

Evaluation of Atlas Copco AB's remuneration to Group Management 2012 with respect to points 10.3 and 9.1 in the Swedish Corporate Governance Code

Remuneration to Senior Executives

The Basic Principles for salary and other remuneration to Senior Executives are proposed to and approved by the Annual General Meeting and the full content of those principles are published in the Annual Report.

The elements of the remuneration are designed to successfully attract and retain high quality and competent members of Group Executive Management in order to create long lasting value for the corporation and its stakeholders. Therefore, the remuneration principles for the Senior Executives should contain a well balanced mix of fixed salary, variable compensation and long term incentive program, pension benefits, other benefits and principles for termination and severance pay.

Remuneration Committee

The Board's Remuneration Committee, which during the year 2012 has consisted of the Chairman of the Board, Sune Carlsson, who also was Chairman of the Remuneration Committee, Peter Wallenberg Jr and Anders Ullberg has had one meeting during 2012. The Remuneration Committee has prepared issues concerning the Long Term Incentive Plans and other remuneration matters that have been brought to the Board for decision. The Remuneration Committee has handled the annual salary review process for the CEO in the same way and guided in the remuneration review of the other Senior Executives.

Evaluation and Conclusion

In line with the Code and using the long term goals and strategy of the Group and external benchmarks as a basis, the Remuneration Committee has evaluated how the remuneration principles are applicable as well as how they have been applied and followed for the Senior Executives during 2012.

The Remuneration Committee concludes that the remuneration policy is fully in force and that it has been applied and followed in compliance with the established and approved principles that were adopted by the Annual General Meeting 2012.

The Remuneration Committee also concludes that the variable compensation both for the cash element and the share related element has been an incentive for the participants as well as having contributed to the value creation.

During the year the Committee has also evaluated the long term incentive program and in 2012, there were four performance stock option plans (2007–2010) with exercisable options and one option plan (2011) with options not yet exercisable. The exercise price for the options and matching shares of the 2012 plan was established

early 2013. The cost for the plans has been hedged through the purchasing of own shares the year the respective plan was established. Those shares have been sold or transferred when the option holders have exercised their right to purchase shares.

Nacka March 19, 2013

Remuneration Committee of the Atlas Copco AB Board