

## **Appendix 5**

**To**

### **MINUTES FROM ATLAS COPCO AB – ANNUAL GENERAL MEETING 24 APRIL 2008**

#### **ATLAS COPCO AB**

##### **Guiding principles for remuneration for senior executives**

The term "senior executives" covers the President and the other seven members in the Group management team.

The proposal of the Board for 2008, which is in compliance with the principles of previous years and are based on agreements already entered into between Atlas Copco and respective employee, is as follows.

The Remuneration to the senior executives shall consist of a base salary, variable compensation, long term incentive (personnel options) program, pension premium and additional benefits.

The base salary is reflects the position, qualification and individual performance.

The size of the variable compensation depends on the extent to which predetermined quantitative and qualitative goals are met. The variable compensation is limited to maximum 70% of the base salary for the President, to 50% for the Business Area Executives and to 40% for the other senior executives.

A performance related personnel option program for 2008.

Pension premiums are paid in accordance with a premium based plan within a range of 25-35% of the base salary depending on age. In addition, the President is entitled to pension in case of illness corresponding to 50% of the base salary.

Additional benefits consist of company car and private health insurance.

A mutual term of notice of six months apply. The maximum compensation in case of termination of employment is 24 months base salary.

The Board reserves the right to deviate from these guiding principles if special reasons for such a deviation exist in any individual case.