

ATLAS COPCO AB - ANNUAL GENERAL MEETING 2007

Item 14 The Board of Directors' complete proposal for a resolution on (A.) acquisition of own shares and (B.) transfer of own shares, etc.

(The number of shares stated below reflects the situation **prior** to the stock split 3:1 and the mandatory redemption.)

Background

The Board of Directors of Atlas Copco AB (the "Company") makes the assessment that it is advantageous for the Company to be able to use already repurchased shares in connection with the Company's personnel option program 2006 as well as the personnel option program for 2007 proposed by the Board of Directors. In view of the above, the Board of Directors proposes that the Annual General Meeting resolves in accordance with the following.

A. Acquisition of own Series A shares

The Board of Directors proposes that the Annual General Meeting resolves to authorise the Board, for a period up until the next Annual General Meeting, to resolve on an acquisition of shares in the Company, on one or more occasions, in order to be able to fulfil the obligation to deliver shares under the Company's personnel option program 2006 as well as the proposed personnel option program 2007 in accordance with the following.

1. The Company may repurchase a maximum of 3,200,00 shares of Series A, corresponding to a maximum of 0.5 per cent of the total number of shares in the Company.
2. The shares may only be acquired on the Stockholm Stock Exchange.
3. A repurchase of shares on the Stockholm Stock Exchange may only be made at a price per share that falls within the registered price interval for the share at each given time.

The Board's statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act is enclosed as Enclosure A.

B. Transfer of already owned Series B shares and of Series A shares

(i) The Board proposes that the Annual General Meeting resolves to authorise the Board to, during the period up until the next Annual General Meeting, resolve to transfer shares in the Company, on one or several occasions, with the object to cover costs for acquiring own shares of Series A according to Section A. above, to cover cash set-offs for the case no delivery of shares of Series A can be made according to the terms and conditions of the Company's personnel option programs or in order to fulfil alternative incentive solutions in countries where allocation of personnel options is not possible, and to cover costs, primarily social security charges, according to the following.

1. Transfer may be made of a maximum of 4,414,200 shares of Series B, corresponding to a maximum of 0.7 per cent of the total number of shares in the Company.
2. The shares may only be transferred on the Stockholm Stock Exchange.

3. A transfer of shares on the Stockholm Stock Exchange may only be made at a price per share that falls within the registered price interval for the share at each given time.

(ii) The Board also proposes that the Annual General Meeting resolves to transfer shares in the Company in relation to the Company's personnel option program 2006 according to the following.

1. A maximum of 1,600,000 shares of Series A may be transferred.
2. Right to acquire shares is to be granted to the persons participating in the Company's personnel option program 2006, with a right for each participant to acquire the maximum number of shares stipulated in the terms and conditions of the Company's personnel option program 2006.
3. The participants' right to receive shares is conditional upon all terms and conditions of the Company's personnel option program 2006 being fulfilled.
4. Shares are to be transferred on the terms and conditions stipulated by the Company's personnel option program 2006, meaning inter alia, that what is there stated regarding price and time during which the participants are to be entitled to use their right to acquire shares is also applicable to the transfer. Participants are to pay for the shares within the time and on the terms stipulated in the personnel option program 2006.
5. With respect to the number of shares that may be transferred under the Company's personnel option program 2006, customary terms for recalculation as a result of bonus issue, share split, rights issues and similar measures in accordance with the terms and conditions of the personnel option program.

(iii) The Board further proposes that the Annual General Meeting resolves to transfer shares in the Company in relation to the Company's personnel option program 2007 according to the following.

1. A maximum of 1,600,000 shares of Series A may be transferred.
2. Right to acquire shares shall be granted to the persons participating in the Company's proposed personnel option program 2007, with a right for each participant to acquire the maximum number of shares stipulated in the terms and conditions of the Company's personnel option program 2007.
3. The participants' right to receive shares is conditional upon all terms and conditions of the Company's proposed personnel option program 2007 being fulfilled.
4. Shares are to be transferred on the terms and conditions stipulated in the Company's proposed personnel option program 2007, meaning inter alia, that what is there stated regarding price and time during which the participants are to be entitled to use their right to acquire shares is also applicable to the transfer. Participants are to pay for the shares within the time and on the terms stipulated in the personnel option program 2007.
5. With respect to the number of shares that may be transferred under the Company's personnel option program 2007, customary terms for recalculation as a result of bonus issue, share split, rights issues and similar measures in accordance with the terms and conditions of the personnel option program.

The reasons for deviation from the shareholders' preferential rights and the basis for determination of transfer prices for transfers of own shares are as follows. The transfer of own shares is an integrated part of the previously implemented personnel option program as well as the personnel option program proposed for the Annual General Meeting 2007. The basis for determination of the applicable transfer prices follows from the proposals by the Board set out above.

In order for a resolution by the General Meeting in accordance with the Board's proposal according to Section A. above to be valid, the resolution must be supported by shareholders holding at least two-thirds of the votes cast as well as the shares represented at the General Meeting. In order for a resolution by the General Meeting in accordance with the proposals under Section B. above to be valid, the resolutions must be supported by shareholders holding at least nine tenths of the votes cast as well as the shares represented at the General Meeting.