

On 5 April 2018, at 4:00 pm, FLSmidth & Co. A/S, CVR no. 58 18 09 12, held its annual general meeting at the company's address at Vigerslev Allé 77, 2500 Valby, Denmark.

The agenda of the meeting was as follows:

1. The Board of Directors' report on the company's activities in 2017.
2. Presentation and approval of the 2017 Annual Report.
3. Approval of the Board of Directors' fees:
 - a. Final approval of fees for 2017.
 - b. Preliminary determination of fees for 2018.
4. Distribution of profits or covering of losses in accordance with the approved Annual Report.
5. Election of members to the Board of Directors.
6. Appointment of auditor.
7. Proposals from the Board of Directors:
 - 7.1. Amendment of the articles of association – renewal of the Board of Directors' authorisation to increase the company's share capital.
 - 7.2. Treasury shares.
8. Any other business.

The chairman of the Board of Directors, Vagn Sørensen, welcomed the meeting and announced that the Board of Directors had appointed Klaus Søgaard, attorney-at-law, to chair the meeting in accordance with Article 7 of the company's articles of association.

The chair outlined the provisions of the Danish Companies Act and the company's articles of association governing notice of annual general meetings and declared that the general meeting had been lawfully convened and formed a quorum.

The chair summarised the requirements for adoption of items on the agenda and informed the meeting that the Board of Directors' proposal under item 7.1 had to be adopted by a 2/3 majority, and that all the remaining proposals on the agenda could be adopted by a simple majority of votes.

At the general meeting, nominally DKK 498,825,140 of the share capital, corresponding to 50.23 % of the company's total share capital after adjustment for treasury shares, was represented. The capital represented constituted 498,825,140 votes corresponding to 50.23 % of the total number of votes excluding the number of votes conferred on treasury shares.

A total of 413 admission cards had been issued for the general meeting; 208 of these were registered admission cards of which 164 carried voting rights. A total of 20.50 % of the voting capital repre-

sented had granted proxy to the Board of Directors, and 38.51 % of the votes represented had filled in a proxy form or voted by correspondence.

The chair informed the meeting that the first four items on the agenda would be presented by the chairman of the Board of Directors as one item.

Re 1-4. The Board of Directors' report on the company's activities in 2017; approval of the 2017 Annual Report; approval of the Board of Directors' fees; and appropriation of profits or losses in accordance with the approved Annual Report

The chairman of the Board of Directors presented the following review:

"It makes me very happy that we are gathered here today in this historic setting where we have been present since 1898 with Valby Machine Factory. We have also had our headquarter here since 1956 and we actually plan to build a new campus on this site.

After more than five years of difficult market conditions, it appears that growth is finally on our doorstep. We are well prepared for growing our business and have taken a number of steps to streamline our operations. As a result, we now have an optimised cost structure, a broader and more focused product offering, an optimised geographical footprint and a strong capital structure. In other words, our "house is in order", and that provides a solid foundation for creating a profitable business. However, as these factors are not growth catalysts *per se*, we have simultaneously given priority to investing large amounts in developing our people and in developing new and innovative products. Herein lies our key to growth, and we have a target for our revenue to outgrow the market in the years ahead.

Our revenue has dropped nearly 30 % over the past five years, and I could spend a long time describing our intensive efforts to realign our costs and organisation to the prevailing market conditions. Instead, I will look ahead and focus on what we are doing and have done to create profitable growth in the years ahead. Throughout the cyclical downturn, our motto has been: "We are managing the downturn and preparing for the future". In a future driven by demand for productivity, FLSmidth will be the leading supplier of sustainable productivity enhancing solutions to the global cement and minerals industries.

Our customer relationships during the downturn define our success in the upturn. While we have been compelled to take out costs in recent years, we have consistently given priority to maintaining a strong and competent sales force. We have primarily adjusted our administrative functions, while making fewer changes to our sales functions. As a result, a larger proportion of our employees now have direct customer contact. To make a comparison, we often hear that the healthcare system of the future must have "more warm hands", with fewer resources being allocated to administrative functions. This is exactly what we have done to give our customers an even better experience – and the results are noticeable. We have measured customer loyalty, which clearly shows that we have a strong brand in both the mining and the cement industries. Our customers recognise our high quality and reliability, which is also reflected in our internal quality KPI, DIFOT (Delivery in full on time), which rose from 84 % in 2016 to 88 % in 2017.

The measurements also indicate we have room for improvement, and in one area in particular we can make a big difference; it has to be easier to do business with FLSmidth. To facilitate that, we aim at having "one face to the customer", which will be a continued focus area in 2018. As part of

our efforts, we have regularly opened new sales offices around the world to ensure more local presence. We have also sharpened our focus on individual products and increased our offerings of life-cycle solutions across products, processes and services.

To further expand our life-cycle offering, we made our first acquisition in five years in 2017. Our acquisition of part of Sandvik Mining Systems will allow us to digitalise and optimise customer operations all the way from mining to processing using the so-called 'in-pit-crushing-and-conveying' technology. The acquisition will consolidate our position as the preferred supplier to the mining industry, where many of our customers prefer more strategic relations with fewer suppliers. This is a strategy that we pursue ourselves towards our subcontractors. In addition to a range of key technologies, 187 competent and experienced employees transferred to FLSmidth as part of the acquisition, and all of them are now well integrated in our organisation.

Having the right product offering, an appropriately sized sales force and administration, and an ideal geographical location is one thing, but having the right employees with the right capabilities is another. Attracting, retaining and developing employees has always been deeply rooted in FLSmidth's DNA, and our relatively strong financial resources enabled us again in 2017 to run comprehensive training programmes for a large number of employees. The combination of healthy financial resources and a good reputation has also enabled us to attract and hire skilled new employees despite the downturn.

In one area which is very important to both our employees and our customers, we unfortunately experienced a negative trend in 2017: The injury frequency rate, which is calculated as the number of work accidents per one million hours worked. From 2012 to 2016, this KPI fell from 4.7 to 1.5, but unfortunately it rose to 1.8 in 2017. As a result, we held an average of 14 hours of safety training per employee in 2017, which was 38 % more than in the year before. Obviously, the adverse development in the injury frequency rate is unsatisfactory, and we have taken specific measures to restore the positive trend.

In 2018, it is ten years ago that we became a signatory to the UN Global Compact, which sets out the UN's general principles for corporate social responsibility, and we remain fully committed to these principles. Undoubtedly, sustainability will become even more important to our customers in the future and, by extension, pivotal to our business model.

We endeavour to increase diversity in our employee composition. Like many other engineering businesses, we have a low proportion of female employees, but we have a goal of increasing the share by one percentage point from 13.5 % to 14.5 % of the workforce in 2018. We intend also to increase the share of female leaders.

I am pleased to report that nearly all of our employees, or 90 %, each year meet with their superiors to discuss their performance and development opportunities. This is a key criterion for us to attract, retain and develop talented employees worldwide.

In 2017, we intensified our supplier audit efforts. We conducted 113 audits to examine aspects such as safety, compliance with environmental and industry standards and, in particular, compliance with fundamental human rights. None of our audits caused us to terminate any supplier relationships.

Overall, FLSmidth consumed 242 cubic metres of freshwater and emitted 65 thousand tonnes of CO₂ in 2017. The latter was an increase of some 20 thousand tonnes primarily driven by the fact that the cement factories we operate are included in the accounts for the first time.

Historically, the cement and mining industries have been relatively conservative industries, but the needs of our customers are now changing more rapidly than ever before. Increasingly, our customers seek solutions and not merely machinery, or, in other words, productivity instead of capacity. In that regard, our focus on maintaining a strong sales force, even during times of a lower order intake, has been a successful strategy as good customer relations have given us a solid platform for product innovation. In the past few years, we have prioritised the development of productivity-enhancing products and solutions with a view to achieving fast commercialisation. In addition, we have continued investing in large-scale research and development projects which may potentially transform the way in which our customers operate. For example, in 2017 we continued developing Rapid Oxidative Leaching (ROL) and Dry Stack Tailings, which in each of their fields are ground-breaking technologies for the mining industry. ROL is a new technology for more effective extraction of copper and gold. Dry Stack Tailings is a solution to strongly reduce water consumption associated with mining while also eliminating the risk of potentially adverse wastewater effects. Both solutions enhance productivity while minimising environmental footprint, thus meeting our objective of sustainable productivity.

Our customers' hunt for productivity and higher returns makes them more receptive to innovation and new ways of working, including mounting interest in digitalisation. We already have a strong digital position owing to our extensive experience in automating cement plants, and we aim to take digitalisation to a whole new level by making our entire product offering intelligent and self-learning. Using built-in sensors in our products, we aim to capture large volumes of data, while integrated IT platforms and data analysis will help us continuously improve productivity for our customers. Digitalisation offers a huge potential, but we must honestly say that first and foremost we regard it as a business enabler. Digitalisation will become a natural and integral part of our current product portfolio and will only to a limited extent become a new and independent business area. As of 1 May, we have recruited Mikael Lindholm as Chief Digital Officer and appointed him as a member of our Group Executive Management. A Swedish national, Mikael has long-standing experience in digitalisation of service and production companies. He comes from a position as Vice President for Internet of Things with Telenor.

Following several years of difficult market conditions, we believe that we are now facing a period of growth, which will initially be driven by the mining industry. As I mentioned in my introduction, our ambition is to outgrow the market. In particular, the three core areas of innovation, product expansion and growing sales of wear parts will support this growth. As I have already addressed our innovation efforts, I will now elaborate on the other two areas.

At last year's annual general meeting, I described how, over the years, we have successfully built a large service business focusing on spare parts, upgrades and maintenance. However, there is another business area with a huge potential that we have left largely untapped. This is the market for wear parts, which accounts for a large share of the overall aftermarket. Let me give you an example: In minerals processing, large mills are used to grind rock pieces from the mine. If the mill gear breaks down, the customer can buy a new spare part from us. The actual grinding process in the mill involves a large number of steel balls that upon impacting the rock pieces from the mine are crushing the rock. During the process, the steel balls also strike against the construction on the lining of the mill, causing extensive wear of the equipment. To protect the costly equipment, a *mill liner* is mounted inside the mill. This is a wear part that must be replaced at regular intervals. Histori-

cally, wear parts have not been a part of FLSmidth's product portfolio, but they are now, and we will henceforth be selling both spare parts and wear parts. In 2017, FLSmidth intensified its efforts to enter this market. Only a few years ago, we sold largely no wear parts. But in 2017, wear parts accounted for about 5 % of revenue in our Customer Services Division, and our target is for wear parts to account for at least 10 % of that division's revenue by 2019.

Although wear parts represent a more competitive market than spare parts, they both represent a huge potential for profitable growth, allowing us to offer complete life-cycle solutions and becoming our customers' preferred business partner. Our digitalisation initiatives will help pave the way for selling wear parts precisely because it helps shift the focus away from products onto solutions. Based on data compiled from product sensors, we are able to help our customers optimise their production, reducing wear while providing them with information about when they have to replace the wear parts. In this way, customers can make preventive maintenance instead of incurring unforeseen, and far more expensive, production stoppages. With these offerings, customers are more likely to buy wear parts from us as part of an overall solution that many of the existing wear part suppliers are unable to offer. At the same time, selling wear parts gives rise to more frequent customer contact, which may have a positive knock-on effect on other parts of our operations. Our focus on strengthening our product portfolio, or what we refer to as product line management will help us identify new and value-adding wear parts which may contribute to growth for many years to come.

Product sales will also represent an extraordinary growth opportunity in the years ahead. On our capital markets day in June 2017, the FLSmidth management showed examples of products that offer a particularly attractive growth potential. For products such as pumps, we see a potential for expanding existing markets, while for other products we see opportunities for sales in adjacent markets. These products include our fully automated packaging system for the cement industry, which can be adapted and sold to the building materials and petrochemicals industries.

Our enhanced focus on product sales is reflected in the performance of our Product Companies Division, which posted revenue growth of 11 % in 2017.

Jan Kjærsgaard was appointed new head of the Product Companies Division and member of Group Executive Management on 1 March 2018. Jan is 51 years old and a Danish citizen. He joined us from a position as CEO of Bladt Industries A/S and prior to that he was in the Executive Management of Siemens wind activities for more than 10 years, most recently as CEO of Siemens Wind Power A/S while being CEO of the global land windmill activities. Jan has extensive experience in global engineering projects and in building customer relations.

The former head of our Product Companies Division, Bjarne Moltke Hansen, stepped down as Group Executive Vice President in May last year after more than 30 years of dedicated service to the FLSmidth Group. In the intermediate period, Brian Day, head of our Customer Services Division, has taken on the role as temporary head of the Product Companies Division, and I would like to take this opportunity to thank Brian for the considerable extra effort he has put in.

Growth has been the dominant topic on management's agenda in 2017, but let me make it clear that growth is not a target for FLSmidth per se. Our endeavours are directed at achieving profitable growth, and if we are to maintain tight cost control while investing in our business, we need to do things smarter. That goes for processes as well as products.

In 2017, we continued our efforts to standardise FLSmidth's product portfolio. Through value engineering and modularisation, we rethink the design of our products in order to reduce cost and complexity without compromising quality and functionality. For example, in 2017 we launched a new cement mill for grinding raw materials from the quarry which builds on the same design platform used in our existing mill for grinding cement clinker. This allows our customers to use the same spare parts and the same maintenance procedure for the two mills, while at the same time we can manufacture the mills more efficiently.

Reducing our procurement costs through standardisation represents a huge potential. Production costs account for about 75 % of our total revenue, of which 70-80 % relates to procurement from sub-contractors. Designing our products smarter may allow us to take a big chunk out of our costs, and we also achieve other benefits such as reduced engineering hours, enhanced product reliability and simpler maintenance procedures – for the benefit of our customers and, ultimately FLSmidth. While we are still far from the finishing line, the standardisation programme has yielded substantial results already in 2017, helping to mitigate the consequences of the severe pricing pressure in the cement market.

After the boom years from 2006 to 2008, the market for new cement capacity was almost halved in 2009 and has remained stagnant ever since. The combination of an unchanged number of suppliers and fewer new projects triggered the substantial pricing pressure we have experienced in recent years. Recovery in the global economy and several large cement orders towards the end of 2016 and early 2017 fuelled hopes of a budding market recovery, but the recovery has yet to materialise, and we expect the cement market to move sideways in 2018.

The decline in mining investment started in 2011, which also marked the start of a five-year downward trend in commodity prices. Prices of most commodities rose substantially in 2016 and 2017, and demand for minerals has remained stable / increasing throughout the period. This has given rise to optimism in the mining industry, triggering an increase in customer enquiries and growing order activity for FLSmidth in the second half of 2017.

Greater demand for mining equipment and stronger momentum in the service business resulted in a four-year high order intake for the Group. We typically experience a one-year time lag from order intake to revenue in FLSmidth, and consolidated revenue fell by 1% to DKK 18.0bn in 2017. Adjusted for currency effects, revenue was unchanged from 2016 to 2017. Revenue and earnings both developed in line with expectations in 2017. Revenue ended at the middle of the expected range, while the EBITA margin was 8.4 %, against the expected 7-9 %. EBITA rose from DKK 1.3bn in 2016 to DKK 1.5bn in 2017 driven by a slightly higher gross margin and lower administrative expenses. Return on capital employed was 10.4 %, slightly better than the expected 8-10 %.

Financial items, taxes and discontinued activities had a considerable negative impact on profits in 2017. With respect to the discontinued activities, the process to sell the material handling business that relate to port installations is ongoing. A conclusion to the process is expected in 2018.

The service business once again proved to be a stable and profitable foundation for the Group in a year in which both revenue and earnings in the project business remained under pressure. Our total service business accounted for 58 % of revenue, representing the bulk of earnings in 2017.

Revenue related to FLSmidth's total cement business amounted to DKK 8.4bn in 2017, which was on par with the prior year. The EBITA margin relating to the total cement business rose to 5.9 % from 4.8 % in 2016. The increase was attributable to internal cost reduction measures and a changed business mix.

Revenue relating to FLSmidth's total minerals business fell 2 % to DKK 9.8bn in 2017 as the improvement in the minerals-related service business was insufficient to offset the consequences of declining mining investments in the preceding years. The EBITA margin relating to the total minerals business rose to 10.4 % in 2017 from 8.7 % the year before, also driven by cost reduction measures and business mix changes. Consequently, despite the small revenue decline, EBITA rose from DKK 870m in 2016 to DKK 1bn in 2017.

Driven by an improved operating profit, 2017 was another good year from a cash flow perspective, although not as strong as the year before when working capital improvements had a strong positive impact. Cash flow from operating activities amounted to DKK 1.1bn in 2017. The net interest-bearing debt fell by DKK 1.0bn to DKK 1.5bn at year-end 2017, the lowest level in six years. As a result, our financial gearing, calculated as the ratio of net debt to EBITDA, was down to 0.9 at end-2017, which is well within the Group's target of a maximum ratio of 2.0.

Equity fell by DKK 0.4bn to DKK 8.0bn in 2017 because of currency effects, while the equity ratio rose to 36 %, above the target of at least 30 %.

The Board of Directors will propose to the annual general meeting that a dividend of DKK 8 per share, corresponding to a total distribution of DKK 410m and a dividend yield of 2.2 % be distributed for 2017. The pay-out ratio is notably higher than the target of 30-50 % of the profit for the year, which is due to the fact that the net profit was impacted by a number of non-recurring items, including financial items, taxes and discontinued activities. The total shareholder return, measured as the sum of share price appreciation and dividend paid, was 25 % in 2017.

Despite expectations of material adverse currency effects and unchanged market conditions in the cement industry, we expect an increase in revenue in 2018 driven by improved market conditions in the mining industry, continuing service business momentum and last year's rising order intake. We expect revenue to outgrow costs and, accordingly, an increase in our EBITA margin. We expect no major extraordinary expenses but intend to increase our investments in innovation, digitalisation and expansion of products and wear parts. In 2018, we expect to generate consolidated revenue of DKK 18-20 billion and an EBITA margin of 8-10 %. The return on invested capital is expected to be 10-12 %. Given its expectations of growth in 2018, management will pay special attention to keeping costs from growing at the same speed as revenue, while also giving priority to investments that are paramount for creating an even stronger FLSmidth for the future.

Our efforts to standardise products and processes will continue, so we can become even more competitive and easier to do business with. We aim to be the leading supplier of sustainable productivity to the global cement and mining industries, and we will provide the best possible customer experience – from cradle to grave. This requires focus on life-cycle solutions and, not least, skilled and satisfied employees and a safe working environment.

In accordance with the recommendations of the Committee on Corporate Governance, I will now review and briefly comment on the remuneration of the Executive Management and the Board of Directors. Let me start by confirming that there were no deviations in 2017 from the general remuneration guidelines adopted by the shareholders in general meeting.

The Executive Management's total remuneration in 2017 consisted of a gross salary - a fixed salary including pension - and standard benefits such as a company-paid car and phone. In addition, members of the Executive Management received a cash bonus of up to 75 % of their gross salary and performance-based shares representing a value not exceeding 50 % of their gross salary at the date of grant. The intention of variable pay components is to ensure value creation and to enable the company to achieve its short and long-term goals. The Group Executive Management, comprising the CEO and the CFO, received total remuneration of DKK 20.7 million in 2017, compared with DKK 15.2 million in 2016. There was an increase in the variable components of the Group Executive Management's remuneration due to a higher degree of targets achieved despite difficult market conditions, and our updated guidelines for incentive pay.

The financial KPIs related to the Group Executive Management's performance-based remuneration will in 2018 be order intake, EBITA margin and working capital. In connection with the release of the annual report for 2017, the Board of Directors resolved to grant conditional shares to a total of 158 people, comprising the Group Executive Management and key employees. The costs of this programme will be DKK 47 million in 2018, and it will involve a maximum of 121,013 shares, calculated on the basis of the average closing price the first five trading days after the release of the annual report. Vesting and granting will be conditional on the achievement of financial targets related to the EBITA margin and working capital as a percentage of revenue.

A pool of an additional 8.695 conditional shares may be used when recruiting key employees later in 2018. Costs associated with this pool amounted to DKK 3m in 2017. Total remuneration of the Board of Directors amounted to DKK 6.6m in 2017, against DKK 5.9m in 2016. The increase reflects the updated guidelines for board remuneration that were pre-approved at the annual general meeting in 2017. The Board of Directors proposes that the remuneration to the members of the Board of Directors for 2018 remains unchanged.

In conclusion, I would like to thank the Group Executive Management and the Board of Directors for being strong and supportive partners. I would also like to thank our shareholders, customers and other business partners for a successful and productive 2017. Lastly, I would like to extend a special Thank You to the Group's 11,716 dedicated employees, who have stood shoulder to shoulder through times of turbulent market conditions, but also through times of success. Know-how remains the foundation of FLSmidth, and the knowledge of our employees is what makes us well prepared for the upcoming recovery."

The chair then opened for discussion in relation to items 1-4 on the agenda.

The chair initially gave the floor to Claus Østergaard from the Danish Staff Association.

Claus Østergaard first commended the Board of Directors for holding the Annual General Meeting at the company's premises. Claus Østergaard mentioned that in the course of 2017, a total of 250 new colleagues representing 50 different nationalities had joined the Staff Association. He emphasized that the Staff Association therefore to an increasing extent is using English as its working language in line with FLSmidth's corporate language although the Staff Association only represents employees working in Denmark. Claus Østergaard explained that the cooperation between the Staff Association and FLSmidth's management in Denmark was constructive and highly beneficial to all the company's stakeholders. Claus Østergaard added that FLSmidth's employees in Denmark, however, account for only 9 % of the global staff. He announced that in the Staff Association's point of view there is a need for establishing a similar cooperation between the global staff in the FLSmidth

Group and the Group's global management. The Danish Staff Association would be happy to render its assistance in this regard.

Claus Østergaard stated that the 2017 annual accounts were similar to the 2016 annual accounts, which was a positive thing considering the 10 % cutback in FLSmidth's staff completed in 2016. Claus Østergaard concluded by saying that it was his hope that 2018 would see an increase in FLSmidth's staff in order to ensure that the Group is able to develop, sell and deliver what is required by the Group's customers. The Chairman thanked for the good cooperation with the Association.

The chair then gave the floor to Claus Berner Møller from ATP (The Danish Labour Market Supplementary Pension Scheme).

Claus Berner Møller thanked the chairman for his review and presentation of the annual accounts. In relation to the accounts, Claus Berner Møller emphasized that EBIT showed a handsome increase in spite of a decrease in revenue in 2017, and that FLSmidth's shareholders were rewarded by an increase in share prices. Furthermore, Claus Berner Møller noted that order intake had gone up in 2017 by 17 %, and that revenue had gone up by 5.5 %. As a result, Claus Berner Møller commented that this bodes well for a positive development in 2018 as far as three divisions are concerned but that prospects for the cement division still look gloomy. Claus Berner Møller therefore enquired the management when they were expecting to see an upturn in the cement division.

Claus Berner Møller highlighted with reference to the increased focus on overboarding the many directorships held by the chairman of the Board of Directors in other companies. Claus Berner Møller added that the considerable number of directorships held by the chairman are against the trends of the time. Even so, Claus Berner Møller emphasized that ATP will support the re-election of Vagn Sørensen.

The chairman thanked for the kind words about the development. As far as overboarding is concerned, the chairman explained that he had held directorships in several companies for more than 10 years, and he pointed out that he has attended all meetings of the different companies' Board of Directors during that period. However, he acknowledged the point of view and confirmed that the Board of Directors does have focus on the issue of overboarding. Finally, the chairman added that during the past few years he has resigned from a number of boards of directors and thereby reduced the number of directorships.

Thomas Schultz, CEO, concurred with the chairman's comments and emphasized the good cooperation that has prevailed during the last few difficult years. He proceeded to comment on the question of the development in the cement division and stated that FLSmidth is regarded as the absolute world leader in this field. He added that the decline in the cement division's earnings should be viewed in the light of the market fluctuations. Thomas Schultz commented that FLSmidth holds a significant market share and gets more than 50 % of all orders within this segment. Therefore, a reduction in the overall market will always be very noticeable. Thomas Schultz informed that FLSmidth is experiencing fierce competition from smaller companies in the market, especially competition on price. Thomas Schultz concluded by noting that FLSmidth has continued focus on improving revenue within the field of cement.

The chair then gave the floor to Jesper Grooss from Dansk Aktionærforening (the Association of Danish Shareholders).

Jesper Grooss congratulated the company on the realised results and commented that the results for 2017 are a sign of a longer and successful transition period, where the company is well-positioned to meet future challenges. Jesper Grooss added that against this background he perceives FLSmidth as a globally leading company within its field whose operations are highly exposed to economic fluctuations.

Jesper Grooss enquired about the reasons for the proposed dividend of DKK 8 per share with a pay out-ratio of 539 %, and he wished to know whether the payment of dividend supports the long-term financial objectives. Jesper Grooss then spoke in high terms about the section on risk factors in the annual report 2017, which he described as informative and elaborate. However, he did enquire about the company's assessment of IT security, including why the risk element 'cyber threats' only appeared as having limited impact in the annual report.

Jesper Grooss added that it is Dansk Aktionærforening's wish that the bonus element in management remuneration enhances long-term value creation to the benefit of the shareholders. In this context, he asked for a description from the Board of Directors of whether the framework for bonus to FLSmidth's management supports long-term value creation. Jesper Grooss noted with regard to the management that two members of the Executive Management and the Board of Directors, respectively, do not own shares in FLSmidth.

In conclusion, Jesper Grooss noted that the 2017 annual report has been prepared in English, which in his point of view was quite understandable considering that FLSmidth is an international company. Jesper Grooss called on the management to consider publishing a Danish summary together with the English annual report to the benefit of private Danish investors.

Thomas Schultz confirmed that 'cyber threats' are one of the risks associated with digitalization. He underlined that this topic is on the management's agenda, and that this is an issue on which the FLSmidth Group has emphasis. Thomas Schultz commented that the company's employees participate in a mandatory training programme in order to ensure that they are well-equipped to handle such threats. Also, a procedure has been developed with the aim of protecting FLSmidth against attack.

The chairman commented on the question concerning dividend. The chairman explained that if the result is to be normalized, and if non-continuing activities, financial items and tax are disregarded, the dividend percentage is only slightly above the 30-50 % interval targeted by FLSmidth. In the Board of Directors' opinion, the proposed dividend is fully justified considering FLSmidth's strong cash-flow and the strong financial position with a very low leverage of 0.9 %. As regards the bonus programmes, the chairman confirmed that FLSmidth is focused on long-term value creation – also in connection with the establishment of bonus programmes. There has to be a sensible balance between short-term and long-term value creation. The chairman then stated that the request for a Danish summary of the annual report traditionally has been very low, and therefore the management has chosen not to prepare a Danish summary. As a final point, the chairman remarked that no fixed policy or requirements have been adopted or established regarding the ownership of shares by members of the Board of Directors, however, such initiatives are being considered.

The chairman then gave the floor to Kjeld Beyer.

Kjeld Beyer stated that he saw it as something positive that members of FLSmidth's management did not have large shareholdings in the company. Kjeld Beyer enquired whether the Board of Directors is prepared for potential future unrest in the world market in relation to currency and products.

Thomas Schultz confirmed that the Board of Directors is focusing on and prepared for potential exchange rate fluctuations. As regards for instance the USA, FLSmidth has in recent years acquired companies, including the acquisition of GL&V which is based in the USA. The Group is therefore equipped to resist any trade barriers in the USA.

The chairman then gave the floor to Werner Westermann.

Werner Westermann expressed satisfaction that FLSmidth has not until in 2017 taken up the wear parts market as a business area.

The chairman commented in this regard that the company's focus previously had been on strengthening the company's existing core business areas, however, that in the future focus will also be directed on the wear parts market.

The chair then gave the floor to Nicole Andersen, chairwoman of the shareholder association Best Women.

Nicole Anderson thanked the chairman of the Board of Directors for a good review. Nicole Anderson commented that the association views the increase in the number of women on FLSmidth's Board of Directors as a positive development. She did stress, however, that there has been a downward momentum in the composition of members in FLSmidth's other layers of management since 2015. The number of female employees constitutes only 13 % of the staff which is unusually low – also in comparison to other engineering companies. Nicole Anderson criticized this development and commented that in the association's point of view this development represents a failure on the part of the management. Nicole Anderson asked for a report on the measures taken by FLSmidth in order to increase the number of women in the Group.

Thomas Schultz acknowledged that FLSmidth has not reached the objectives set for the number of women in both management and in the general staff, which is criticisable. Thomas Schultz stated that FLSmidth will continue its efforts to achieve its objectives in this regard.

The chair then gave the floor to Gorm Sørensen.

Gorm Sørensen noted briefly that in his point of view qualifications are the most important parameter when employing people – and not gender.

The chair concluded that no other shareholders wished to speak and then proceeded to the individual items on the agenda.

Re 1. The Board of Directors' report on the company's activities in 2017.

The chair concluded with the consent of the general meeting that the general meeting had duly noted the Board of Director's report.

Re 2-4: Approval of the 2017 annual report, approval of the Board of Directors' remuneration and distribution of profits or losses in accordance with the approved annual report

The chair referred to the fact that items 2-4 had been reviewed and discussed under item 1. No other shareholders wished to take the floor, and the chair announced with the consent of the general meeting:

- that the general meeting approved the 2017 Annual Report presented;
- that the general meeting approved the Board of Directors' remuneration, as stated in the notice convening the general meeting, including (a) the final remuneration for 2017; and (b) the preliminary remuneration determined for 2018; and
- that the general meeting approved the Board of Directors' proposal concerning the distribution of profits according to the approved 2017 annual report, including the payment of dividend in the amount of DKK 8 per share corresponding to a total dividend amount of DKK 410 million for 2017.

Re. 5. Election of members to the Board of Directors

The chair informed the meeting that all members of the Board of Directors elected in general meeting are up for election every year, and that the board members elected by the general meeting count not less than five and not more than eight members in accordance with Article 11 of the articles of association.

The chair announced that the Board of Directors had proposed the re-election of Vagn Ove Sørensen, Tom Knutzen, Caroline Grégoire Sainte Marie, Marius Jacques Kloppers, Richard Robinson Smith (Rob Smith) and Anne Louise Eberhard. No other proposals were made.

The chair then concluded with the consent of the general meeting that Vagn Ove Sørensen, Tom Knutzen, Caroline Grégoire Sainte Marie, Marius Jacques Kloppers, Richard Robinson Smith (Rob Smith) and Anne Louise Eberhard had been elected as members to the Board of Directors.

Information on the qualifications and positions held by the individual candidates, including other background information, is presented in Appendix 1 to the notice convening the general meeting and is available on the Company's website.

Re 6. Appointment of auditor

The chair informed the meeting that the Board of Directors had proposed that Ernst & Young Godkendt Revisionspartnerselskab be re-appointed as the company auditor in accordance with the Audit Committee's recommendation. The chair further noted that the Audit Committee had declared that the Committee had not been influenced by third parties and had been under no contractual obligation restricting the general meeting's appointment of certain auditors or firms of auditors.

The chair concluded with the consent of the general meeting that the proposal had been adopted.

Re. 7. Proposals from the Board of Directors:

The chair informed the meeting that the Board of Directors had tabled two proposals for approval by the general meeting.

Re 7.1 Amendment of the Articles of Association – renewal of the Board of Directors’ authorisation to increase the company’s share capital.

The chair stated that the Board of Directors had proposed that the existing authorisation granted in article 4a of the articles of association to increase the company’s share capital be extended in order for it to apply until and including 1 April 2023.

If the proposal was adopted, articles 4a(1)(3) and 4a(2)(3) will be worded as follows:

“The authorisation shall apply for the period until and including 1 April 2023.”

The chair invited comments in this regard from the floor.

There being no comments, the chair concluded with the consent of the general meeting that the proposal had been adopted with the required majority.

Re. 7.2 Treasury shares

The chair informed the meeting that the Board of Directors had tabled a proposal to the effect that the Board of Directors 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, provided that the company’s total holding of treasury shares at no point exceeds 10 % of the company’s share capital. Payment in this regard must not deviate by more than 10 % from the official price quoted at Nasdaq Copenhagen at the time of acquisition.

The chair invited comments in this regard from the floor.

There being no comments, the chair concluded with the consent of the general meeting that the proposal had been adopted with the required majority.

Re. 8. Any other business

Since no shareholder wished to take the floor, the chair declared that there was no further business to be transacted on the agenda for the general meeting and gave the floor to the chairman.

Vagn Sørensen thanked everyone for attending the meeting and the shareholders for their commitment to the company.

The general meeting was closed.

The general meeting closed at 5.18 pm.

Klaus Søgaard, Chair of the meeting