USA

Special competencies in relation to FLSmidth:

Experience in mergers and acquisitions, international contracts, technology management, industrial, operations and supply chain experience.

Executive posts:

Senior Vice President & General Manager at AGCO Corporation (USA).



Anne Louise Eberhard

Proposed new member of the Board of Directors of FLSmidth & Co. A/S

Anne Louise Eberhard, age 53, Danish, Executive Vice President and member of the Executive Committee in Lindorff AS and responsible for sales, customers and products in 13 countries. Previously, Anne Louise Eberhard has been with Danske Bank for 30 years, most recently as Senior Executive Vice President, Global Head

of Corporate & Institutional Banking and Head of Transactional Credit, Group Risk Management. Anne Louise Eberhard will contribute with her fundamental knowledge of and experience from the financial sector, mergers and acquisitions, international contracts, accounting and stock markets.

Board status (as defined by the Committee on Corporate Governance):
Independent

Shareholding in FLSmidth & Co. A/S: 0

Background:

2016-present: Executive Vice President, Lindorff AS
2014-2016: Independent advisor
1984-2014: Senior Executive Vice President and Global Head of Corporate & Institutional Banking, Danske Bank A/S

Education:

2014: Leadership and Board Programmes at Harvard, INSEAD and CBS
1999: MSc Law, University of Copenhagen
1992: Graduate Diploma in Business administration, Management Accounting & Informatics, Copenhagen Business School

Special competencies in relation to FLSmidth:

Extensive experience with risk management, financial counselling of companies, among others in regards to turn around, mergers and acquisitions as well as accounting combined with a general focus on customers, sales and products.

Executive posts:

Member of the Boards of Directors in Finansiell Stabilitet, Sampension KP Livsforsikring and Sampension Administrationselskab A/S, and Solix Group AB. Faculty member at CBS (CBS Executive, Board Education), where she teaches and adds to the development of the education of Board Members among others in the financial sector.

TRANSLATION



OLD

**Articles of Association
FLSmidth & Co. A/S**

**Name, registered office and objects of the
Company**

Article 1

The name of the company is FLSmidth & Co. A/S. The company's secondary names are F.L.Smidth & Co. A/S and FLS Industries A/S.

Article 2

[The provision has been omitted].

Article 3

The object of the Company is to carry on trade, engineering, manufacturing, transportation, shipping, investment and financing in Denmark and abroad and other business which in the opinion of the Board is naturally related hereto. The funds of the Company may also be invested in enterprises having one or more of these objects and in real estate and ships.

Capital and shares

Article 4

The share capital amounts to DKK 1,025,000,000. The share capital has been fully paid up and is divided into share denominations of DKK 1 or multiples thereof.

No special rights shall be attached to any share, and no shareholder shall be required to have his shares redeemed in whole or in part.

The shares are negotiable shares registered in the name of the holder. The negotiability of the shares shall not be subject to any limitations.

The Company's register of shareholders is kept by VP Investor Services A/S, CVR No. 30 20 11 83. The shares are issued electronically via a securities centre through whom dividend is paid out.

Article 4a

The Board of Directors is authorised to increase the share capital by issuing new shares in one or more tranches at a total nominal value of up to DKK 100,000,000 and with pre-emption rights for the Company's existing shareholders, subject, however, to paragraph 3. The new shares shall be paid in cash. The authorisation shall apply for the period until and including 1 April 2021.

Further, the Board of Directors is authorised to increase the share capital by issuing new shares in one or more tranches at a total nominal value of up to DKK 100,000,000 and without pre-emption rights for the Company's existing shareholders, subject, however, to paragraph 3, provided that the increase takes place at market value. The new shares may be paid in cash or by contribution of assets other than cash. The authorisation shall apply for the period until and including 1 April 2021.

The authorisations of the Board of Directors pursuant to paragraphs 1 and 2 apply to a total issue of new shares at an aggregate nominal value not exceeding DKK 100,000,000.

NEW

**Articles of Association
FLSmidth & Co. A/S**

**Name, registered office and objects of the
Company**

Article 1

The name of the company is FLSmidth & Co. A/S. The company's secondary names are F.L.Smidth & Co. A/S and FLS Industries A/S.

Article 2

[The provision has been omitted].

Article 3

The object of the Company is to carry on trade, engineering, manufacturing, transportation, shipping, investment and financing in Denmark and abroad and other business which in the opinion of the Board is naturally related hereto. The funds of the Company may also be invested in enterprises having one or more of these objects and in real estate and ships.

Capital and shares

Article 4

The share capital amounts to DKK 1,025,000,000. The share capital has been fully paid up and is divided into share denominations of DKK 1 or multiples thereof.

No special rights shall be attached to any share, and no shareholder shall be required to have his shares redeemed in whole or in part.

The shares are negotiable shares registered in the name of the holder. The negotiability of the shares shall not be subject to any limitations.

The Company's register of shareholders is kept by VP Investor Services A/S, CVR No. 30 20 11 83. The shares are issued electronically via a securities centre through whom dividend is paid out.

Article 4a

The Board of Directors is authorised to increase the share capital by issuing new shares in one or more tranches at a total nominal value of up to DKK 100,000,000 and with pre-emption rights for the Company's existing shareholders, subject, however, to paragraph 3. The new shares shall be paid in cash. The authorisation shall apply for the period until and including 1 April 2021.

Further, the Board of Directors is authorised to increase the share capital by issuing new shares in one or more tranches at a total nominal value of up to DKK 100,000,000 and without pre-emption rights for the Company's existing shareholders, subject, however, to paragraph 3, provided that the increase takes place at market value. The new shares may be paid in cash or by contribution of assets other than cash. The authorisation shall apply for the period until and including 1 April 2021.

The authorisations of the Board of Directors pursuant to paragraphs 1 and 2 apply to a total issue of new shares at an aggregate nominal value not exceeding DKK 100,000,000.

In the case of a share capital increase pursuant to paragraphs 1 and 2, the new shares shall be issued in the name of the holder. The shares shall be negotiable and shall in all other respects bear the same rights as the existing shares, for example in terms of redeemability and restrictions on negotiability. The new shares shall entitle the holder to dividend from the time decided by the Board of Directors, however, not later than as from the financial year following the increase. The Board of Directors shall decide the terms and conditions for increases of the share capital that are implemented in accordance with the authorisations in paragraphs 1 and 2.

General Meetings

Article 5

Within the limits of statutory provisions and these Articles of Association, the Company's General Meeting shall be the highest authority of the Company.

General Meetings shall be held in Greater Copenhagen. General Meetings shall be called not earlier than five weeks and not later than three weeks prior to the meeting.

General Meetings shall be called via the Company website, www.flsmidth.com. General meetings shall also be called by written communication to all shareholders who have so requested.

The notice of General Meetings shall indicate the time and venue of the Meeting and shall include the agenda stating the business to be transacted at the General Meeting. If a resolution is proposed at the General Meeting to amend the Articles of Association, the essential content of the said resolution must be stated in the notice. The notice convening General Meetings shall also include (1) a description of the size of the share capital and the voting rights of the shareholders, (2) a clear and precise description of the procedures which the shareholders must follow to attend and vote at the General Meeting, (3) the record date, (4) an indication of where and how the complete documents to be presented at the General Meeting, the agenda and the complete proposals are available, and (5) an indication of the internet address at which the information to be disclosed in accordance with Section 99 of the Danish Companies Act will be available. If decisions are to be made pursuant to Section 77, subsection 2; Section 92, subsections 1 or 5; or Section 107, subsections 1 or 2 of the Danish Companies Act, the notice of the Meeting shall include the full wording of the proposal to amend the Articles of Association.

The following information must be available at the Company's website, www.flsmidth.com, for a minimum three week continuous period prior to the General Meeting: (1) The notice of the Meeting, (2) information about the total number of shares and voting rights on the date of sending out the notice, (3) the documents to be presented at the General Meeting, (4) the agenda and the complete proposals, and (5) the forms to be used when voting by proxy and when voting by letter unless the said forms are sent directly to the shareholders by post.

The Annual General Meeting shall be held before the end of April of each year.

Unless otherwise decided by the General Meeting pursuant to Section 100, subsections 2 - 8 of the Danish Companies Act, the General Meetings of the Company shall be conducted in Danish or English as

In the case of a share capital increase pursuant to paragraphs 1 and 2, the new shares shall be issued in the name of the holder. The shares shall be negotiable and shall in all other respects bear the same rights as the existing shares, for example in terms of redeemability and restrictions on negotiability. The new shares shall entitle the holder to dividend from the time decided by the Board of Directors, however, not later than as from the financial year following the increase. The Board of Directors shall decide the terms and conditions for increases of the share capital that are implemented in accordance with the authorisations in paragraphs 1 and 2.

General Meetings

Article 5

Within the limits of statutory provisions and these Articles of Association, the Company's General Meeting shall be the highest authority of the Company.

General Meetings shall be held in Greater Copenhagen. General Meetings shall be called not earlier than five weeks and not later than three weeks prior to the meeting.

General Meetings shall be called via the Company website, www.flsmidth.com. General meetings shall also be called by written communication to all shareholders who have so requested, *cf. Article 10a below regarding the use of electronic communication.*

The notice of General Meetings shall indicate the time and venue of the Meeting and shall include the agenda stating the business to be transacted at the General Meeting. If a resolution is proposed at the General Meeting to amend the Articles of Association, the essential content of the said resolution must be stated in the notice. The notice convening General Meetings shall also include (1) a description of the size of the share capital and the voting rights of the shareholders, (2) a clear and precise description of the procedures which the shareholders must follow to attend and vote at the General Meeting, (3) the record date, (4) an indication of where and how the complete documents to be presented at the General Meeting, the agenda and the complete proposals are available, and (5) an indication of the internet address at which the information to be disclosed in accordance with Section 99 of the Danish Companies Act will be available. If decisions are to be made pursuant to Section 77, subsection 2; Section 92, subsections 1 or 5; or Section 107, subsections 1 or 2 of the Danish Companies Act, the notice of the Meeting shall include the full wording of the proposal to amend the Articles of Association.

The following information must be available at the Company's website, www.flsmidth.com, for a minimum three week continuous period prior to the General Meeting: (1) The notice of the Meeting, (2) information about the total number of shares and voting rights on the date of sending out the notice, (3) the documents to be presented at the General Meeting, (4) the agenda and the complete proposals, and (5) the forms to be used when voting by proxy and when voting by letter unless the said forms are sent directly to the shareholders by post.

The Annual General Meeting shall be held before the end of April of each year.

Unless otherwise decided by the General Meeting pursuant to Section 100, subsections 2 - 8 of the Danish Companies Act, the General Meetings of the Company shall be conducted in Danish or English as

decided by the Board of Directors. Documents prepared for the purpose of the General Meeting to be used in connection with or after the General Meeting shall be prepared in Danish or English as decided by the Board.

The Annual Report shall be prepared and presented in English.

An extraordinary General Meeting shall be held if demanded by the Board of Directors or the auditor appointed at the General Meeting or if demanded in writing by shareholders controlling at least five percent of the share capital.

In order to be considered at the Annual General Meeting, proposals by shareholders for specific business to be included in the agenda of the Meeting must be submitted in writing to the Board of Directors not later than six weeks prior to the Meeting. The Board of Directors may decide that proposals by shareholders for specific business to be included in the agenda of the General Meeting which were received later than six weeks prior to the Meeting, may be included in the agenda of the General Meeting.

The Board of Directors is authorised to distribute extraordinary dividends.

Article 6

The agenda of the Annual General Meeting shall comprise the following:

1. Management's review
2. Submission and approval of the Annual Report
3. Distribution of profits or covering of losses in accordance with the approved Annual Report
4. Election of members to the Board of Directors
5. Appointment of auditor(s)
6. Other business proposed by the Board and/or by shareholders
7. Any other business

Article 7

The General Meeting shall be presided over by a chairman of the meeting appointed by the Board of Directors. The chairman of the meeting shall decide all questions relating to the transaction of business.

Article 8

A shareholder's right to attend and to vote at a General Meeting shall be determined by the number of shares which the shareholder controls at the record date. The record date is one week before the General Meeting. The shares owned by the individual shareholder shall be determined on the record date based on the entries regarding the shareholder's ownership in the register of shareholders and based on notifications of ownership received by the Company which are to be entered, but have not yet been entered in the register of shareholders.

Each DKK 1 share shall entitle the holder to one vote.

Each shareholder who is entitled to attend the General Meeting pursuant to Article 8, paragraph 1 and who wishes to attend the Meeting shall request an admission card not later than three days before the Meeting is to be held.

Shareholders who are entitled to attend a General Meeting in accordance with Article 8, paragraph 1 shall have the option of voting in writing (voting by

decided by the Board of Directors. Documents prepared for the purpose of the General Meeting to be used in connection with or after the General Meeting shall be prepared in Danish or English as decided by the Board.

The Annual Report shall be prepared and presented in English.

Company announcements may be prepared in English only, if decided by the Board of Directors.

An extraordinary General Meeting shall be held if demanded by the Board of Directors or the auditor appointed at the General Meeting or if demanded in writing by shareholders controlling at least five percent of the share capital.

In order to be considered at the Annual General Meeting, proposals by shareholders for specific business to be included in the agenda of the Meeting must be submitted in writing to the Board of Directors not later than six weeks prior to the Meeting. The Board of Directors may decide that proposals by shareholders for specific business to be included in the agenda of the General Meeting which were received later than six weeks prior to the Meeting, may be included in the agenda of the General Meeting.

The Board of Directors is authorised to distribute extraordinary dividends.

Article 6

The agenda of the Annual General Meeting shall comprise the following:

1. Management's review
2. Submission and approval of the Annual Report
3. Distribution of profits or covering of losses in accordance with the approved Annual Report
4. Election of members to the Board of Directors
5. Appointment of auditor(s)
6. Other business proposed by the Board and/or by shareholders
7. Any other business

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Shareholders who are entitled to attend a General Meeting in accordance with Article 8, paragraph 1 shall have the option of voting in writing (voting by

correspondence) before the General Meeting is held pursuant to Section 104, subsection 2 of the Danish Companies Act.

The shareholder has the right to attend the General Meeting by proxy. Both the shareholder and the proxy may attend accompanied by an adviser. The proxy shall produce a signed and dated instrument to this effect.

Article 9

All business transacted at a General Meeting shall be decided by a simple majority of votes unless statutory provisions or the present Articles of Association require a qualified majority of votes.

The adoption of a resolution to amend these Articles of Association or to wind up the Company requires, subject to any additional requirements by the Danish Companies Act, that the resolution is passed by not less than two thirds of the votes cast as well as of the share capital represented at the General Meeting.

The Board of Directors shall adopt a decision to amend the Articles of Association pursuant to Section 106, subsection 2 of the Danish Companies Act.

Article 10

Minutes of the proceedings at the General Meeting shall be kept and shall be signed by the chairman of the meeting.

Board of Directors and Management

Article 11

The Board of Directors is elected by the General Meeting apart from those Board members otherwise elected pursuant to the provisions of the Danish Companies Act on representation of employees. Board members elected at the General Meeting shall

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The Board of Directors shall adopt a decision to amend the Articles of Association pursuant to Section 106, subsection 2 of the Danish Companies Act.

Article 10

Minutes of the proceedings at the General Meeting shall be kept and shall be signed by the chairman of the meeting.

Electronic Communication

Article 10a

The Company uses electronic document exchange and electronic mail (electronic communication) in its communication with the shareholders. The Company may at all times choose to communicate by ordinary post instead.

Electronic communication may be used by the Company for convening Annual and Extraordinary General Meetings, including distribution of the agenda and complete proposals, proxies, statements by the Board of Directors and auditors, interim reports, annual reports as well as all other announcements and documents which, in accordance with the Company's Articles of Association or the Danish Companies Act, must be exchanged between the Company and the shareholders as well as general information from the Company to the shareholders.

Information regarding the requirements for the systems in use as well as the procedure with the Company in respect of electronic communication will be published on the Company's website.

The Company shall request an email address from the shareholders to which announcements etc. may be sent. It is the responsibility of the shareholders to ensure that the Company is in possession of the correct email address.

Board of Directors and Management

Article 11

The Board of Directors is elected by the General Meeting apart from those Board members otherwise elected pursuant to the provisions of the Danish Companies Act on representation of employees. Board members elected at the General Meeting shall

constitute not less than five (5) and not more than eight (8) members.

The members of the Board elected at the General Meeting shall retire at each Annual General Meeting. Re-election may take place.

The members of the Board shall elect from their own number a Chairman and a Vice Chairman. Simple majority shall apply to all resolutions to be passed by the Board. In case of equality of votes the Chairman or in his absence the Vice Chairman shall have the casting vote. The Board constitutes a quorum when more than half of the members of the Board are present.

If a member of the Board of Directors is unable to attend a meeting, in isolated cases he may authorise one of the other members in writing to act on his behalf with respect to specific proposed resolutions on the agenda, and he shall be considered present at the meeting when represented by his proxy. By way of exception the Chairman may demand a written poll to decide a matter.

The members of the Board of Directors shall receive an annual fee which shall be approved by the General Meeting.

Article 12

The Board of Directors shall lay down rules of procedure on how its business shall be carried out.

Minutes of the proceedings at Board meetings shall be kept and shall be signed by all the members of the Board of Directors.

The auditors' records shall be submitted at each Board meeting. Each entry in the records shall be signed by all members of the Board.

Article 13

The Board of Directors shall appoint the Management comprising at least two but not more than six members, and shall determine Management remuneration.

The Board of Directors may appoint vice presidents and grant powers of procuration.

Article 14

The Company has adopted guidelines for incentive pay to the Management pursuant to section 139 of the Danish Companies Act. The guidelines have been approved by the Annual General Meeting and are accessible on the Company website www.flsmidth.com.

Article 15

The signature of the Chairman of the Board or the Vice Chairman jointly with the signature of another member of the Board, or the signature of the Chairman or Vice Chairman jointly with the signature of an Executive Officer, or the joint signatures of two Executive Officers shall be binding upon the Company.

Auditors

Article 16

The financial statements of the Company shall be audited by one or two state authorised public accountants appointed by the General Meeting for the term of one year.

Annual accounts

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Annual accounts



Article 17

The financial year of the Company is the calendar year.

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To be adopted at the Company's Annual General Meeting on 30 March 2017.

Overall guidelines for incentive pay

FLSmidth & Co. A/S

1 Introduction

The Board of Directors of FLSmidth & Co. A/S, CVR no. 58 18 09 12 (the "Company"), has approved these overall guidelines for incentive pay (the "Incentive Guidelines") pursuant to Section 139 of the Danish Companies Act.

It is set out in Section 139 of the Danish Companies Act that overall guidelines for incentive pay must be laid down by the Board of Directors and then presented to and adopted by the General Meeting before the Company can enter into specific agreements on incentive pay with members of the Board of Directors or the Group Executive Management.

The Incentive Guidelines have been approved by the Company's General Meeting held on *30 March 2017*, and the guidelines apply to agreements on incentive pay entered into as from the day after this General Meeting. The guidelines are available on the Company's website, www.flsmidth.com.

2 General principles

It is the opinion of the Board of Directors that a combination of a fixed and incentive-based remuneration to the Group Executive Management helps to ensure that the Company can attract and retain key persons whilst incentive-based remuneration also encourages the Group Executive Management to create value to the benefit of the shareholders. The purpose of the overall guidelines is to set the overall framework in respect of the incentive-based remuneration whilst considering the Company's short as well as long-term goals, thus ensuring that the remuneration system does not cause imprudent or unreasonable behaviour or acceptance of risk.

3 The individuals covered by these guidelines

3.1 The Board of Directors

The members of the Board of Directors shall receive an annual fixed fee in cash which is approved by the Company's Annual General Meeting. The Board of Directors' fees are normally pre-approved by the General Meeting for the year in question and then finally approved by the General Meeting in the following year. The final fees can take unexpected workload into consideration and increase the preliminarily approved fees for all or some members of the Board of Directors.

The Board of Directors' fees shall not include any incentive-based remuneration.

3.2 The Group Executive Management

These Incentive Guidelines shall only apply to those members of the Company's Group Executive Management that are registered as such with the Danish Business Authority and thereby covered by Section 139 of the Danish Companies Act. The Group Executive Management of the Company shall according to the Articles of Association consist of at least two and no more than six members.

The terms of employment and remuneration of the members of the Group Executive Management are agreed between each individual member and the Board of Directors.

The Board of Directors has established a compensation committee which assists the Board of Directors with assessing and determining the Group Executive Management's remuneration terms.

4 The remuneration elements

The remuneration to the members of the Group Executive Management may include the following components:

- (a) base salary (employer's pension contributions (if any) are included in the base salary);
- (b) short-term incentives in the form of a cash bonus (see section 5 below) and/or other incentives (see section 7 below);
- (c) long-term incentives in the form of performance shares (see section 6 below);
- (d) severance payment, if any, corresponding to the relevant member's base salary for a maximum period of 24 months; and
- (e) customary benefits such as company car, telephone, newspaper, etc.

5 Short-term incentive program

Cash bonus

Each member of the Group Executive Management may receive a yearly bonus which may not exceed 75% of the relevant member's base salary, for the year in question. The purpose of such cash bonus is to ensure fulfillment of the company's short-term targets.

The payment and size of the bonus will therefore depend on the fulfillment of the targets that are agreed upon for one year at a time. The targets are primarily related to the fulfillment of financial KPIs, including with regard to the Company's budgeted results, achievement of financial ratios or other measurable financial targets. In addition, other operational and/or personal KPIs may apply. For all targets a minimum performance requirement has to be achieved to get above the threshold for payment of bonus. And full payment will require a performance above the set target performance ("stretched targets").

In addition to the fulfillment of the yearly KPIs and to further ensure the right balance between the financial performance of the Company and the cash bonus payouts, payment of bonus may be conditional upon the Company achieving at least one further financial threshold. In the current bonus program this general financial threshold is defined as realising a positive cash flow (CFFO) on group level for the financial year in question. However, this general financial threshold may be changed and/or supplemented by other KPIs in the future taking into consideration the best interests of the Company.

6 Long-term incentive program

Performance share program

With effect from 2016 a performance based share program has replaced the previous share option program. This means that members of the Group Executive Management may be granted performance shares (also known as conditional shares). The purpose of such performance shares is to ensure value creation for the shareholders by aligning the long-term incentive awards with the performance of the management in terms of the fulfillment of the Company's long-term targets.

Subject to the Board of Directors' approval, the granting of performance shares may take place once a year, normally on presenting the Company's Annual report in February. For each year, performance shares may be granted up to a value corresponding to 50% of the relevant member's base salary at the grant date.

The vesting of the performance shares will be dependent on (i) time (a three (3) year vesting period), (ii) continued employment, and (iii) financial performance, i.e. achievement of one or more of the announced long-term financial targets supporting the long-term group strategy. The long-term financial target(s) are laid down by the Board of Directors.

Full vesting of the performance shares will require fulfilment of a stretched target (i.e. performance above the set target performance) for the applicable long-term financial target(s). If the minimum threshold for financial performance is not met, there will be no vesting of performance shares.

The shares are delivered to the individual in question without payment, subject to continued employment and achievement of the long-term financial target(s), following the vesting period of three (3) years. No shares are thus delivered during the vesting period, and all shareholder rights and obligations stay with the Company during the vesting period.

The Company will continuously cover its obligations under the performance share program through acquisition of treasury shares.

7 Other incentives

The Board of Directors may in individual cases and subject to applicable law, implement supplementary bonus schemes or other incentive-based remuneration for special purposes, e.g. retention bonus, sign-on bonus or similar, provided it is deemed necessary in order to meet the overall objectives of the Company or to protect the interests of the Company.

The value of such supplementary bonuses or incentive-based remuneration may not exceed an amount corresponding to 100% of the relevant member's base salary for the year in question. Unless otherwise decided by the Board of Directors in extraordinary situations, such supplementary bonuses or incentives may only be applied on a one-off basis.

These incentives may consist of cash and/or a share-based remuneration, and the conditions in respect of such grant, e.g. whether the grant and/or vesting should be subject to fulfillment of KPIs, are laid down by the Board of Directors.

8 Existing agreements on incentive pay

Existing agreements on incentive pay that are entered into prior to *31 March 2017* are subject to the previous version of the incentive guidelines that have been approved by the General Meeting. However, these Incentive Guidelines apply to any amendments to existing agreements, provided that such amendments are agreed upon on or following *31 March 2017*.

9 Approval and publication

These Incentive Guidelines have been approved by the Board of Directors and adopted by the Annual General Meeting on *30 March 2017*, and the guidelines apply to agreements on incentive pay entered into as from *31 March 2017*.

The Incentive Guidelines are available on the Company's website, www.flsmidth.com.

A list of outstanding share options and performance shares will at all times be published on the Company's website, www.flsmidth.com. The notes to the Company's accounts include a summary of the total remuneration of the Group Executive Management, including any share options or performance shares that have been granted.