

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

The Board of Directors hereby convenes the Annual General Meeting to be held on Wednesday 24 March 2021 at 4 pm (CET).

It is very important for the Board of Directors to keep everybody safe and minimise the risk of spreading COVID-19. For this reason, and in light of the Danish government's restrictions on assemblies, this year's Annual General Meeting will be held as an entirely electronic general meeting. It will thus not be possible to attend the general meeting in person.

See page 4 for further information regarding electronic participation.

Agenda and complete proposals:

- 1. The Board of Directors' report on the company's activities in 2020**
- 2. Presentation and approval of the Annual Report 2020**
- 3. Approval of the Board of Directors' fees:**

- a. Final approval of fees for 2020

The Board of Directors proposes unchanged approval of the fees for 2020 that were pre-approved by the general meeting in 2020.

The fees are based on a base fee of DKK 450,000 (the "Base Fee") with twice that amount to the vice chairman and three times that amount to the chairman. An additional fee of DKK 125,000 is paid for membership on a board committee, whereby, however, such additional fee for committee chairmen constitutes DKK 225,000. The chairman and the vice chairman do not receive committee fees.

The total remuneration to the members of the Board of Directors for 2020 amounts to for 2020 amounts to DKK 6 million, cf. note 1.5 in the Annual Report (page 71).

In addition to the above-stated remuneration, the company pays out-of-pocket expenses, including travel and transport costs, associated with the services rendered for the Board of Directors, and the company may also pay foreign social charges and similar charges, charged by foreign authorities in relation to the fees.

- b. Preliminary determination of fees for 2021

The Board of Directors proposes that fees of the Board of Directors remain unchanged in 2021. The fees for 2021 will be presented at the Annual General Meeting in 2022 for final approval.

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

The Board of Directors proposes a dividend of DKK 2 per share, corresponding to a total dividend distribution of DKK 103 million for 2020.

- 5. Presentation of the Remuneration Report 2020 for an advisory vote**

The Board of Directors proposes the approval of the Remuneration Report 2020 by advisory vote. The Remuneration Report is prepared in accordance with section 139b of the Danish Companies Act and provides an overview of the total remuneration of the Board of Directors and Executive Management in 2020. The Remuneration Report is presented in Appendix 1 and is also available on the company's website, www.flsmidth.com.

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

The Board of Directors proposes the re-election of Mr. Vagn Ove Sørensen, Mr. Tom Knutzen, Mr. Richard Robinson Smith (Rob Smith), Ms. Anne Louise Eberhard, Ms. Gillian Dawn Winckler and Mr. Thrasyvoulos Moraitis to the Board of Directors.

Information on the qualifications and positions held by the individual candidates is presented in Appendix 2 and is also available on the company's website, www.flsmidth.com.

- 7. Election of company auditor**

The Board of Directors proposes the re-election of EY Godkendt Revisionspartnerselskab in accordance with the recommendation of the Audit Committee. The Audit Committee has informed the Board of Directors that it has not been influenced by third parties and is not subject to any agreements with third parties that restrict the general meeting's election of specific auditors or audit firms.

- 8. Proposals from the Board of Directors**

The Board of Directors submits the following proposals:

8.1 – Amendment of the articles of association – renewal of the Board of Directors’ authorisations to increase the company’s share capital

The Board of Directors proposes that the existing authorisations in article 4a of the articles of association to increase the company’s share capital be extended so that they are applicable until and including 24 March 2026. The updated article 4a will subsequently be worded as follows:

“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 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 24 March 2026.

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 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 24 March 2026.

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 and be paid in full. 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.”

8.2 - Amendment of the articles of association – authorisation to the Board of Directors to decide to hold general meetings partially or fully by electronic means

Due to the COVID-19 pandemic and the prohibition imposed on larger gatherings and in order to ensure flexibility in the future, the Board of Directors proposes to adopt a new article 9 of the articles of association to authorise the Board of Directors to resolve that general meetings may be held partially or fully by electronic means. It is the intention of the Board of Directors to hold future general meetings with the possibility of physical attendance and thus only make use of the authorisation in situation where it is deemed necessary.

The new article 9 will be worded as follows:

“If the Board of Directors finds it appropriate, and if the general meeting can be conducted in a technically safe manner, the Board of Directors may decide that the general meeting shall be held partially or fully as an electronic general meeting. If so decided, shareholders will be able to attend, express their opinion and vote at the general meeting by electronic means. Detailed information on the procedures for electronic attendance and participation will be made available on the company’s website and in the relevant notices convening the general meetings, and written information on the subject will also be sent to all shareholders recorded in the Company’s register of shareholders who have requested so.”

If adopted, the current articles 9-16 will be re-numbered to articles 10-17 of the articles of association.

The proposed amendments to the articles of association appear from Appendix 3 and are also available on the company’s website, www.flsmidth.com.

8.3 - 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 must not deviate by more than 10% from the official price quoted on Nasdaq Copenhagen at the time of acquisition.

9. Proposal from shareholders AkademikerPension and LD Fonde

The Company shall at reasonable cost undertake an assessment of the extent to which it is able to publish corporate country-by-country tax reporting in line with the Global Reporting Initiative’s standard (GRI 207: Tax 2019) starting from Financial Year 2021. The findings of the assessment should be made public before the AGM in 2022. Commercially sensitive or confidential information shall be omitted.

The shareholders’ motivation in full:

“The GRI Standards make up the world’s most widely adopted sustainability reporting framework.

The GRI Tax Standard is the first global standard for comprehensive tax disclosure at the country-by-country level. It supports public reporting of a company’s business activities and payments within tax jurisdictions, as well as their approach to tax strategy and governance.

Global investors, civil society groups, labor organizations and other stakeholders have signaled their backing for the Tax Standard, as it will help address their growing demands for tax transparency.

The Tax Standard has been developed in response to concerns over the impact tax avoidance has on the ability of governments to fund services and support sustainable development – and to give clarity on how much companies contribute to the tax income of the countries, where they operate.

FLSmidth has already taken significant steps to demonstrate a responsible approach to corporate tax, e.g. by stating a position on tax in recent reporting, and we as long-term investors in the company have no reason whatsoever to believe that FLSmidth is not paying its fair share of tax.

However, investors and other stakeholders increasingly expect leading companies committed to sustainable development and corporate responsibility, such as FLSmidth, to lead the way on corporate tax transparency by producing public country-by-country reports (PCbCR) on tax.

Multinational companies are already required to produce country-by-country tax reports to government tax authorities based on the OECD BEPS-template. However, this information is generally not made available to investors or the public.

For certain industries PCbCR is mandatory under EU rules. This is the case for the banking sector, logging, and extractives industries. Tax transparency is increasingly becoming hard law, and leading companies that pay their fair share of tax stand to benefit from more fair competition likely to arise from increased level of tax transparency. In 2016 the EU Commission proposed a directive aimed at mandatory tax transparency on a country-by-country basis for multinational companies doing business in EU countries, but the legislative process could take several more years and approval depends on the backing of the EU Member States.

Meanwhile, leading companies such as Ørsted in Denmark and Vodafone in the UK have voluntarily decided to adopt PCbCR, going beyond the minimum legal disclosure requirements. This has been done in a way carefully designed not to expose sensitive information that could harm the companies. For instance, by avoiding disclosure of information that would erode their competitive position, which is perhaps the most common concern regarding PCbCR on tax.

Boards of global companies have a key role to play and should assess if and how their companies can help tackle the systemic societal issue of corporate tax avoidance and lack of transparency, which currently results in unfair competition and less tax revenue to fund essential public services globally.

We therefore ask the Company to undertake and complete an assessment of the extent to which it can report in line with the Global Reporting Initiative's standard 207 on tax starting from Financial Year 2021. The findings of the assessment should be made public before the company's Annual General Meeting in 2022.

The assessment - and any additional tax transparency - shall omit commercially sensitive or confidential information and be prepared at reasonable cost. A step-by-step approach to reporting in line with GRI could be considered."

The Board of Directors' position

The Board of Directors supports that the Company:

- undertakes an assessment of the extent to which it is able to publish corporate country-by-country tax reporting in respect of the financial year ending 31 December 2021, and
- publishes the findings of the assessment before the Annual General Meeting in 2022.

As stated in our Sustainability Report 2020 (page 59), during 2021, we will complete our evaluation of how to best comply with GRI 207 : Tax.

Our Group Tax Policy is publicly available at <https://www.flsmidth.com/en-gb/company/sustainability/policies-and-priorities> and we acknowledge the increasing public interest in the tax contributions made to societies by multinational businesses.

The company has commenced internal discussions on:

- the extent to which it is viable to publicly release country-by-country tax reporting,
- the appropriate balance between transparency of tax data, the relevance of the data and possible competitive disadvantages,
- the method, timing and forum of country-by-country tax disclosures.

10. Any other business

Adoption requirements

The proposals set forth in items 8.1 and 8.2 and of the agenda must be adopted by at least 2/3 of both the votes cast and of the share capital represented at the 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. Each share of DKK 20 carries 20 votes.

The date of registration is Wednesday 17 March 2021.

Shareholders holding shares in the company on the date of registration have the right to attend and vote at the general meeting. The number of shares held by a shareholder is calculated at the date of registration based on the recording of the shareholder's shares in the register of shareholders as well as any notices concerning ownership received by the company to be recorded in the register of shareholders. Attendance is also subject to the shareholder having timely obtained an admission card as described below.

Completely electronic general meeting

Subject to the Danish government's COVID-19 restrictions and to protect everyone's safety, the Annual General Meeting will be held as a completely electronic general meeting. Physical attendance will not be possible, however, shareholders can attend via a general meeting portal hosted by VP Securities A/S ("VGM Portal"), where shareholders may live stream, vote and submit questions in writing by a chat function during the general meeting.

Registration of electronic participation

It is important to register for the general meeting in advance if you wish to attend the full electronic general meeting. You can register as follows and by no later than Friday 19 March 2021, at 23:59:

- electronically via FLSmidth's InvestorPortal at www.flsmidth.com/gf, or via VP Securities A/S' website, www.vp.dk/gf
- by contacting VP Securities A/S on tel. no. (+45) 43 58 88 66, or by email to vpinvestor@vp.dk.

Once you have registered, you will receive a confirmation by email. The email contains a link to the VGM portal, as well as information about the actual conduct of the electronic general meeting

Proxy

Proxies must be submitted electronically via FLSmidth's InvestorPortal at www.flsmidth.com/gf (requires electronic password) or in writing by using the proxy/postal vote form that can be downloaded at www.flsmidth.com/gf. If the form is used, the completed and signed form must be received by VP Securities A/S, Weidekampsgade 14, 2300 Copenhagen S, Denmark or a scanned version to vpinvestor@vp.dk, not later than Friday 19 March 2021 at 11.59 pm (CET).

Postal vote

Postal votes must be submitted electronically via FLSmidth's InvestorPortal at www.flsmidth.com/gf (requires electronic password) or in writing by using the proxy/postal vote form that can be downloaded at www.flsmidth.com/gf. If the form is used, the completed and signed form must be received by VP Securities A/S, Weidekampsgade 14, 2300 Copenhagen S, Denmark or a scanned version to vpinvestor@vp.dk, not later than Tuesday 23 March 2021 at 12 noon (CET). A postal vote cannot be withdrawn.

Questions from shareholders

Questions prior to the general meeting

Shareholders may submit questions to the agenda or documents etc. to be used at the Annual General Meeting in writing to FLSmidth & Co. A/S, Vigerslev Allé 77, 2500 Valby, Denmark, or by email to corpir@flsmidth.com. To ensure the progress of the general meeting, the Board of Directors encourages shareholders to, to the extent possible, submit questions in writing ahead of the general meeting. Such questions will be answered in writing prior to the general meeting or verbally at the general meeting.

Questions during the general meeting

Technical questions | Shareholders experiencing technical difficulties may contact the VGM Portal hotline on phone +45 43 58 88 94 for assistance.

Questions regarding items on the agenda | Following the presentation of the agenda items, it will be possible to ask written questions and submit comments concerning the proposals via the VGM Portal. Due to the limitations of the VGM Portal, it is recommended to keep questions and comments brief and concise. Shareholders must log into the VGM Portal in order to ask questions /provide comments in writing. Shareholders' written questions/comments will be presented by the chairman of the general meeting and answered verbally during the meeting if possible or in writing after the meeting if necessary.

Electronic voting

Shareholders, who have not already submitted their votes by proxy or postal vote, may vote electronically during the general meeting through the VGM Portal. Shareholders must log into the VGM Portal in order to be able to vote. Delays on the electronic lines may occur in connection with the transmission of the general meeting and the vote. In utmost cases, these delays may last several minutes. The chairman of the general meeting will conduct the meeting accordingly, however, FLSmidth does not assume any responsibility for shareholders' questions, comments, proposed amendments or votes casted, if any, not being received in time for them to be taken into consideration at the relevant item on the agenda.

Technical requirements for participation

Each shareholder must ensure to be in possession of a computer, mobile phone/tablet with an internet browser, as well as a sufficient and well-functioning internet connection. The device/computer must have the latest version of Edge, Chrome or Firefox installed. Internet Explorer *cannot* be used.

We recommend that each shareholder tests the device and internet connection by logging on to the VGM Portal in due time ahead of the start of the general meeting. The VGM Portal will be open to testing after the shareholder has registered.

Shareholders experiencing technical problems may contact the VGM Portal hotline on telephone +45 43 58 88 94 for assistance.

Further information on technical requirements and the procedure for electronic participation will also be available in the confirmation email upon registration.

Additional information

Until and including the day of the Annual General Meeting, the company's website, www.flsmidth.com/gf, will provide additional information about the general meeting, including the Annual Report 2020, the Remuneration Report 2020, information about the total number of shares and voting rights on the date of the notice, this notice with the agenda and the complete proposals, including appendices, the proxy/postal vote form for the Annual General Meeting, the articles of association as well as a practical guide for electronic registration and participation. The Annual Report 2020 and Remuneration Report 2020 are only available in English.

As of Tuesday 2 March 2021, the information will also be available for inspection by the shareholders at the company's head office at Vigerslev Allé 77, 2500 Valby, Denmark.

Webcast

The entire Annual General Meeting will be webcasted live on the company's website, www.flsmidth.com/gf, and the webcast will subsequently be available on the website. The webcast will only cover the podium. Reference is made to the company's personal data policy available on the company's website for additional information on collection and processing of personal data in connection with the Annual General Meeting.

Valby, 23 February 2021
FLSmidth & Co. A/S

The Board of Directors

REMUNERATION REPORT 2020

1 January –
31 December 2020
Remuneration Report 2020

FLSmidth & Co. A/S
Vigerslev Allé 77
DK-2500 Valby
CVR No. 58180912

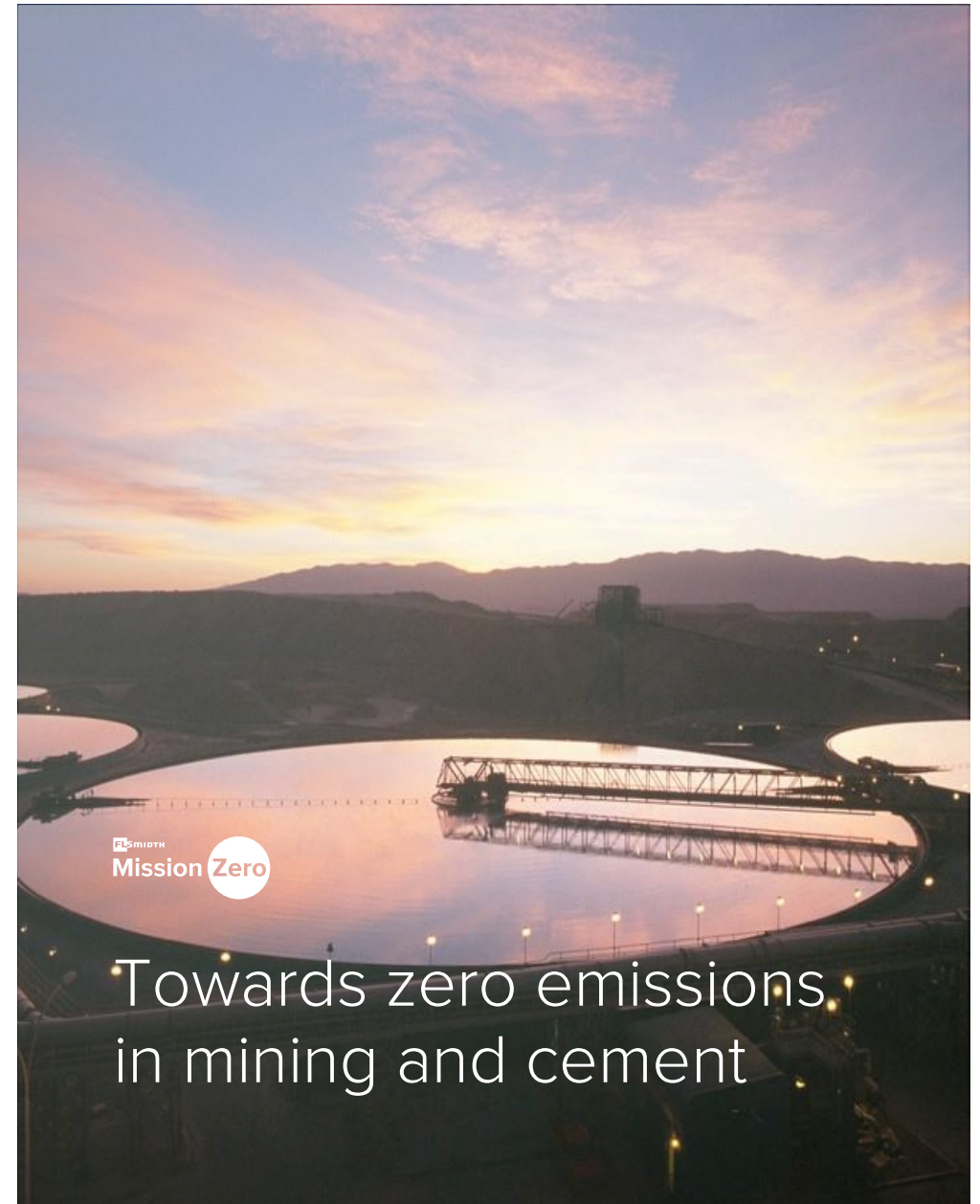
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Integrated report

This remuneration report is an integrated part of the annual report 2020. The annual report can be found on the company website: www.flsmith.com/AnnualReport2020



INTRODUCTION

In combination with the remuneration policy the annual remuneration report ensures stakeholder transparency of the various elements in the total remuneration framework and how it is applied.

Strategy and sustainability

We aim to be the global leader in providing sustainable productivity.

With a unique combination of technology, process knowledge and services, FLSmidth enables customers in the cement and mining industries to drive success through sustainable productivity enhancement. Our ability to take a life cycle perspective, not only for the products supplied, but also for customers' plants and sites, enables us to provide industry-leading solutions with a low total cost of ownership and reduced environmental impact. As such, sustainability is the core of FLSmidth's business.

With this strategic standpoint, the Company offers remuneration that aims to ensure the sustainability of the Company.

Remuneration policy and framework

The remuneration policy describes the framework for the total remuneration to the Board of Directors and the Group Executive Management of FLSmidth & Co. A/S registered with the Danish Business Authorities. The registered Group Executive Management is the Group CEO and CFO. Other members of Group Executive Management are non-registered.

The remuneration framework is designed to enable FLSmidth to attract, motivate and retain a diverse team of highly qualified members of the Board of Directors and Group Executive Management. Additionally, the remuneration framework shall encourage the Board of Directors and the Group Executive Management to demonstrate a well-balanced and sustainable management of FLSmidth with creation of short- and long-term shareholder value through efficient business strategy execution and high performance.

The remuneration policy is available at <https://www.flsmidth.com/RemunerationPolicy2020>.

Governance

The terms of employment and remuneration of Group Executive Management are approved by the Board of Directors.

The Board of Directors, has established a Compensation Committee to serve as the Board Committee on matters related to executive remuneration. In that capacity, the Compensation Committee is also responsible for the remuneration policy, including ongoing revision and updates.

The Compensation Committee mandate and charter is available at https://www.flsmidth.com/Compensation_Committee_Mandate_and_Charter2020.

Continuously and at least on a yearly basis, the Compensation Committee considers if a revision of the remuneration policy is needed. All proposals for revisions will be presented to the Board of Directors for approval. The Board of Directors must ensure the approved revision is submitted to the shareholders for approval by the General Meeting.

As the remuneration of the Board of Directors is a fixed cash fee approved at the Annual General Meeting, and as the remuneration policy is approved separately by the Annual General Meeting a conflict of interest is not considered likely.

Deviation from the policy

The Board of Directors may, in special circumstances, decide to deviate from this policy, if deemed necessary.



KEY DEVELOPMENTS 2020

The pandemic severely impacted our financial performance and target fulfilling in 2020. As a result total management remuneration decreased significantly compared to 2019.

Financial performance

Our financial results in 2020 were negatively impacted by the pandemic and the rapidly deteriorating business environment which affected order intake, revenue and EBITA. Still, we achieved an organic order intake on par with 2019 and as a result of our strong cash focus, the net working capital ratio decreased from 13.3% to 10.7% and free cash flow more than doubled to DKK 1bn in 2020. This was, however, not sufficient to reach the more ambitious thresholds for pay-out in relation to the financial KPIs in the short-term incentive plan.

Total remuneration

Total remuneration comprise Board and Executive remuneration. Total remuneration decreased significantly compared to 2019 due to lower executive remuneration.

(DKK1,000)	Total remuneration
2020	24,938
2019	31,571
Development	(6,633)

The registered executives in 2020 were CEO Thomas Schulz, Head of Group Legal and Strategy, Annette Terndrup (registered until 30 June

2020) and CFO Roland M. Andersen (registered from 1 July 2020).

The Board of Directors receive an annual fixed cash fee which was unchanged from 2019.

The remuneration elements consists of a fixed cash-based salary, short-term-, long-term- and other incentives, and the KPIs related to executive pay were largely in line with those in 2019. The financial KPIs for executives' short-term incentive programme (STIP) were: Order intake, EBITA margin and CFFO (for CEO and CFO). The STIP programme included a CFFO trigger and an EBITA margin modifier, whereby all payments under the programme are reduced by 50% if the EBITA margin falls below a certain level.

Deviation from the remuneration policy

In 2020 the remuneration of the Board of Directors and the Group Executive Management did not deviate from the remuneration policy.

Board remuneration

(DKK1,000)	Board remuneration
2020	6,375
2019	6,406
Development	(31)

The Board of Directors receive an annual fixed cash fee which was unchanged from 2019.

Executive remuneration

(DKK1,000)	Executive remuneration
2020	18,563
2019	25,165
Development	(6,602)

Base salary

Due to the challenging situation no annual adjustment to management's base salary was made in 2020, which was voluntarily decided by the members of the Group Executive Management.

Short-term incentive programme

There will be no pay-out on any of the financial KPIs (order intake, EBITA-margin and CFFO)¹⁾ related to the 2020 short-term incentive programme (80% of STIP)¹⁾. Any pay-out on individual KPIs (20% of STIP)¹⁾ will be reduced by 50% due to the STIP modifier.

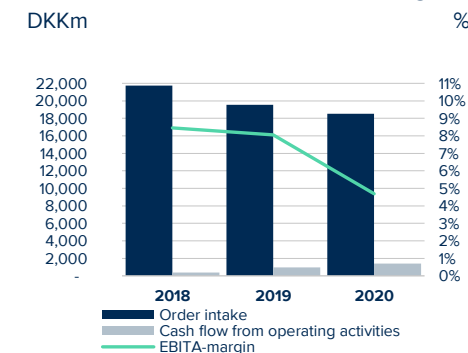
Long-term incentive programme

In 2020, management received pay-out for the 2017-2019 long-term incentive programme (LTIP) slightly above target level (75%). It is expected that pay-out for two of the three active LTIP programmes will be unachievable.

The KPIs planned for the 2021 LTIP grant are: EBITA margin, total shareholder return and a sustainability-linked KPI, which is a change to the years before.

¹⁾ Applicable for the CEO and CFO.

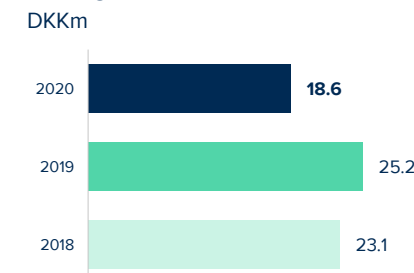
Order intake, CFFO & EBITA-margin



Total remuneration of the Board of Directors



Total remuneration of Executive Management*



*Registered with The Danish Business Authority

REMUNERATION OF THE BOARD OF DIRECTORS

Remuneration framework

The members of the Board of Directors do not participate in the incentive programmes and they are not remunerated in shares or similar non-cash instruments.

The members of the Board of Directors are eligible for the following remuneration:

Board of Directors fixed fee

The Board of Directors receive an annual fixed fee in cash. The Board of Directors' fees are pre-approved at the Annual General Meeting for the year in question and receive final approval at the Annual General Meeting in the following year. Newly elected and resigning Board members receive a proportionate fee for the year in question.

The fixed annual fees for the chair and the vice-chair are higher than the fixed annual fee for ordinary members of the Board of Directors. Currently, the chair receives three times the annual fixed fee and the vice-chair receives two times the annual fixed fee.

Board Committee fixed fee

The Board of Directors has established four Board Committees.

Additional fixed fees for serving on Board Committees are applied. Such fees are differentiated so the chair of a Board Committee receives a higher fee than ordinary committee members.

The chair and the vice chair of the Board of Directors do not receive extra fees for serving on Board Committees.

Fee for ad hoc assignments

The members of the Board of Directors are eligible for additional fees for unexpected workload and special ad hoc assignments in addition to the preliminary approved fees for all or some members of the Board of Directors.

Benefits

The members of the Board of Directors are eligible for a news subscription.

FLSmidth pays for the Board of Directors' costs for travel, hotels and meals relating to Board meetings, either through the Company's direct payment of these expenses or through subsequent expense reimbursement according to the Company's Expense Management Policy. Reimbursement of expenses is not considered remuneration.

Type of remuneration for the Board of Directors	DKK1,000
Member of Board of Directors, fixed fee	450
Vice chair of Board of Directors, fixed fee	900
Chair of Board of Directors, fixed fee	1,350
Members of Board Committees, fixed fee	125
Chair of Board Committees, fixed fee	225
Fee for ad hoc assignments	
Benefits	

Total remuneration

The remuneration of the Board of Directors in 2020 was DKK 6,375k which is in line with the remuneration for 2019 of DKK 6,406k. No variable elements were part of the remuneration to the Board of Directors.

The table below includes the total remuneration of each member of the Board of Directors for 2020 and 2019, respectively.

Fixed fees

The fixed fee for the Board of Directors was DKK 5,400k (2019: DKK 5,400k). The base fee has been unchanged since 2017.

The fixed fee for the Board Committees was DKK 975k (2019: DKK 1,006k). The base fee has been unchanged since 2017.

Other remuneration

The members of the Board of Directors have not received any other remuneration during 2020 and 2019.

The remuneration is aligned with the objective of the remuneration policy and supports the achievement of the Company's long term targets and sustainable management.

Changes in the Board of Directors

There has been no changes in the members of the Board of Directors during 2020 and the participants in the four Board Committees has also shown continuity amongst the members.

Total remuneration 2020 – Board of Directors

(DKK1,000)	Period	Board Committees					2020
		Board of Directors	Audit Committee	Compensation Committee	Nomination Committee	Technology Committee	
Vagn Sørensen, Chair	Since AGM 2009	1,350		0	0		1,350
Tom Knutzen, Vice chair	Since AGM 2012	900	0	0	0		900
Richard Robinson Smith	Since AGM 2016	450				225	675
Anne Louise Eberhard	Since AGM 2017	450	125				575
Gillian Dawn Winckler	Since AGM 2019	450	125				575
Thrasylvoulos Moraitis	Since AGM 2019	450		125	125	125	825
Mette Dobel, employee-elected member	Since AGM 2009	450					450
Søren Dickow Quistgaard, employee-elected member	Since AGM 2013	450				125	575
Claus Østergaard, employee-elected member	Since AGM 2017	450					450
Total remuneration 2020		5,400	250	125	125	475	6,375

Total remuneration 2019 – Board of Directors

(DKK1,000)	Period	Board Committees					2019
		Board of Directors	Audit Committee	Compensation Committee	Nomination Committee	Technology Committee	
Vagn Sørensen, Chair	Since AGM 2009	1,350		0	0		1,350
Tom Knutzen, Vice chair	Since AGM 2012	900	0	0	0		900
Richard Robinson Smith	Since AGM 2016	450				225	675
Anne Louise Eberhard	Since AGM 2017	450	125				575
Gillian Dawn Winckler	Since AGM 2019	337	94				431
Thrasylvoulos Moraitis	Since AGM 2019	337		94	94	93	618
Caroline Grégoire Sainte Marie	AGM 2012-2019	113	31			31	175
Marius Jacques Kloppers	AGM 2016-2019	113		31	31	32	207
Mette Dobel, employee-elected member	Since AGM 2009	450					450
Søren Dickow Quistgaard, employee-elected member	Since AGM 2013	450				125	575
Claus Østergaard, employee-elected member	Since AGM 2017	450					450
Total remuneration 2019		5,400	250	125	125	506	6,406

REMUNERATION OF THE GROUP EXECUTIVE MANAGEMENT

Remuneration framework

The remuneration of Group Executive Management is determined once a year. The Compensation Committee assists the Board of Directors in this determination.

The Group Executive Management consists of management members registered with the Danish Business Authorities and other non-registered executive management members.

The remuneration policy applies only for the executive management as registered with the Danish Business Authorities, which consists of the Group CEO and Group CFO.

Although not covered by the remuneration policy we have included remuneration reporting for other members of Group Executive Management in aggregate in this report.

The remuneration of Group Executive Management is based on a key principle that the total reward offering shall consist of fixed and variable incentive-based remuneration. This total remuneration framework ensures the Company is capable of attracting and retaining key executive profiles on competitive terms, while the incentive-based remuneration also encourages Group

Executive Management to deliver results short- and long-term through strong strategy execution and value creation for shareholders.

As the incentive-based remuneration consists of a combination of short-term incentives and long-term incentives, it ensures the incentive programmes contribute to the achievement of both short- and long-term strategic goals and encourages prudent and reasonable behaviour and acceptance of risk.

The Group Executive Management is eligible for the following remuneration:

Base salary

The base salary is considered the foundation of the total remuneration framework offered to Group Executive Management. Base pay is determined by the Board of Directors using a multiple of factors, of which the most important are:

- Base pay levels in the market
- Skills, expertise and background in relation to position requirements
- Performance delivered in the position, including consistency of performance

In accordance with principles applied across the global organisation, the base pay of Group Executive Management is benchmarked against similar positions in the local market using external survey data.

Short-term incentive programme

The purpose of the cash incentive is to drive and motivate Group Executive Management to achieve the Company's short-term targets.

Group Executive Management may receive an annual cash incentive which may not exceed 75% of the base salary for the year in question. The individual target and maximum levels of the cash incentive for Group Executive Management are fixed as part of the ongoing remuneration adjustment cycle.

Each year when issuing the annual short-term incentive programme, Group Executive Management receives a number of pre-determined key performance indicators (KPIs), against which the

Type of remuneration for the Group Executive Management	Remuneration elements
Base salary	Fixed cash salary based on market levels, paid on a monthly basis.
Short-term incentive programme	Cash based variable remuneration up to 75% of the annual base salary, paid annually. The pay-out level is dependent on fulfilment of KPIs. The KPIs are a combination of individual (financial/non-financial) and group wide financial KPIs. Group wide financial KPIs are: <ul style="list-style-type: none"> - Order intake - EBITA-margin - Cash flow from operating activities (CFFO)
Long-term incentive programme	Share based variable remuneration up to 100% of the annual base salary. The pay-out level is dependent on fulfilment of the following group wide financial KPIs: <ul style="list-style-type: none"> - EBITA-margin - Net working capital ratio - 3 years continued employment or good leaver status
Other incentives	At the Board of Directors' discretion, supplementary bonus schemes may be provided in special circumstances. The incentive cannot exceed 150% of the annual base salary and may be cash and/or share based.
Benefits	Eligible for customary benefits, such as company car, news-, telephone- and internet subscription, etc. Pension contribution are paid fully by the executives.
Termination and severance payments	Ordinary notice of termination of employment may be up to 18 months. Severance payment may correspond to a maximum of 6 months base salary. The entitlement to keep already granted performance share units is defined in the programme.
Expenses	FLSmidth pays costs for travel, hotels, meals according to Expense management policy.

performance is measured. The final value of the cash incentive will therefore depend on the achievement levels of these KPIs.

To ensure Group Executive Management has the necessary focus on short-term strategy execution and value creation for shareholders, the weight of financial KPIs must be significantly higher than the weight of other KPIs in the programme (if any). The financial KPIs are defined in connection with the annual budget process. For all KPIs, a 100% achievement level shall result in target pay-out for the given KPI. Maximum pay-out on a given KPI requires performance substantially over and above target performance. A minimum performance threshold must be achieved to be entitled to the entry level payment of the cash incentive.

In addition to the fulfilment of the yearly KPIs and to ensure the right balance between the financial performance of the Company and the cash incentive pay-out, payment of the cash incentive may be fully or partially conditional upon the Company achieving one or more additional financial thresholds.

The Board of Directors has the overall authority in deciding the final design of the annual short-term incentive programme for Group Executive Management. The Board of Directors may decide to deviate from the short-term incentive programme design, if deemed necessary.

Long-term incentive programme

Long-term incentives are offered in the form of a performance share programme. The purpose of this programme is to ensure value creation for shareholders by aligning the value of the long-term incentive awards with the performance of

Group Executive Management and the achievement of the Company's long-term targets.

Subject to the Board of Directors' approval, the granting of performance share units may take place once a year, normally upon presentation of the Company's annual report. For each year, performance share units may be granted up to a maximum value corresponding to 100% of the annual base salary for the year in question. However, the individual target and maximum levels of the performance share programme for Group Executive Management is fixed as part of the ongoing remuneration adjustment cycle.

Vesting of the performance share units is dependent on (i) time (minimum a three (3) year vesting period), (ii) continued employment, and (iii) financial performance, i.e. achievement of at least one or more of the announced long-term financial KPIs of the Company.

The long-term financial KPIs of the programme are laid down by the Board of Directors. One or more additional financial KPIs may be applied to support the achievement of the announced long-term financial KPIs of the Company. A 100% achievement level of the KPIs of the programme shall result in a target level vesting of performance shares. Full vesting of the performance shares requires performance substantially over and above target performance. A minimum threshold for financial performance must be achieved to vest any performance share units.

Vesting of the performance share units happens in the form of a cliff vesting upon the expiry of the vesting period. Once vested, corresponding FLSmidth shares are delivered to Group Executive Management without any payment in return

of the delivery. All shareholder rights and obligations stay with the Company until the shares have been delivered.

The Board of Directors has the overall authority in deciding the final design of the annual long-term incentive programme for Group Executive Management. The Board of Directors may decide to deviate from the long-term incentive programme design, if deemed necessary.

Other incentives

Supplementary bonus schemes or other incentive-based remuneration for special purposes, e.g. retention schemes, change-of-control scenarios, sign-on schemes or similar may be provided, if deemed necessary.

In any given financial year, the value of such supplementary bonus schemes or incentive-based remuneration may not exceed an amount corresponding to 150% of the annual base salary.

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

Benefits

Group Executive Management shall be entitled to customary benefits such as company car, professional and personal development, news subscription, telephone, internet, etc.

If an executive must relocate to another country to fill a Group Executive Management position, necessary mobility related benefits such as housing allowance, school tuition fee allowances and similar may be applied at the discretion of the Board of Directors.

Group Executive Management are offered to participate in FLSmidth's standard pension and insurance scheme. Contributions are paid fully by the executive.

Termination and severance payment

Executive service agreements with Group Executive Management are open-ended. Ordinary notice of termination of employment may be up to 18 months and severance payment may correspond to a maximum of 6 months base salary.

From the date notice of termination has been given, Group Executive Management has no right to be granted any further long-term incentives. The entitlement to keep already granted performance share units depends on good or bad leaver status as defined in the programme.

Expenses

FLSmidth pays for Group Executive Management's necessary expenses for travel, hotels, meals and similar either through the Company's direct payment of these expenses or through subsequent expense reimbursement according to the Company's Expense Management Policy. Reimbursement of expenses is not considered remuneration.

Clawback

In special cases, clawback of the variable remuneration for Group Executive Management may be carried out, including in the event of the variable remuneration having been set based on one or more factors which turns out to be incorrect.

Total remuneration 2020

The total remuneration in 2020 for registered executives was DKK 18,563k which was a total decline of 26% compared to 2019.

Including non-registered executives the total remuneration was DKK 50,721k which was a total increase of 17% compared to 2019. The increase is not reflecting an increase in the underlying base salaries, but is mainly driven by the changes in the Group Executive Management.

Changes in the Group Executive Management

Roland M. Andersen was onboarded in July 2020 and took up the position as Group CFO, replacing Lars Vestergaard who left as Group CFO in November 2019.

In the interim, Annette Terndrup, Head of Group Legal and Strategy, was registered with the Danish Business Authorities.

Base salary

The base salary for the registered executives was DKK 13,268k in 2020 and largely unchanged compared to last year.

Short-term incentive programme, STIP

Due to the financial performance of the Group in 2020 the pay-out on all KPIs has been reduced by 50%, as the achieved group EBITA-margin threshold was not met.

The registered executives has earned DKK 563k under the short-term incentive programme. In 2019 no STIP was earned due to the group EBITA-margin threshold was not met.

Long-term incentive programme, LTIP

The long-term incentive programme is a 3 year programme. The cost reflected in the total remuneration overview is according to IFRS 2 and not the value of the initially granted nor finally vested PSUs during the year. The values are disclosed in the table Value of performance share units.

The negative amounts from the LTIP is caused by the reassessment of KPI achievement. Due to the financial performance in 2020 the financial targets for the PSU programmes have been reassessed. The costs recognised in previous years related to the programmes are therefore reversed in 2020, resulting in a negative amount of DKK 1,468k for registered executives. It is expected that pay-out on 2 out of 3 active programmes will be unachievable and the estimated pay-out is therefore zero. For the third programme pay-out is still a possibility.

The LTIP 2020 programme was granted with a total of 32.274 PSUs for registered executives, adding up to a total value of DKK 8,263k.

During the year the LTIP 2017 programme vested. A total of 9,017 PSUs vested, equivalent to a value of DKK 2,309k for registered executives. The vested amount related to the 2017 programme is included in the graphs of the paid/payable remuneration for 2020.

By the end of the year the registered executives has a balance of 16.104 PSUs equivalent to a value of DKK 3.749k.

Other incentives

Roland M. Andersen joined FLSmidth in July 2020 and the parties have agreed on a sign-on and a stay-on bonus. The sign-on bonus consists

of a cash bonus and a special LTIP grant, equivalent to 100% of the total base salary.

The sign-on cash bonus of DKK 2,750k is included in the graphs of the paid/payable remuneration.

The special LTIP grant is related to the 2020 programme, and has a grant value of DKK 2,750k. The 2020 LTIP programme will vest in 2023.

The stay-on bonus is cash-based and equivalent to 100% of the total base salary. The stay-on bonus is payable by the end of 2021, and is accrued in the remuneration with 6 months out of a total of 18 months. The full amount of the stay-on bonus will be included in the paid/payable amount for 2021, if conditions are met.

Benefits

Usual benefits have been paid for the executives during 2020.

Termination and severance payment

No termination and severance payments have been agreed during 2020 for registered executives.

Deviation from the remuneration policy

In 2020 the remuneration of the Board of Directors and the Group Executive Management did not deviate from the remuneration policy.

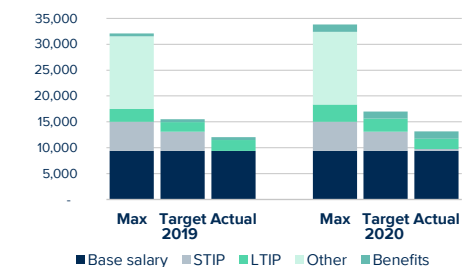
Clawback

No clawback of variable remuneration has been carried out during 2020 or 2019.

The table below includes the total remuneration of each registered member of the Group Executive Management for 2020 and 2019, respectively.

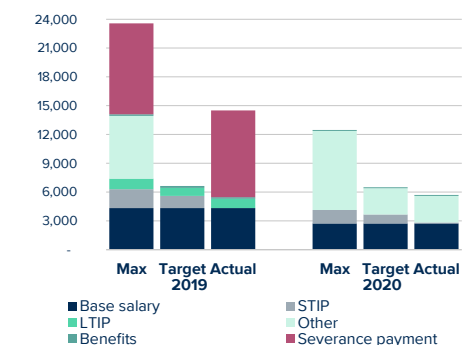
Thomas Schulz

Total paid/payable remuneration DKKk



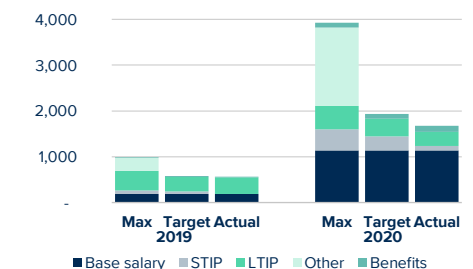
Lars Vestergaard/Roland Andersen

Total paid/payable remuneration DKKk



Annette Terndrup

Total paid/payable remuneration DKKk



Total remuneration 2020

Total remuneration 2020 – Group Executive Management

(DKK1,000)	Thomas Schulz		Roland M. Andersen		Annette Terndrup		Total Group Executive Management (registered executives)		Non-registered executives		Total Group Executive Management (all)	
	CEO		CFO		Head of Group Legal and Strategy							
Position												
Period as registered executive	Since May 2013		Since Jul 2020		Dec 2019-Jun 2020							
Base salary	9,378	98%	2,750	36%	1,140	89%	13,268	71%	17,338	54%	30,606	60%
Short-term incentive programme	375	4%	92	1%	96	7%	563	3%	1,039	3%	1,602	3%
Long-term incentive programme	(1,539)	-16%	155	2%	(84)	-7%	(1,468)	-8%	(829)	-3%	(2,297)	-5%
Other incentives	0	0%	4,583	60%	0	0%	4,583	25%	2,249	7%	6,832	13%
Benefits and social security charges	1,378	14%	104	1%	135	10%	1,617	9%	2,141	7%	3,758	7%
Termination and severance payments	0	0%	0	0%	0	0%	0	0%	10,220	32%	10,220	20%
Total remuneration 2020	9,592	100%	7,684	100%	1,287	100%	18,563	100%	32,158	100%	50,721	100%
Fixed share of base salary	9,658	103%	2,852	104%	1,275	112%	13,785	104%	19,240	111%	33,025	108%
Variable share of base salary	(66)	-1%	4,832	176%	12	1%	4,778	36%	12,918	75%	17,696	58%

Total remuneration 2019 – Group Executive Management

(DKK1,000)	Thomas Schulz		Lars Vestergaard		Annette Terndrup		Total Group Executive Management (registered executives)		Non-registered executives		Total Group Executive Management (all)	
	CEO		CFO		Head of Group Legal and Strategy							
Position												
Period as registered executive	Since May 2013		Apr 2014-Nov 2019		Since Dec 2019							
Base salary	9,378	85%	4,340	31%	190	86%	13,908	55%	14,785	82%	28,693	66%
Short-term incentive programme	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Long-term incentive programme	1,048	10%	417	3%	15	7%	1,480	6%	1,609	9%	3,089	7%
Other incentives	0	0%	0	0%	0	0%	0	0%	0	0%	0	0%
Benefits and social security charges	555	5%	176	1%	16	7%	747	3%	1,617	9%	2,364	5%
Termination and severance payments	0	0%	9,030	65%	0	0%	9,030	36%	0	0%	9,030	21%
Total remuneration 2019	10,981	100%	13,963	100%	221	100%	25,165	100%	18,011	100%	43,176	100%
Fixed share of base salary	9,540	102%	4,516	104%	206	108%	14,262	103%	16,402	111%	30,665	107%
Variable share of base salary	1,441	15%	9,447	218%	15	8%	10,903	78%	1,609	11%	12,513	44%

Remuneration 2020 from short-term incentive programme

The level of pay-out from the short-term incentive programme (STIP) is dependent on the achievement of two group KPI thresholds; group CFFO and group EBITA-margin.

If the threshold on group CFFO is not met, there is no pay-out on the applied financial KPIs. The group CFFO threshold was met and there is 2020 pay-out on applied financial KPIs if they meet threshold for pay-out in accordance with the defined pay-out ratio structure.

If the threshold on group EBITA-margin is not met, the full STIP pay-out (both financial KPIs and individual goals) will be reduced by 50%. The 2020 STIP pay-out has been reduced by 50%, as the achieved EBITA-margin was not met.

The STIP amounts are included for the executives for the period in which they have been in the position.

The individual goals for Thomas Schulz relate to driving a performance culture through the achievement of established cost and margin improvement programs and ensure new team members are onboarded and effectively leading their organizations.

As part of onboarding into the organization, Roland M. Andersen should establish a solid understanding of the finance organization and how it is operating today, roles, responsibilities, along with team competencies and experience. Drive a focus on cash and internal efficiency through the finance organization to ensure year end performance against expectations.

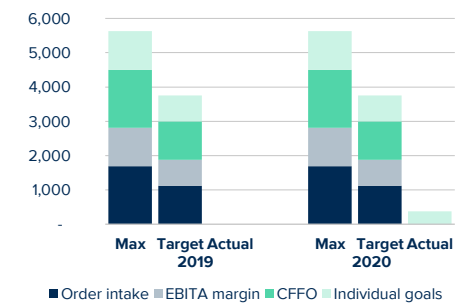
The individual goals for Annette Terndrup relate to driving a performance culture through the achievement of established cost improvement programs and ensure all planned M&A activities are completed as scheduled.

Remuneration 2020 from short-term incentive programme

(DKK1,000)	KPI	Weight	Actual achievement	Achievement of target	2020 pay-out	Pay-out Target	Pay-out Maximum	2019 pay-out
Thomas Schulz, CEO	Order intake	30%	18,524	Below target	0	1,125	1,688	0
	EBITA-margin	20%	4.7%	Below target	0	750	1,125	0
	CFFO	30%	1,421	Below target	0	1,125	1,688	0
	Individual goals	20%	Successful	On target	375	750	1,125	0
Roland M. Andersen, CFO	Order intake	30%	18,524	Below target	0	275	413	0
	EBITA-margin	20%	4.7%	Below target	0	183	275	0
	CFFO	30%	1,421	Below target	0	275	413	0
	Individual goals	20%	Successful	On target	92	183	275	0
Annette Terndrup, Head of Group Legal and Strategy	EBITA-margin	20%	4.7%	Below target	0	61	91	0
	CFFO	20%	1,421	Below target	0	61	91	0
	Group legal cost	20%	(91)	Below target	20	61	91	0
	Individual goals	40%	Above target	Above target	76	122	182	0
Group Executive Management (registered executives)					563	4,971	7,457	0
Non-registered executives					1,039	4,624	6,935	0
Group Executive Management (all)					1,602	9,595	14,392	0

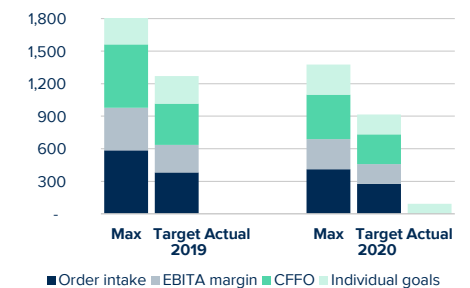
Thomas Schulz

STIP DKKk



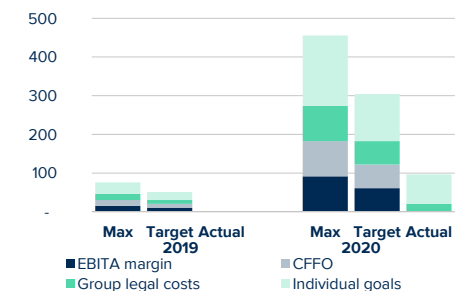
Lars Vestergaard/ Roland Andersen

STIP DKKk



Annette Terndrup

STIP DKKk



Remuneration 2020 from long-term incentive programme

Share options

Up until 2015 share options was granted to key employees of FLSmidth, including Group Executive Management.

The share option programme has been replaced by a performance share programme from year 2016 and onwards.

The share option programme had from the grant date a three year vesting period, followed by a three year exercise period.

The value of the programme was recognised as cost in the income statement over the three year vesting period.

The probability of the non-market vesting conditions being met was periodically estimated. Any change in the estimates impact the numbers of share options expected to vest.

During 2019 and 2020 Group Executive Management has exercised no share options.

The share price at 31 December 2020 was DKK 232.8 per share, resulting in the share options being out of the money.

The share options pertaining from the last share option programme from 2015 are exercisable until 2021, after which no share options will be outstanding.

The first table shows the number and value of the granted share options at grant date for programmes active during or by the end of 2020 for all members of Group Executive Management during or by the end of the year.

The second table shows the outstanding share options at the beginning and by the end of the year, including the movements during the year.

Granted share options – number and value at grant date

	Programme	Number of granted share options	Strike price	Value of granted share options (DKK1,000)	Vesting period	Exercise period
Thomas Schulz, CEO	Options 2014	30,135	325.20	9,800	2014-2017	2017-2020
	Options 2015	30,211	279.00	8,429	2015-2018	2018-2021
Roland M. Andersen, CFO	N/A	-	-	-	-	-
Annette Terndrup, Head of Group Legal and Strategy	Options 2014	7,523	325.20	2,446	2014-2017	2017-2020
	Options 2015	7,580	279.00	2,115	2015-2018	2018-2021
Group Executive Management (registered executives)		75,449		22,790		
Non-registered executives	Options 2014	20,079	325.20	6,530	2014-2017	2017-2020
	Options 2015	27,258	279.00	7,605	2015-2018	2018-2021
Group Executive Management (all)		122,786		36,925		

Exercisable share options and movements during the year

	Number of share options outstanding 1 January 2020	Exercised share options	Lapsed share options	Change in position	Number of share options outstanding 31 December 2020	Value of share options outstanding 31 December 2020 (DKK1,000)
Thomas Schulz, CEO	30,211	-	-	-	30,211	534
Roland M. Andersen, CFO	-	-	-	-	-	-
Annette Terndrup, Head of Group Legal and Strategy	7,580	-	-	(7,580)	-	-
Group Executive Management (registered executives)	37,791	-	-	(7,580)	30,211	534
Non-registered executives	12,098	-	-	22,740	34,838	616
Group Executive Management (all)	49,889	-	-	15,160	65,049	1,150

Remuneration 2020 from long-term incentive programme

Performance share units

In 2016 a performance share programme was introduced. The performance share programme is a three year programme, where performance share units (PSUs) are awarded to all participants when the programme commences.

The value of the awarded PSUs are measured at fair value of the equity instruments granted when the programme commences. Based on the grant date value the cost is recognised in the income statement over the three year vesting period.

The probability of the non-market vesting conditions being met is periodically estimated. Any change in the estimates will impact the number of PSUs expected to vest. Additionally, changes to the estimates will also change the cost over the remaining course of the programme.

The cost reflected in the remuneration overview is the cost calculated in accordance with IFRS 2 and not the value of neither the granted nor vested PSUs during the year.

The first table shows, the granted PSUs for programmes active during or by the end of 2020 for all members of Group Executive Management during or by the end of the year.

The second table shows the PSUs movements during the year and the unvested PSUs by the end of the year.

Granted performance share units – number and value at grant date

	Programme	Number of granted PSUs	Share price	Value of granted PSUs (DKK1,000)	Performance period	Vesting date
Thomas Schulz, CEO	PSU 2017	9,408	354.09	3,331	2017-2019	2020
	PSU 2018	11,053	385.70	4,263	2018-2020	2021
	PSU 2019	15,322	306.04	4,689	2019-2021	2022
	PSU 2020	18,863	256.04	4,830	2020-2022	2023
Roland M. Andersen, CFO	PSU 2020	10,740	256.04	2,750	2020-2022	2023
Annette Terndrup, Head of Group Legal and Strategy	PSU 2017	1,447	354.09	512	2017-2019	2020
	PSU 2018	1,250	385.70	482	2018-2020	2021
	PSU 2019	1,669	306.04	511	2019-2021	2022
	PSU 2020	2,671	256.04	684	2020-2022	2023
Group Executive Management (registered executives)		72,423		22,052		
Non-registered executives	PSU 2017	8,724	354.09	3,089	2017-2019	2020
	PSU 2018	7,454	385.70	2,875	2018-2020	2021
	PSU 2019	15,742	306.04	4,818	2019-2021	2022
	PSU 2020	19,968	256.04	5,113	2020-2022	2023
Group Executive Management (all)		124,311		37,947		

Performance share units and movements during the year

	Number of PSUs 1 January 2020	Granted PSUs	Vested PSUs	Adjusted PSUs	Change in position	Number of PSUs 31 December 2020
Thomas Schulz, CEO	19,998	18,863	(7,815)	(20,785)	-	10,261
Roland M. Andersen, CFO	-	10,740	-	(4,897)	-	5,843
Annette Terndrup, Head of Group Legal and Strategy	2,526	2,671	(1,202)	(2,542)	(1,453)	0
Group Executive Management (registered executives)	22,524	32,274	(9,017)	(28,224)	(1,453)	16,104
Non-registered executives	8,585	19,968	(7,245)	(15,404)	6,412	12,316
Group Executive Management (all)	31,109	52,242	(16,262)	(43,628)	4,959	28,420

Remuneration 2020 from long-term incentive programme

All active performance share programmes have the following vesting conditions. The pay-out of the entire programme is dependent on achieving a minimum EBITA-margin threshold:

KPI programme overview	KPI	Weight
	EBITA-margin	50,0%
	NWC ratio	50,0%

A new performance share programme was granted in 2020. The 2020 programme had a fair value of DKK 8,263k at grant, equivalent to 32,274 PSU, for registered executives.

During 2020 the performance share units from the 2017 programme vested. The number of vested performance share units is equivalent to a total KPI achievement level slightly above target. The registered executives vested 9,017 PSUs with a value of DKK 2,309k.

The LTIP pay-out in 2020 was equivalent to 21% of the annual base salary for Thomas Schulz.

For Annette Terndrup the LTIP pay-out was equivalent to 14% of the annual base salary.

Roland M. Andersen did not receive any LTIP pay-out during 2020.

KPI achievement of performance share units vested in 2020

KPI programme overview	KPI	Weight	Actual achievement	Achievement of target
PSU 2017	EBITA-margin	50,0%	8,3%	Above target
	NWC ratio	50,0%	11,7%	Below target

Value of performance share units in 2020

(DKK1,000)	IFRS 2 cost during the year	Value of granted PSUs during the year	Value of vested PSUs during the year	Value of PSUs at 31 December 2020
Thomas Schulz, CEO	(1,539)	4,830	2,001	2,389
Roland M. Andersen, CFO	155	2,750	0	1,360
Annette Terndrup, Head of Group Legal and Strategy	(84)	684	308	0
Group Executive Management (registered executives)	(1,468)	8,264	2,309	3,749
Non-registered executives	(829)	5,113	1,855	2,867
Group Executive Management (all)	(2,297)	13,377	4,164	6,616

HOLDING OF SHARES

Shareholdings by the Board

The members of the Board of Directors are not part of any share incentive programme in FLSmidth in their capacity as members of the Board of Directors.

The employee elected members of the Board of Directors may be part of a long-term incentive programme (share option or performance share) in FLSmidth in their capacity as employees of FLSmidth.

Additionally, the shareholdings for employee-elected members of the Board of Directors may include any shares acquired by the individual member.

At 31 December 2020 the members of the Board of Directors holds shares in FLSmidth & Co. A/S as follows:

All shareholdings have been acquired by the individual members of the Board of Directors.

Board of Directors	Shareholdings 1 January 2020	Additions during the year	Disposals during the year	Change in position	Shareholdings 31 December 2020	Market value 31 December 2020 (DKK1,000)
Vagn Sørensen, Chair	10,633	6,332	-	-	16,965	3,949
Tom Knutzen, Vice chair	15,000	5,000	-	-	20,000	4,656
Richard Robinson Smith	1,000	-	-	-	1,000	233
Anne Louise Eberhard	1,000	1,000	-	-	2,000	466
Gillian Dawn Winckler	-	1,000	-	-	1,000	233
Thrasylvoulos Moraitis	-	1,000	-	-	1,000	233
Mette Dobel, employee-elected	864	-	-	-	864	201
Søren Dickow Quistgaard, employee-elected	65	-	-	-	65	15
Claus Østergaard, employee-elected	429	-	-	-	429	100
Board of Directors	28,991	14,332	-	-	43,323	10,086

Board of Directors	Shareholdings 1 January 2019	Additions during the year	Disposals during the year	Change in position	Shareholdings 31 December 2019	Market value 31 December 2019 (DKK1,000)
Vagn Sørensen, Chair	9,501	1,132	-	-	10,633	2,822
Tom Knutzen, Vice chair	12,500	2,500	-	-	15,000	3,981
Richard Robinson Smith	1,000	-	-	-	1,000	265
Anne Louise Eberhard	1,000	-	-	-	1,000	265
Gillian Dawn Winckler	-	-	-	-	-	-
Thrasylvoulos Moraitis	-	-	-	-	-	-
Caroline Grégoire Sainte Marie	500	-	-	(500)	-	-
Marius Jacques Kloppers	-	-	-	-	-	-
Mette Dobel, employee-elected	864	-	-	-	864	229
Søren Dickow Quistgaard, employee-elected	65	-	-	-	65	17
Claus Østergaard, employee-elected	429	-	-	-	429	114
Board of Directors	25,859	3,632	-	(500)	28,991	7,693

Shareholdings by the Executive Management

The Group CEO shall be required to hold a certain portion of vested shares from the long-term incentive programme until a target portfolio of company shares has been achieved. The target portfolio of shares (market value) shall correspond to 50% of the annual base salary.

The Group CEO is expected to build up this portfolio over a maximum of five (5) years from the adoption of this policy in (commencement in 2020).

The market value of the shareholding at 31 December 2020 corresponds to 70% of the 2020 fixed base salary for the CEO. This adds to the close alignment of interests with shareholders.

The CFO holds no shares by the end of 2020.

At 31 December 2020 the members of the Group Executive Management holds shares in FLSmidth & Co. A/S as follows:

	Shareholdings 1 January 2020	Additions during the year	Disposals during the year	Change in position	Shareholdings 31 December 2020	Market value 31 December 2020 (DKK1,000)
Group Executive Management						
Thomas Schulz, CEO	18,323	9,815	-	-	28,138	6,551
Roland M. Andersen, CFO	-	-	-	-	-	-
Annette Terndrup, Head of Group Legal and Strategy	1,344	1,202	-	(2,546)	-	-
Group Executive Management (registered executives)	19,667	11,017	-	(2,546)	28,138	6,551
Non-registered executives	2,798	5,646	-	7,515	15,959	3,715
Group Executive Management (all)	22,465	16,663	-	4,969	44,097	10,266

	Shareholdings 1 January 2019	Additions during the year	Disposals during the year	Change in position	Shareholdings 31 December 2019	Market value 31 December 2019 (DKK1,000)
Group Executive Management						
Thomas Schulz, CEO	6,510	11,813	-	-	18,323	4,863
Lars Vestergaard, former CFO	2,393	4,143	-	(6,536)	-	-
Annette Terndrup, Head of Group Legal and Strategy	-	-	-	1,344	1,344	357
Group Executive Management (registered executives)	8,903	15,956	-	(5,192)	19,667	5,220
Non-registered executives	-	4,142	-	(1,344)	2,798	743
Group Executive Management (all)	8,903	20,098	-	(6,536)	22,465	5,962

STATEMENT BY THE BOARD OF DIRECTORS

The Board of Directors have today considered and approved the remuneration report of FLSmidth & Co. A/S for the financial year 2020.

The remuneration report has been prepared in accordance with section 139 b of the Danish Companies Act.

In our opinion, the remuneration report provides a fair presentation of the remuneration that the individual management members were awarded during or for the benefit of the financial year 2020, and the remuneration report explains how the overall remuneration is in accordance with the agreed remuneration policy, including how the remuneration contributes towards promoting the business strategy, long-term interests, sustainability and creation of value in the Company by supporting the Company's short- and long-term objectives.

The remuneration report will be presented at the Annual General Meeting for an advisory vote.

Valby, 10 February 2021

Board of directors

Vagn Sørensen
Chairman

Tom Knutzen
Vice chairman

Gillian Dawn Winckler

Thrasylvoulos Moraitis

Richard Robinson Smith

Anne Louise Eberhard

Mette Dobel

Søren Dickow Quistgaard

Claus Østergaard

INDEPENDENT AUDITOR'S REPORT ON THE REMUNERATION REPORT

To the shareholders of FLSmidth & Co. A/S

We have examined whether the remuneration report of FLSmidth & Co. A/S for the period 1 January – 31 December 2020 contains the disclosures required pursuant to section 139b(3) of the Danish Companies Act and whether the disclosures made in the remuneration report tables included on pages 4-6 and pages 10-16 as well as the appendix (pages 19-20) on remuneration, share options, performance share units, holding of shares and financial performance are accurate.

The degree of assurance we express in this report is reasonable.

The Board of Directors' responsibility for the remuneration report

The Board of Directors is responsible for the preparation of the remuneration report in accordance with section 139b(3) of the Danish Companies Act.

The Board of Directors is also responsible for such internal control as the Board of Directors determines is necessary to enable the preparation of a remuneration report that is free from material misstatement, whether due to fraud or error.

Auditor's independence and quality control

We are independent of the Company in accordance with the International Code of Ethics for Professional Accountants issued by the International Ethics Standards Board for Accountants (IESBA Code) and the ethical requirements of laws and regulations applicable in Denmark, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code, which rely on general principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.

We are subject to the International Standard on Quality Control, ISQC 1, and thus use a comprehensive quality control system, documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable requirements of Danish law and other regulations.

Auditor's responsibilities

Our responsibility is to express a conclusion on the remuneration report based on our examinations. We performed our work in accordance with ISAE 3000 Assurance Engagements Other than Audits or Reviews of Historical Financial Information and additional requirements under Danish audit regulation to obtain reasonable assurance for our conclusion.

As part of our examinations, we performed the below procedures:

- We verified whether the remuneration report, to the extent relevant, contains the disclosures required pursuant to section 139b(3)(i)-(vi) of the Danish Companies Act regarding the remuneration of each member of Management.
- We reconciled the financial highlights for the Group and Parent company contained in the remuneration report to financial highlights included in the annual report for the financial year 2020 and other relevant financial information included in the annual report for the financial year 2020, and on a sample basis, we recalculated the average remuneration based on full-time equivalents of other employees than the registered executives.
- We examined Management's process for compilation, summation and presentation of disclosures on remuneration of the Group Executive Management and the Board of Directors and reconciled, on a sample basis, the disclosures to supporting agreements and records.
- We examined Management's process for compilation, summation and presentation of disclosures on the Group Executive Management's share options and performance share units and reconciled, on a sample basis, the disclosures to supporting agreements and records.
- We examined Management's process for compilation, summation and presentation of disclosures on the Board of Directors' and the Group Executive Management's holding of shares and verified, on a sample basis, the disclosures to supporting documentation.

We believe that our work provides a reasonable basis for our conclusion.

Conclusion

In our opinion, the remuneration report contains, in all material respects, the disclosures required pursuant to section 139b(3) of the Danish Companies Act, and the disclosures made in the remuneration report tables included on pages 4-6 and pages 10-16 as well as the appendix (pages 19-20) on remuneration, share options, performance share units, holding of shares and financial performance are accurate.

Copenhagen, 10 February 2021
EY Godkendt Revisionspartnerselskab
CVR no. 30 70 02 28

Henrik Kronborg Iversen

State Authorised
Public Accountant
mne24687

Jens Thordahl Nøhr

State Authorised
Public Accountant
mne32212

APPENDIX

5 year remuneration overview

The below tables shows the development in the remuneration over the past five financial years for the Board of Directors, Group Executive

Management and average remuneration for employees in FLSmidth & Co. A/S and the Group's employees in Denmark, respectively.

The change in remuneration in % is calculated on an annual basis.

REMUNERATION 2016-2020

Board of Directors	Period	2016	2017	2018	2019	2020		2016	2017	2018	2019	2020
Vagn Sørensen, Chair	AGM 2009-	NC chair	NC chair	NC chair	NC chair	NC chair	Remuneration	1,200	1,350	1,350	1,350	1,350
		CC chair	CC chair	CC chair	CC chair	CC chair	Change %	0.0%	12.5%	0.0%	0.0%	0.0%
Tom Knutzen, Vice chair	AGM 2012-	AC chair	AC chair	AC chair	AC chair	AC chair	Remuneration	600	844	900	900	900
			NC, CC	NC, CC	NC, CC	NC, CC	Change %	0.0%	40.7%	6.6%	0.0%	0.0%
Richard Robinson Smith	AGM 2016-	TC	TC chair	TC chair	TC chair	TC chair	Remuneration	375	650	675	675	675
							Change %	-	30.0%	3.8%	0.0%	0.0%
Anne Louise Eberhard	AGM 2017-		AC	AC	AC	AC	Remuneration	-	432	575	575	575
							Change %	-	-	0.0%	0.0%	0.0%
Gillian Dawn Winckler	AGM 2019-				AC	AC	Remuneration	-	-	-	431	575
							Change %	-	-	-	-	0.0%
Thrasylvoulos Moraitis	AGM 2019-				NC, CC,	NC, CC,	Remuneration	-	-	-	618	825
					TC	TC	Change %	-	-	-	-	0.0%
Mette Dobel, employee-elected member	AGM 2009-						Remuneration	400	450	450	450	450
							Change %	0.0%	12.5%	0.0%	0.0%	0.0%
Søren Dickow Quistgaard, employee-elected member	AGM 2013-		TC	TC	TC	TC	Remuneration	400	544	575	575	575
							Change %	0.0%	36.0%	5.7%	0.0%	0.0%
Claus Østergaard, employee-elected member	AGM 2017-						Remuneration	-	413	450	450	450
							Change %	-	-	9.0%	0.0%	0.0%
Torkil Bentzen, former Vice chair	AGM 2002-2017	TC chair					Remuneration	800	225	-	-	-
		NC, CC					Change %	0.0%	12.5%	-	-	-
Martin Ivert	AGM 2008-2016						Remuneration	125	-	-	-	-
							Change %	0.0%	-	-	-	-
Sten Jakobsen	AGM 2011-2017	AC					Remuneration	500	144	-	-	-
							Change %	0.0%	15.2%	-	-	-
Caroline Grégoire Sainte Marie	AGM 2012-2019	AC, TC	AC, TC	AC, TC			Remuneration	575	700	700	175	-
							Change %	15.0%	21.7%	0.0%	0.0%	-
Marius Jacques Kloppers	AGM 2016-2019	NC, CC	NC, CC	NC, CC			Remuneration	450	700	825	207	-
							Change %	-	55.6%	17.9%	0.0%	-
Jens Peter Koch, employee-elected member	AGM 2013-2017	TC					Remuneration	475	144	-	-	-
							Change %	18.8%	21.3%	-	-	-
								5,900	6,596	6,500	6,406	6,375

CEO / Employee ratio

In 2020, the CEO remuneration was 2.5 times the average FTE compensation in the parent company.

All members of Group Executive Management, both registered and non-registered executives are the only persons who receive remuneration from the parent company.

In 2020, the CEO remuneration was 11.9 times the average FTE compensation in all group entities located in Denmark.

The change in remuneration in % is calculated on an annual basis.

Group Executive Management	Period		2016	2017	2018	2019	2020
Thomas Schulz, CEO	May 2013-	Remuneration	10,049	13,818	15,404	10,981	9,592
		Change %	9.4%	37.5%	11.5%	-28.7%	-12.6%
Roland M. Andersen, CFO	July 2020-	Remuneration	-	-	-	-	7,684
		Change %	-	-	-	-	-
Annette Terndrup, Head of Group Legal and Strategy	Dec 2019-Jun 2020	Remuneration	-	-	-	221	1,287
		Change %	-	-	-	-	6.9%
Lars Vestergaard, former CFO	Apr 2014-Nov 2019	Remuneration	5,115	6,939	7,661	13,963	-
		Change %	19.7%	35.7%	10.4%	87.6%	-
Group Executive Management (registered executives)			15,164	20,757	23,065	25,165	18,563
Non-registered executives		Remuneration	26,000	43,645	20,045	18,011	32,158
		Change %	8.3%	67.9%	-54.1%	-10.1%	78.5%
Group Executive Management (all)			41,164	64,402	43,110	43,176	50,721

CEO/employee remuneration ratio

CEO/employee ratio, FLSmidth & Co. A/S	2.5	3.2	4.1	3.3	2.5
CEO/employee ratio, Denmark	13.4	17.1	19.7	13.8	11.9

Average remuneration of employees

FLSmidth & Co. A/S, parent company only	Remuneration	4,012	4,381	3,738	3,366	3,883
	Change %	-	9.2%	-14.7%	-10.0%	15.4%
Denmark	Remuneration	752	809	783	798	807
	Change %	-	7.6%	-3.2%	1.9%	1.1%
Women in Denmark	Remuneration	638	686	664	668	670
	Change %	-	7.5%	-3.2%	0.6%	0.3%
Men in Denmark	Remuneration	791	849	824	844	852
	Change %	-	7.3%	-2.9%	2.4%	0.9%

Financial performance - Group

Order intake	18,303	19,170	21,741	19,554	18,524
Order intake growth	-1.0%	4.7%	13.4%	-10.1%	-5.3%
EBITA-margin	7.1%	8.4%	8.5%	8.1%	4.7%
EBITA-margin growth	-11.3%	18.3%	1.2%	-4.7%	-42.0%
Net working capital	2,099	1,833	2,200	2,739	1,752
Change in net working capital	-18.7%	-12.7%	20.0%	24.5%	-36.0%

Financial performance - Parent

Profit/loss for the year	316	694	(358)	(42)	(6)
Change in profit/loss for the year	-65.9%	119.6%	-151.6%	88.3%	85.7%

Remuneration Report 2020
1 January - 31 December 2020

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Vagn Ove Sørensen

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

Vagn Ove Sørensen, age 61, 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 Air Canada* (CA) and Scandlines Infrastructure Aps (DK). Member of the Board of Directors of CP Dyvig & Co. A/S (DK), VFS Global (CH), Unilode Aviation Solutions (CH), Royal Caribbean Cruises Ltd.** (USA), Braganza AS (SE) and CNH Industrial** (NLD). Member of the Strategic Advisory Board of Nordic Aviation Capital (IR). Senior Advisor to EQT Partners and Morgan Stanley.

Board status (as defined by the Committee on Corporate Governance):
Independent. *Shareholding in FLSmidth & Co. A/S:* 16,965

Background

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

Education

MSc (Economics and Business Administration), Aarhus Business School

Special competencies in relation to FLSmidth

CEO (Operational) Experience; Strategy Development; M&As, Joint Ventures, Alliances; Capital Markets, Listed Company Experience; Safety, Health, Environment, Sustainability.

Tom Knutzen

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

Tom Knutzen, age 58, Danish, member of the Board of Directors of FLSmidth & Co. A/S** elected at the Annual General Meeting since 2012. Vice Chairman of the Board since 2017.



Executive posts

Besides his post at FLSmidth & Co. A/S, Tom Knutzen is Chairman of the Boards of Directors at Tivoli A/S** (DK) and Chr. Augustinus Fabrikker A/S (DK) and CEO of Jungbunzlauer Suisse AG (CH).

Board status (as defined by the Committee on Corporate Governance):
Independent. *Shareholding in FLSmidth & Co. A/S:* 20,000

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 (Operational) Experience; Finance, Audit Committee, Accounting, Treasury; M&As, Joint Ventures, Alliances; Capital Market, Listed Company Experience; Related Industrial Experience.

Richard Robinson Smith

(Rob Smith)

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

Rob Smith, age 55, German-American, member of the Board of Directors of FLSmidth & Co. A/S** elected at the Annual General Meeting since 2016.



Executive posts

President & Chief Executive Officer, Konecranes PLC (FIN).

Board status (as defined by the Committee on Corporate Governance):
Independent. *Shareholding in FLSmidth & Co. A/S:* 1,000

Background

2020- President & Chief Executive officer, Konecranes PLC
2013-2019 Senior Vice President & General Manager at AGCO Corporation
2007-2013 TRW Automotive, VP and General Manager, Engine Components
2005-2006 TYCO Electronics, VP Global Automotive Division
2002-2005 Bombardier Transportation, VP and General Manager, Services Material Solutions
2000-2001 Dell Computer Corporation, Director, Materials, Supply Chain Management
1994-2000 Lucas Industries/Lucas Varsity
1987-1991 United States Army

Education

2001 PhD International Operations Management, WHU – Graduate School of Management
1994 HD, International Operations Management, WHU – Graduate School of Management
1992 MBA, Økonomi, University of Texas at Austin, Graduate School of Business
1987 BSc Engineering, Princeton University

Special competencies in relation to FLSmidth

CEO (Operational) Experience; Strategy Development; Digital Transformation, Technology Advancement; Related Industrial Experience; Service, Aftermarket Experience.

*) Listed company

**) Listed company with committee work

Anne Louise Eberhard

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

Anne Louise Eberhard, age 57, Danish, member of the Board of Directors of FLSmidth & Co. A/S** elected at the Annual General Meeting since 2017.



Executive posts

Chairman of the Board of Directors of Moneyflow Group A/S (DK) and Moneyflow 1 A/S (DK), Vice Chairman of the Board of Directors of Finansiell Stabilitet SOV (DK), member of the Boards of Directors of Topdanmark A/S** (DK) and Topdanmark Forsikring A/S (DK), Bavarian Nordic A/S** (DK), Knud Højgaards Fond (DK), Knud Højgaards Hus A/S (DK) and Højgaard Ejendomme A/S (DK), VL52 ApS (DK), Director of EA Advice ApS (DK), and Faculty Member at Copenhagen Business School (CBS Executive, Board Educations).

Board status (as defined by the Committee on Corporate Governance):
Independent. *Shareholding in FLSmidth & Co. A/S:* 2,000

Background

2016-2018 Chief Commercial Officer and member of the General Management Team, Intrum Justitia AB (and Lindorff AS)
2015-2017 Board Member and Member of the Risk and Audit Committee, Sampension KP Livsforsikring and Sampension Administrationselskab A/S
2015-2017 Board Member, Solix Group AB
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, IT (Informatics) & Management Accounting, Copenhagen Business School

Special competencies in relation to FLSmidth

Finance, Audit Committee, Accounting, Treasury; M&As, Joint Ventures, Alliances; Risk Management, Legal, Compliance; Digital Transformation, Technology Advancement; Commercial and Project Excellence.

Gillian Dawn Winckler

(Gill Winckler)

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

Gill Winckler, age 58, British/Canadian, member of the Board of Directors of FLSmidth & Co. A/S** elected at the Annual General Meeting since 2019.



Executive posts

Member of the Board of Directors at Pan American Silver Corporation** (CA) and West Fraser Timber Limited** (CA), and member of the Board of Directors for Trans Canada Trail (CA), and BC Parks Foundation (CA), both nonprofit organisations.

Board status (as defined by the Committee on Corporate Governance):
Independent. *Shareholding in FLSmidth & Co. A/S:* 1,000

Background

2012-2015 CEO, Coalspur Limited
1997-2012 Various managerial and executive positions in BHP Billiton
1992-1997 Corporate Financier with Standard Merchant Bank and Standard Bank London
1990-1992 Audit Manager KPMG, London
1987-1990 Article Clerk, Deloitte Johannesburg

Education

1987 Final Qualifying Exam for Chartered Accountancy
1986 B Acc and Comm (Honours), University of Cape Town
1982 BSc, University of Witwatersrand

Special competencies in relation to FLSmidth

CEO (Operational) Experience; Finance, Audit Committee, Accounting, Treasury; M&As, Joint Ventures, Alliances; Capital Markets, Listed Company Experience; Cement and Mining Industry Knowledge and Experience.

Thrasvoulos Moraitis

(Thras Moraitis)

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

Thras Moraitis, age 58, British/Greek, member of the Board of Directors of FLSmidth & Co. A/S** elected at the Annual General Meeting since 2019.



Executive posts

Chief Development Officer and member of the Management Board of EuroChem (CH), Member of the Board of Directors of Reload Greece Foundation (UK).

Board status (as defined by the Committee on Corporate Governance):
Independent. *Shareholding in FLSmidth & Co. A/S:* 1,000

Background

2020- Chief Development Officer, EuroChem
2016-2019 Executive Director, Feed Algae Ltd.
2013-2016 X2 Resources LLP (Co-founder)
2002-2013 Xstrata Plc, member of the Executive Committee from 2007
1993-2002 Global Partner at the Monitor Group
1990-1993 SMC Group (Co-founder)
1986-1989 Detonix (Co-founder)
1985-1986 Military Service
1984-1985 Engineer in training, Gencor Ltd.

Education

1989 MBA, University of the Witwatersrand
1986 Post-graduate Diploma in Computer Science, University of the Witwatersrand
1984 BSc (Elec) Engineering, University of Witwatersrand

Special competencies in relation to FLSmidth

Strategy Development; M&As, Joint Ventures, Alliances; Capital Markets, Listed Company Experience; Cement and Mining Industry Knowledge, Experience; Commercial and Project Excellence.

*) Listed company

**) Listed company with committee work

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 Securities A/S, CVR No. 21 59 93 36. 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 25 March 2025.

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 25 March 2025.

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.

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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 Securities A/S, CVR No. 21 59 93 36. 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 24 March 2026.

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 24 March 2026.

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, 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

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 *and be paid in full*. 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.

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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.

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. Advisory vote on the Remuneration Report
5. Election of members to the Board of Directors
6. Appointment of auditor(s)
7. Other business proposed by the Board and/or by shareholders
8. 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

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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.

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

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Article 9

If the Board of Directors finds it appropriate, and if the general meeting can be conducted in a technically safe manner, the Board of Directors may decide that the general meeting shall be held partially or fully as an electronic general meeting. If so decided, shareholders will be able to attend, express their opinion and vote at the general meeting by electronic means. Detailed information on the procedures for electronic attendance and participation will be made available on the company's website and in the relevant notices convening the general meetings, and written information on the subject will also be sent to all shareholders recorded in the Company's register of shareholders who have requested so.

Article 10

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.

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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 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.

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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 15

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

Article 16

The financial year of the Company is the calendar year.

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

Article 17

The financial year of the Company is the calendar year.

To be adopted at the Company's Annual General Meeting on 24 March 2021.