

The following instruction, regarding the Nomination Committee, was resolved by Atlas Copco's Annual General Meeting 2016:

Establishment of the Nomination Committee

The Nomination Committee proposes that the following shall apply until an annual general meeting otherwise decides:

- a) That the Company shall have a Nomination Committee consisting of the chairman of the Board and a representative from each of the four largest shareholders in terms of voting rights. Each year the Company shall contact the four largest shareholders, directly registered or ownership grouped with Euroclear as per the last day of August, for the appointment of owner representatives. The names of the four owner representatives and the names of the shareholders they represent shall be made public latest six months prior to the next Annual General Meeting. The term of office of the Nomination Committee lasts until a new Nomination Committee has been appointed. The chairman of the Nomination Committee shall, unless the members otherwise agree, be the member who represents the shareholder with the largest number of votes.
- b) That representatives who have been appointed by such shareholders who, during the term of the Nomination Committee, no longer belong to the group of four largest shareholders in terms of voting rights, shall cease to be members of the committee and the one, or those, shareholder(s) who has been added among the four shareholders with the largest voting rights shall appoint its/their representative(s). Unless there are special circumstances to the contrary, there shall be no change in the composition of the Nomination Committee if there are only marginal changes in the number of votes, or if a change occurs later than three months prior to the Annual General Meeting. A shareholder who has appointed a representative as member of the Nomination Committee can replace such representative with a new representative to be a member of the Nomination Committee. Every change in the Composition of the Nomination Committee shall be made public as soon as it has taken place.
- c) That the Nomination Committee shall prepare proposals to the Annual General Meeting regarding the following matters for decision:
 - proposal for chairman for the Annual General Meeting
 - proposal for number of Board Members, composition of the Board of Directors and chairman (and, if applicable, vice chairman) of the Board of Directors
 - proposal for remuneration to the chairman (and, if applicable, vice chairman) and other Board members not employed by the Company, and compensation for committee work
 - proposal for external auditor or auditing firm (if applicable) compensation to the external auditor or auditing firm (if applicable)
- d) That, in connection with its assignment, the Nomination Committee shall fulfil those tasks that, according to the Swedish Code of Corporate Governance, are allocated to a Nomination Committee and that the Company, upon request from the Nomination Committee, shall provide resources like for example the secretary function in the Nomination Committee in order to facilitate the work of the Committee. Upon request, the Company shall also carry such reasonable costs for external consultants who the Nomination Committee deems necessary to in order for the Nomination Committee to carry out its assignment.