

## UNOFFICIAL TRANSLATION

Minutes from the Annual General Meeting of Shareholders in Atlas Copco Aktiebolag, 556014-2720, in Stockholm, 20 April 2011

### § 1

The meeting was opened by Chairman of the Board Sune Carlsson, who was elected chairman of the meeting. Board Secretary and Senior Vice President General Counsel Hans Sandberg was appointed to record the minutes.

The meeting accepted the presence of invited guests, representatives of the market and media, and officials at the meeting.

### § 2

The list of registrations to attend the annual general meeting which had been received by the registration deadline showed, after correction for those not present, that 456,399,460 Class A shares and 190,595,040 Class B shares, for a total of 646,994,500 shares and 475,458,964 votes were represented at the meeting.

The thus corrected list was approved as the voting list at the meeting, Appendix 1.

### § 3

The agenda stated in the notice of the annual general meeting and distributed at the meeting was approved.

### § 4

Arne Lööw, Swedish Fourth National Pension Fund (*Fjärde AP-fonden*) and Måns Dahlgvist, Grönberg Advokatbyrå, who represented a large number of international institutions, were elected to approve the minutes of the meeting in addition to the chairman.

### § 5

The secretary reminded the meeting that according to the Articles of Association, the notice shall be published in Post- och Inrikes Tidningar and on the website no earlier than six weeks and no later than four weeks before the meeting. Information that notice has been given shall at the same time be published in Svenska Dagbladet and Dagens Nyheter. The notice was published March 17, 2011.

The meeting declared itself duly convened.

### § 6

The secretary announced that the board of directors and chief executive officer's annual report for the company and the group for 2010 and the corresponding auditor's reports was published on the website March 15 and printed and distributed to the registered shareholders who had requested them on 30 March 2011. It was recorded that the annual report was available at the meeting.

The annual report for the company and the group and corresponding auditor's reports were declared presented to the meeting.

## § 7

CEO Ronnie Leten presented his speech, in which he shared with the meeting his views on the development of the Atlas Copco group and remarked on the operations in 2010 and the first quarter of 2011.

It was recorded that CEO Ronnie Leten answered questions asked by Emelie Westholm, representing Folksam/KPA and Svante Hezekielsson, representing Swedish Shareholders' Association (*Sveriges Aktiesparares riksförbund*).

## § 8

With reference to the corporate governance report in the annual report, the chairman reported on the work of the board of directors in 2010, remarked on the composition and activities of the audit committee and reported on the communications with the principal auditor.

## § 9

From this agenda point and onward, electronic voting devices were used by the meeting both for voting and elections. The reference to the outcome of a voting or election reflects an electronically registered result that has been stored and is available for control. The term "absolute" or "simple majority" refers to a result with more than half the represented votes given, in favor. The term "qualified majority" refers to a result favored by both a certain number votes and represented number of shares in accordance with relevant regulations in the Swedish Companies Act (*Aktiebolagslagen*). The term "relative majority" refers to the result of an election.

- 9 a)** The principal auditor, Jan Berntsson, referred to the auditor's report for the company and the group in the annual report and explained the process applied to perform the audit. Jan Berntsson, recommended adoption of the presented income statements and balance sheets, discharge of liability for the chief executive officer and the board, and adoption of the proposed distribution of profits.

In accordance with the auditor's recommendation, the meeting adopted, with absolute majority, the income statements and balance sheets for the company and the group as of 31 December 2010 as presented in the annual report.

- 9 b)** In accordance with the auditor's recommendation, the meeting with simple majority discharged the members of the board of directors and the chief executive officer from liability for their management of the company's affairs during the 2010 financial year.
- 9 c)** The board of directors had proposed distribution of the profits at the disposal of the annual general meeting of SEK 41,121,490,964 as follows:

Dividend of SEK 4 per share to shareholders: SEK 4,873,504,924  
 And remaining SEK 36,247,986,040  
 shall be used for split and redemption (ref. agenda point 15) where after remaining amount shall be retained.

The meeting resolved in favor of the board's proposal with absolute majority.

**9 d)** The meeting further resolved to adopt 27 April 2011 as record day for the dividend, with absolute majority. The Chairman informed the meeting that the dividend was expected to be distributed on 2 May 2011.

#### **§ 10**

The meeting resolved with absolute majority that the number of directors elected by the annual general meeting for a term ending at the next annual general meeting would be nine (9) directors and no alternates.

#### **§ 11**

The Chairman explained the evaluation and nomination process that had taken place within the framework of the work of the nomination committee.

The meeting thereafter elected, with relative majority, the following directors to serve until the next annual general meeting:

<u>Directors</u>	
Staffan Bohman	(re-election)
Sune Carlsson	(re-election)
Johan Forssell	(re-election)
Ronnie Leten	(re-election)
Ulla Litzén	(re-election)
Anders Ullberg	(re-election)
Jacob Wallenberg	(re-election)
Margareth Övrum	(re-election)
Gunilla Nordström	(re-election)

The meeting thereafter elected, with relative majority, Sune Carlsson chairman of the board and Jacob Wallenberg vice chairman of the board to serve until the next annual general meeting.

The secretary informed that the employee representatives on the board of directors until the annual general meeting held in 2014 are Mikael Bergstedt, Ledarna, and Bengt Lindgren, IF Metall, with Kristina Kanestad, Unionen, as the personal alternate for Bergstedt and Ulf Ström, IF Metall, as the personal alternate for Lindgren.

#### **§ 12**

The meeting resolved, with absolute majority, to pay director's fees to non-executive directors of SEK 1,750,000 to the chairman of the board, SEK 645,000 to the vice chairman and SEK 525,000 to each of the other non-executive directors, as well as unchanged compensation for committee service of

- SEK 200,000 to the chairman of the audit committee and SEK 125,000 to each one of the other members of this committee;
- SEK 60,000 to each one of the member of the remuneration committee; and
- SEK 60,000 to each non-executive director who, in addition, participates in committee work decided upon by the board.

The meeting further resolved, with absolute majority, that 50% of the director's board fee could be received in the form of synthetic shares.

### § 13

The chairman reported on the composition, mandate and activities of the remuneration committee in 2010. The chairman reminded the meeting that the report by Deloitte AB on the board's compliance with last year's resolution regarding executive remuneration policies had been posted on the website. It was noted that the report was available at the meeting.

a) Guidelines for remuneration to management.

It was recorded that the Chairman answered a question asked by Svante Hezekielsson, Swedish Shareholders' Association.

The meeting approved, with absolute majority, the guidelines for remuneration to management proposed by the board.

b) The chairman presented the background and reasons for the proposal regarding a performance-based employee stock option plan for 2011 presented to the annual general meeting.

It was recorded that the Chairman responded on comments made by KG Lindvall, Swedbank Robur (Appendix 2) and Svante Hezekielsson, representing Swedish Shareholders' Association (*Sveriges Aktiesparares riksförbund*). Emilie Westholm representing Folksam/KPA voted against the proposal.

The meeting approved, with absolute majority, the reported scope and main principals for a performance based employee stock option plan for 2011 regarding Class A shares in Atlas Copco.

### § 14

The annual general meeting resolved, with qualified majority, in accordance with the board's complete proposal on acquisition of treasury shares and transfer of treasury shares as follows:

14 a) Acquisition of shares in accordance with the employee stock option plan for 2011  
The annual general meeting granted a mandate to the board, for a term ending at the close of the next annual general meeting, to resolve to acquire shares in the company on one or more occasions, as following:

1. Acquisition shall be limited to a maximum of 4,300,000 Class A shares.
2. The shares may only be acquired on NASDAQ OMX Stockholm.
3. Acquisition of shares through trading on NASDAQ OMX Stockholm may be transacted only at a price per share within the registered trading range in effect from time to time.

The acquisition is made to reduce the economic risk when the share value increased during the validity period of the employee options and to secure delivery of shares according to the employee option and matching share agreements entered into, as well as to cover alternative incentive solutions and cash settlements and to cover, primarily social charges.

14 b) Acquisition of shares reflecting synthetic shares to directors of the board  
The annual general meeting granted a mandate to the board, for a term ending at the close of the next annual general meeting, to acquire shares in the company on one or more occasions as follows.

1. Acquisition shall be limited to a maximum of 70,000 Class A shares.
2. The shares may only be acquired on NASDAQ OMX Stockholm.
3. Acquisition of shares through trading on NASDAQ OMX Stockholm may be transacted only at a price per share within the registered trading range in effect from time to time.

The acquisition is made to hedge the costs of the company's obligation, including social charges, towards such a director of the board who has opted to receive 50 % of the board fee in synthetic shares.

14 c) Transfer of shares in accordance with the employee stock option plan for 2011  
The annual general meeting decided to transfer shares in the company by reason of the company's employee stock option plan for 2011 as follows.

A maximum of 3,420,000 Class A shares may be transferred.

The right to acquire shares shall accrue to individuals covered by the company's 2011 employee stock option plan, with the right for each participant to obtain the maximum number of shares permitted under the terms and conditions of the company's employee stock option plan. Transfer of shares shall take place on the terms and conditions stated in the company's employee stock option plan, which means among other thing that the specifications therein with regard to prices and the period during which participants may exercise their rights to acquire shares, shall also apply to the transfer.

Participants shall remit payment for shares, within the time and in the manner specified in the terms and conditions for the employee stock option plan 2011.

With regard to the number of shares that may be subject to transfer under the company's employee stock option, customary terms shall apply for adjustment due to bonus issues, splits, preferential issues and similar measures in accordance with the terms and conditions of the employee stock option plan 2011.

The reason for deviation from the shareholders right to preemption and the base for the price calculation at transfer is that the transfer of shares is part of an integrated process related to the mandate regarding hedging of synthetic shares as part of the board fee.

14 d) Transfer of shares in connection with directors of the board's synthetic shares  
The annual general meeting granted a mandate to the board, for a term ending at the close of the next annual general meeting, to transfer shares in the company at on one or more occasions of a maximum of 70,000 Class A shares, to cover costs equivalent to previously issued synthetic shares to a previous director of the board, and to cover costs, primarily social insurance charge.

The shares proposed to be transferred were acquired for the specific purpose each respective year in accordance with mandate from that year's annual general meeting. The shares may only be transferred on NASDAQ OMX Stockholm and only at a price per share within the registered trading range in effect from time to time.

The reason for deviation from the shareholders right to preemption and the base for the price calculation at transfer is that the transfer of shares is part of an integrated process related to the mandate regarding hedging of synthetic shares as part of the board fee.

14 e) Transfer of shares in accordance with the employee stock option plan for 2006, 2007, 2008 and 2009

The annual general meeting voted to grant a mandate to the board for a term ending at the close of the next annual general meeting to sell treasury shares in the company on one or more occasions to cover costs, including social insurance charges, cash settlements, or performance of alternative incentive solutions in countries where allotment of employee stock options is unsuitable, in accordance with the obligations in the 2006, 2007, 2008 and 2009 performance based employee stock option plans as follows.

A maximum of 1,500,000 Class B shares and held by the company may be sold for the purpose of 2006 and 2007 stock option plans and a maximum of 4,700,000 Class A shares for the purpose of 2008 and 2009 stock option plans.

The shares may only be sold on NASDAQ OMX Stockholm.

Transfer of shares through trading on NASDAQ OMX Stockholm may be transacted only at a price per share within the registered trading range in effect from time to time

The reason for deviation from the shareholders right to preemption is that the transfer of shares is part of an integrated process related to the previously adopted employee stock option plans.

## § 15

The Meeting resolved with qualified majority, in accordance with the Board's complete proposal for a resolution on an automatic redemption procedure, including a) an amendment of the Articles of Association, b) a share split, c) a reduction of the share capital for repayment to the shareholders by redemption of shares of Series A and B and d) an increase of the share capital by way of a bonus issue as set out below.

### 15 a) Amendment of the Articles of Association

Amendment of the Articles of Association, to the effect that

- the number of shares that may be issued by the company is increased from a minimum of 500,000,000 and a maximum of 2,000,000,000 to a minimum of 1,000,000,000 and a maximum of 4,000,000,000, and that
- the number of shares that may be issued of Series A be changed from a maximum of 2,000,000,000 to a maximum of 4,000,000,000 and that the number of shares that may be issued of Series B be changed from a maximum of 2,000,000,000 to a maximum of 4,000,000,000 (§ 4).
- The words "no later than 4 p.m." are removed (§9)

The new Articles of Association is attached hereto as Appendix 3.

### b) Share split

The quota value of the share (the share capital divided by the number of shares) is changed by way of a so called share split, so that each share (irrespective of the Series of shares) is divided into two shares, of which one is to be named redemption share in the Euroclear system and be redeemed in the manner described under Section 15 c) below.

The record day at Euroclear Sweden AB for implementation of the share split is to be May 13, 2011. After implementation of the share split, the number of shares in the company will increase from 1,229,613,104 to 2,459,226,208, of which 1,678,788,192 are shares of Series A and 780,438,016 are shares of Series B, each share with a quota value of approximately SEK 0.3196.

15 c) Reduction of the share capital for repayment to the shareholders by redemption of shares of Series A and B That the company's share capital be reduced for repayment to the shareholders by SEK 393,004,095 (the reduction amount) by way of redemption of 1,229,613,104

shares, of which 839,394,096 are shares of Series A and 390,219,008 are shares of Series B. The shares that are to be redeemed are the shares which, after implementation of the share split in accordance with Section 15 b) above, are named redemption shares in the Euroclear system, whereby the record day for the right to receive redemption shares according to Section 15 b) above is to be May 13, 2011.

The purpose of the reduction of share capital is redemption to the shareholders and appropriation to a fund, to be used in accordance with the annual general meetings' resolution, to the extent the reduction of the share capital reflects redemption of shares owned by the company.

For each redeemed share (irrespective of the Series of shares) a redemption cash amount of SEK 5 will be paid, of which approximately SEK 4.68 exceeds the quota value of the share. However, no payment is to be made in respect of redeemed shares held by the company. The aggregate redemption amount is estimated to an amount of SEK 6,069,379,075.

In addition to the reduction amount, a total amount of SEK 5,676,374,980 will be distributed, using of the company's non-restricted equity. The redemption amount is to be paid as soon as possible, however not later than ten banking days after the day of registration of all resolutions under Sections 15 a) – 15 d) with the Swedish Companies Registration Office.

It was recorded that following the reduction of the share capital, the company's share capital will amount to SEK 393,004,095, divided into, a total of 1,229,613,104 shares, of which 839,394,096 are shares of Series A and 390,219,008 are shares of Series B, each share with a quota value of approximately SEK 0.3196. Except for the reduction of the share capital, the company's restricted shareholders' equity will not be affected.

In accordance with Swedish Companies Act, 20:13, the Board of Directors reported that: The resolution to decrease the company's share capital under Section 15 c) can be performed without permit from the Swedish Companies Registration Office or by Court, as the Company at the same time performs a bonus issue in accordance with Section 15 d) below, as a measure to insure that neither the company's restricted equity or share capital is decreased. The decrease of share capital and bonus issue's effect on the company's restricted equity and share capital, as mentioned in previous part and related to the bonus issue, will be described in Section 15 d), below.

d) Increase of the share capital by way of a bonus issue

To increase the share capital by way of a bonus issue by SEK 393,004,095 to SEK 786,008,190 by a transfer of SEK 393,004,095 from the non-restricted equity of the Company. No new shares are to be issued in connection with the bonus issue. The number of shares of the company will, after implementation of the increase of the share capital, be 1,229,613,104, of which 839,394,096 are shares of Series A and 390,219,008 are shares of Series B, each share with a quota value of SEK 0.6394.

It was further recorded that the resolutions by the Meeting in accordance with items a) – d) above were adopted as one single resolution.

The Meeting resolved through acclimatation, to authorise the company's managing director to make the minor adjustments in the resolutions under items a) – d) above, which may be required in connection with registration of the resolutions with the Swedish Companies Registration Office or Euroclear AB.

**§ 16**

The meeting resolved with absolute majority, in accordance with the nomination committee's complete proposal regarding nomination committee.

**§ 17**

The chairman thanked the management and employees of the company for very strong performance in 2010 and wished the company continued success during 2011, and declared the 2011 annual general meeting of shareholders in Atlas Copco Aktiebolag closed.

It was recorded that after the meeting, the "John Munck Award" and "Peter Wallenberg Marketing and Sales Award" were presented in the presence of Honorary Chairman Peter Wallenberg and John Munck's daughter Ingrid Munck.

In fidem

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Hans Sandberg

Minutes verified and approved

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Sune Carlsson

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Måns Dahlgvist

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Arne Lööv