

The Nomination Committee's statement

The Nomination Committee has been active in evaluating the present Board of Atlas Copco AB prior to making the proposal to the Annual General Meeting 2017. This is a continuation of the work started in 2015, when the Nomination Committee decided to prepare a successive renewal and rejuvenation of the Board. The Nomination Committee, which has been unchanged since 2015, has met six times ahead of the 2017 AGM.

Board member Margareth Övrum has informed the Nomination Committee that she declines re-election at the AGM 2017. The Nomination Committee has sought a replacer who has a global industrial background and has worked actively with digitalization. During the autumn of 2016 the Nomination Committee contracted an external consultant to assist in the search for a suitable candidate.

At the beginning of 2017, Atlas Copco's CEO Ronnie Leten announced that he will retire at the company's AGM 2017 and consequently leave the board. Atlas Copco's board has appointed Mats Rahmström as the new CEO from April 27, 2017.

The Nomination Committee has agreed to propose the election of Tina Donikowski and Mats Rahmström as new directors of the board.

Tina Donikowski was recruited by General Electric in 1977 and during a long career within GE she has held a number of management positions, primarily within GE Transportation, a subsidiary which includes manufacturing of trains, engines and mining products. An important success factor for GE Transportation has been to stay on the leading edge in digitalization. In addition to deep knowledge and long experience from a truly global business, Tina Donikowski contributes with a thorough knowledge and understanding about North America, one of Atlas Copco's largest markets.

Mats Rahmström joined Atlas Copco in 1988. He has been General Manager for customer centres in Sweden, Canada and England, has been President for a division and is since 2008 President of the Industrial Technique Business Area and member of Group Management.

The Nomination Committee has continued to focus on diversity, independence and gender balance in line with the requirement in the Swedish corporate governance code that the Committee shall apply a diversity policy. The Nomination Committee has, in this respect, decided to apply section 4.1 in the governance code, which states that the board should exhibit diversity and breadth regarding qualification, experience and background. In addition, gender balance should be strived for.

The Nomination Committee believes that the proposed Board reflects a broad and complementary experience from a number of important business sectors and global markets as well as a composition characterised by diversity and breadth. A number of board members have an extensive experience from metal and mechanical engineering business with a global reach. An important aspect for the Nomination Committee has been to form a strong team

where members complement each other and hereby constitutes best possible support for the company's executives.

A continued focus point for the Nomination Committee is to create gender balance in the Board. Among the proposed Board members, who are not employed by the company, there are three women and five men, which constitute 38% women and 62% men. The Nomination Committee will continue its work for increased gender balance.