



Annual General Meeting of Sandvik Aktiebolag

The shareholders in Sandvik Aktiebolag are convened to the Annual General Meeting to be held on Tuesday, 28 April 2020 at 3:00 p.m. at the Göransson Arena, Sättragatan 21, Sandviken, Sweden. Registration will begin at 2:00 p.m.

Information in relation to Covid-19 (coronavirus)

In view of the ongoing spreading of the coronavirus, a number of precautionary measures are being taken in connection with the Annual General Meeting to reduce the risk for the shareholders and other persons attending the Meeting.

- Registration will not begin until 2:00 p.m.
- No food or drink will be served.
- There will be no exhibits or programs before the General Meeting.
- No speeches will be held during the Meeting. A speech by the CEO will be published on the Company's website after the Meeting.
- All questions at the Meeting should mainly be focused on issues relating to decision points on the Meeting agenda.
- The number of people attending who are not shareholders will be limited.

For shareholders who are concerned about the virus spreading or who may have been exposed to the virus, we encourage you to not attend the General Meeting in person but to participate via proxy. Computershare AB, that administers shareholder participation and voting at the Meeting, is offering a service, free of charge, to any shareholder registered to attend the Meeting and holding no more than 100,000 shares to appoint Computershare to vote on their behalf. The proxy is available on request by contacting Computershare at telephone +46 (0)8-518 01 556 or by e-mail info@computershare.se.

There is a proposal for a temporary change of law that would enable the Company to collect proxies from its shareholders and allow voting by post. If this law enters into force before the Annual General Meeting, the Company intends to offer one or both of these options to its shareholders.

Sandvik is monitoring the development regarding the coronavirus closely and the instructions from the authorities, and will publish updated information regarding the Annual General Meeting on its website as required.

RIGHT TO PARTICIPATE AND NOTICE

Shareholders who wish to participate in the Meeting must be recorded in the share register maintained by Euroclear Sweden AB on Wednesday, 22 April 2020 and notify the company of their participation in the Meeting not later than Wednesday, 22 April 2020.

Notice of participation in the Meeting shall be made on the Company's website home.sandvik, by telephone +46 (0)26-26 09 40 weekdays 9:00 a.m.–4:00 p.m. or by letter to Computershare AB, "Sandvik's AGM", Box 5267, SE-102 46 Stockholm, Sweden.

Shareholders whose shares are registered in the name of a nominee must temporarily have re-registered the shares in their own name at Euroclear Sweden AB on Wednesday, 22 April 2020 to be entitled to participate in the Meeting. Please note that this procedure also applies

with respect to shares held on a bank's shareholder deposit account and certain investment savings accounts.

When giving notice, please state name, personal or corporate registration number, address and telephone number and the number of assistants, if any. If participation is by proxy, the proxy should be submitted to the address stated above in advance of the Meeting. Proxy forms are available on the Company's website home.sandvik. Please see below for information on processing of personal data.

AGENDA

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting list.
4. Election of one or two persons to verify the minutes.
5. Approval of the agenda.
6. Examination of whether the Meeting has been duly convened.
7. Presentation of the Annual Report, Auditor's Report and the Group Accounts and Auditor's Report for the Group.
8. Resolution in respect of adoption of the Profit and Loss Account, Balance Sheet, Consolidated Profit and Loss Account and Consolidated Balance Sheet.
9. Resolution in respect of discharge from liability of the Board members and the President for the period to which the accounts relate.
10. Resolution in respect of allocation of the Company's result in accordance with the adopted Balance Sheet and resolution on record day.
11. Determination of the number of Board members, Deputy Board members and Auditors.
12. Determination of fees to the Board of Directors and Auditor.
13. Election of Board members:
 - 13.1 Stefan Widing
 - 13.2 Kai Wörn
 - 13.3 Jennifer Allerton
 - 13.4 Claes Boustedt
 - 13.5 Marika Fredriksson
 - 13.6 Johan Karlström
 - 13.7 Johan Molin
 - 13.8 Helena Stjernholm
14. Election of Chairman of the Board.
15. Election of Auditor.
16. Resolution on instruction for the Nomination Committee.
17. Resolution on guidelines for the remuneration of senior executives.
18. Resolution on a long-term incentive program (LTI 2020).
19. Authorization on acquisition of the Company's own shares.
20. Closing of the Meeting.

PROPOSALS FOR RESOLUTIONS

Item 10 – Dividend and record day

The President and the Board of Directors proposes that the Annual General Meeting resolve on a dividend of SEK 3.00 per share, which differs from the previous proposal of 4.50 SEK per share. The adjustment of the proposed dividend is a precautionary measure due to the current instability in the market caused by the ongoing spreading of the coronavirus (Covid-19). Thursday, 30 April 2020 is proposed as the record day. If the Meeting approves these

proposals, it is estimated that the dividend be paid by Euroclear Sweden AB on Wednesday, 6 May 2020.

It is the Board of Directors' intention to convene an Extraordinary General Meeting before the end of October this year to resolve on an extra dividend of SEK 1.50 per share, assuming that the market has stabilized and the financial position of the Company so permits.

The Nomination Committee's proposals

The Nomination Committee consists of its Chairman Fredrik Lundberg (AB Industrivärden), Hans Sterte (Alecta), Marianne Nilsson (Swedbank Robur Funds), Anders Oscarsson (AMF and AMF Funds) and Johan Molin (Sandvik's Chairman of the Board).

The Nomination Committee proposes that the Annual General Meeting resolve on the following:

Item 2 – Attorney Sven Unger as Chairman of the Meeting.

Item 11 – Eight Board members with no deputies and a registered public accounting firm as Auditor.

Item 12 – Unchanged fees to the Board of Directors:

- Chairman of the Board of Directors: SEK 2,550,000 (2,550,000)
- Other Board members not employed by the Company: SEK 690,000 (690,000) each
- Chairman of the Audit Committee: SEK 300,000 (300,000)
- Other members of the Audit Committee: SEK 170,000 (170,000) each
- Chairman of the Remuneration Committee: SEK 145,000 (145,000)
- Other members of the Remuneration Committee: SEK 115,000 (115,000) each

No fees shall be paid to the members of the Acquisitions and Divestitures Committee.

Fees to the Auditor shall be paid in accordance with approved invoices.

Item 13 – Election of the following persons as Board members:

- 13.1 Stefan Widing (new)
- 13.2 Kai Wärm (new)
- 13.3 Jennifer Allerton (re-election)
- 13.4 Claes Boustedt (re-election)
- 13.5 Marika Fredriksson (re-election)
- 13.6 Johan Karlström (re-election)
- 13.7 Johan Molin (re-election)
- 13.8 Helena Stjernholm (re-election)

Lars Westerberg has declined re-election and Björn Rosengren left the Board on 31 January 2020 in connection with leaving his position as President of Sandvik.

Item 14 – Re-election of Johan Molin as Chairman of the Board of Directors.

Item 15 – Pursuant to the recommendation of the Audit Committee, re-election of PricewaterhouseCoopers AB as Auditor for the period until the end of the 2021 Annual General Meeting.

Item 16 – Instruction for the Nomination Committee

The Company is to have a Nomination Committee comprised of members appointed by each of the four largest shareholders in terms of votes and the Chairman of the Board of Directors (convener). The Nomination Committee has, in addition, the possibility to call in one co-opted member to the Nomination Committee from the Board members if required. At the formation of the Nomination Committee, the shareholding in the Company, based on information from Euroclear Sweden AB on the last banking day of August and other reliable shareholder information which has been provided to the Company at such time, is to determine the largest shareholders in terms of votes. When determining which the four largest shareholders are in terms of votes a group of shareholders shall be considered as one owner if they (i) have been organized as a group in the Euroclear system or (ii) have made public and notified the Company that they have made a written agreement to take - through the coordinated exercise of voting rights - a common long-term view on the management of the Company. The composition of the Nomination Committee is to be announced as soon as it is appointed. The Chairman of the Nomination Committee is to be the member appointed by the largest shareholder in terms of votes. The mandate period of the Nomination Committee is until the composition of the next Nomination Committee is completed.

The Nomination Committee is to prepare proposals for the Chairman of the Meeting, the number of Board members, remuneration to each of the Board members, the composition of the Board of Directors and Chairman of the Board of Directors, where applicable, remuneration to the Auditor and election of Auditor, and, to the extent deemed necessary, proposal regarding amendments to this instruction.

In the event that a member leaves the Nomination Committee prior to the work of the Committee having been completed, a new member appointed by the same shareholder may replace the leaving member, if deemed necessary by the Nomination Committee. In the event that a shareholder that has appointed a member to the Nomination Committee significantly has reduced its holding of shares in the Company, the member in question may resign and, if deemed appropriate by the Nomination Committee, the shareholder next in line in terms of size may be provided an opportunity to appoint a new member. If the shareholding in the Company is otherwise significantly changed before the Nomination Committee's work has been completed, a change in the composition of the Nomination Committee may take place, in such way that the Nomination Committee deems appropriate.

The Company is to be able to pay reasonable costs connected to the work of the Nomination Committee. The Committee is not to receive any fees.

This instruction applies until the General Meeting resolves to adopt a new instruction.

Item 17 – Proposal by the Board of Directors for guidelines for the remuneration of senior executives

The Board of Directors proposes that the Annual General Meeting resolve to adopt the following guidelines for the remuneration of senior executives. Compared to the guidelines adopted by the Annual General Meeting in 2019 these guidelines have been updated to comply with new regulations on remuneration.

Scope of the guidelines

These guidelines encompass the President and other members of the Group Executive Management. The guidelines do not apply to any remuneration decided on or approved by the General Meeting.

The guidelines' promotion of the Company's business strategy, long-term interests and sustainability

A prerequisite for the successful implementation of the Company's business strategy and safeguarding of its long-term interests, including its sustainability, is that the Company is able to recruit and retain qualified personnel. To this end, it is necessary that the Company offers competitive remuneration. These guidelines enable the Company to offer senior executives a competitive total remuneration. For more information regarding the Company's business and sustainability strategy, please see the Company's website home.sandvik.

Types of remuneration

The total remuneration package should be based on market terms, be competitive and reflect the individual's performance and responsibilities as well as the Group's earnings trend. The remuneration may consist of fixed salary, variable remuneration, pension benefits and other benefits.

Fixed salary

The purpose of the fixed salary is to attract and retain senior executives with the right competence for the respective positions. The salary level should be determined by comparing the salary to similarly complex positions within a defined peer group.

Variable remuneration

Variable share related remuneration

The Company may offer long-term share related or share price related remuneration. Such programs are adopted by the General Meeting and are therefore not covered by these guidelines. There are currently ongoing long-term share related incentive programs for senior executives and key employees in the Group. For more information on these programs, see the Company's website home.sandvik.

Variable cash remuneration

The Company may offer short or long-term variable cash remuneration. The fulfillment of objectives for awarding such remuneration shall be measured over a period of one to three years. Such remuneration may amount to not more than 75 percent of the fixed annual salary per year.

Variable cash remuneration shall be conditional upon the fulfillment of defined and measurable criteria. These criteria shall aim at promoting the Company's business strategy and performance as well as its long-term interests, including its sustainability. At the beginning of each year the Board of Directors and the Remuneration Committee shall

establish the criteria, including key performance indicators (KPIs) and the target ranges, deemed relevant for the upcoming measurement period. The criteria may be financial, with at least three KPIs, and non-financial, and shall always be related to business performance. At least 80 percent of the variable cash remuneration shall be linked to the financial criteria. The President and Group Function heads shall be measured on Group level KPIs and the Business Area Presidents shall be measured on both Group level and Business Area level KPIs. The established KPIs shall be presented on the Company's website home.sandvik. The extent to which the criteria for awarding variable cash remuneration have been fulfilled shall be determined when the measurement period has ended and will be published in the Report on Evaluation of Remuneration the following year. For financial criteria, the evaluation shall be based on the latest financial information made public by the Company.

Special arrangements

In specific cases, the Company may offer one-off remuneration provided that such remuneration is only made on an individual basis, for the purpose of recruiting or retaining senior executives, does not exceed an amount corresponding to 100 percent of the individual's fixed annual salary and maximum variable cash remuneration and is not paid more than once per year and individual.

Right to withhold or reclaim remuneration

Terms and conditions for variable remuneration shall be designed so that the Board of Directors (i) has the right to limit or refrain from payment of variable remuneration if exceptional economic circumstances prevail and such a measure is considered reasonable, and (ii) has the right to withhold or reclaim variable remuneration paid to an executive based on results that afterwards were found to have been misstated because of wrongdoing or malpractice (so called malus and clawback).

Pension benefits

For the President, the pension benefit shall be defined contribution and the pension premiums shall amount to not more than 37.5 percent of the fixed annual salary. For the other senior executives, pension benefits shall be defined contribution and amount to not more than 55 percent of the fixed annual salary, in accordance with the Swedish ITP1 pension scheme. Exceptions to this main rule may be decided on for senior executives with existing defined benefit schemes provided that the cost of such schemes does not exceed the above mentioned cap.

Other benefits

Other benefits may include, for example, life insurance, medical insurance and company car benefit. Such benefits may amount to not more than 5 percent of the fixed annual salary. For senior executives in need of double accommodation, paid accommodation etc may be added in line with Sandvik's regulations and such benefits may amount to not more than 20 percent of the fixed annual salary.

Termination of employment

Severance pay may be paid when employment is terminated by Sandvik. The President and the other senior executives may have a period of notice of not more than 12 months, in combination with severance pay corresponding to 6–12 months fixed salary. When employment is terminated by the senior executive, the notice period may not exceed six months and no severance pay shall be paid.

In case a senior executive is not entitled to severance pay, but is covered by a non-compete undertaking, the senior executive may instead be compensated for such a non-compete undertaking. Any remuneration paid as compensation for a non-compete undertaking shall

not exceed 60 percent of the fixed salary at the time of notice of termination of the employment and shall not be paid for a longer period than 18 months. Fixed salary during the notice period together with any compensation for the non-compete undertaking shall not exceed an amount equivalent to the senior executive's fixed salary for 24 months.

Consideration of remuneration to the Company's employees

When preparing the proposal for these guidelines, the employment conditions applied within the Company as a whole have been used as a benchmark, following the principle that the remuneration packages of all Sandvik employees should be based on the complexity of the position, performance and market practice. In general, the same combination of remuneration components such as fixed salary, variable remuneration, pension and other benefits are offered within Sandvik.

The decision-making process to determine, review and implement the guidelines

The Board of Directors has established a Remuneration Committee. The Committee's tasks include preparing the Board of Directors' decision to propose guidelines for senior executive remuneration. The Board of Directors shall prepare a proposal for guidelines at least every fourth year and submit it to the General Meeting. The guidelines shall be in force until new guidelines are adopted by the General Meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the executive management, the application of the guidelines for senior executive remuneration as well as the current remuneration structures and compensation levels in the Company. The members of the Remuneration Committee are independent of the Company and its executive management. The President and the other senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration related matters to the extent that they are affected by such matters.

Decisions on remuneration to the President are taken by the Board of Directors, based on proposals from the Remuneration Committee, and decisions on remuneration to the other senior executives are taken by the Remuneration Committee.

Adjustments to local rules

Remuneration under employments subject to other rules than Swedish may be duly adjusted to comply with mandatory rules or established local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

Derogation from the guidelines

The Board of Directors may temporarily resolve to derogate from the guidelines, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the Company's long-term interests, including its sustainability, or to ensure the Company's financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration related matters. This includes any resolutions to derogate from the guidelines.

For information concerning the current remuneration of senior executives, including ongoing long-term incentive programs, refer to note 3.5 in the Company's 2019 Annual Report and the Company's website.

Item 18 – Proposal by the Board of Directors for a long-term incentive program (LTI 2020)

Background

Since 2014 Sandvik's Annual General Meeting has annually resolved on long-term incentive programs for senior executives and key employees, in the form of performance share programs requiring investment by all participants. The Board of Directors considers that these programs fulfill their purpose of aligning the interests of the participants and the shareholders, strengthening the Sandvik Group's ability to attract, retain and motivate qualified employees and strengthening Sandvik's focus and objective to meet its long-term business goals. Accordingly, the Board of Directors proposes that the Annual General Meeting resolve on a long-term incentive program for senior executives and key employees for 2020 ("LTI 2020") on the below terms and conditions.

General

LTI 2020 encompasses approximately 350 senior executives and key employees in the Sandvik Group, divided into four categories. The maximum number of Sandvik shares that can be allocated pursuant to LTI 2020 is 2.5 million shares, which corresponds to approximately 0.20 percent of the number of outstanding shares in Sandvik.

In order to participate in LTI 2020 the employee is required to invest in Sandvik shares at market price no later than 15 June 2020 ("Investment Shares"). In the event that the employee is not able to invest before this date due to being entered in an insider list (logbook) kept by Sandvik, the Board of Directors shall be entitled to postpone the date of investment for such employee. The employee may within the scope of LTI 2020 invest up to an amount corresponding to 10 percent of the employee's fixed annual salary before tax at the time of the investment.

Provided such acquisition of Investment Shares is made, participants of LTI 2020 will be entitled to allotment of Sandvik shares, free of charge, after a period of three years on the terms and conditions set forth below.

Performance Shares

Each acquired Investment Share entitles participants to be allotted Sandvik shares provided certain performance targets are met ("Performance Shares"). The maximum number of Performance Shares that may be allotted for each acquired Investment Share is:

- 8 for the President,
- 7 for each additional member of the Group Executive Management (currently 7 persons),
- 6 for each senior manager (approximately 60 persons), and
- 5 for each key contributor (approximately 282 persons).

Each member of the Group Executive Management shall nominate the persons that are to be offered participation in LTI 2020 and that are to be classified as senior manager and key contributor, respectively, based on position, qualification and individual performance. All nominations are to be approved by the President and CEO.

The number of Performance Shares that will finally be allotted to the participant for each acquired Investment Share is dependent on the development of the Sandvik Group adjusted Earnings Per Share ("EPS") during the financial year 2020 ("EPS 2020"), compared to adjusted EPS for the financial year 2019 ("EPS 2019"). The Board of

Directors establishes the levels regarding adjusted EPS that must be attained for allotment of a certain number of Performance Shares. Allotment will take place as follows:

- One Performance Share will be allotted for each acquired Investment Share if EPS 2020 exceeds EPS 2019.
- In order for any remaining Performance Shares to be allotted EPS 2020 growth must exceed 5 percent in relation to EPS 2019. The EPS growth required for the maximum number of Performance Shares to be allotted for each acquired Investment Share is established by the Board of Directors.

The level required for maximum allotment and the extent to which the established levels are attained will be disclosed in the 2020 Annual Report.

Prerequisites for allotment

The allotment of Performance Shares requires continuous employment and that all Investment Shares be held during a period of three years from the acquisition of the Investment Shares ("Vesting Period"). The Chairman of the Board of Directors may in special cases grant exemptions from these requirements for individual participants, whereas the Board of Directors may decide on any such exemption concerning groups of participants. If the prerequisites for allotment set forth for LTI 2020 are met, allotment of Performance Shares will take place during 2023, and no later than 30 June 2023. The allotment will take place free of charge, subject to tax.

Adjustment of the number of Performance Shares etc.

Before the allotment of Performance Shares takes place, the Board of Directors shall consider whether the number of Performance Shares is reasonable taking into account the financial results and position of Sandvik, the impact of larger acquisitions, divestments and other significant capital transactions, stock market conditions and other circumstances. If the Board of Directors deems that this is not the case, the Board of Directors shall reduce the number of Performance Shares to the lower number the Board of Directors finds appropriate or decide that no allotment should take place.

In the event of a bonus issue, split, rights issue and/or other similar events in Sandvik, the Board of Directors shall be entitled to decide on the recalculation of the terms of LTI 2020.

An alternative cash based incentive solution may be implemented for participants in countries where the acquisition of Investment Shares or allotment of Performance Shares is not appropriate, or if such solution is otherwise considered appropriate. Such alternative incentive solution shall to the extent practically possible be designed to correspond to the terms of LTI 2020. The President and CEO shall be authorized to decide which persons that should be offered participation in the cash based incentive solution.

The Board of Directors, or a committee appointed by the Board of Directors for this purpose, shall be responsible for the detailed design and administration of LTI 2020 based on the main terms set forth herein.

The right to be allotted Performance Shares cannot be transferred and does not give the participant a right to compensation for dividend distributed during the Vesting Period with respect to the underlying shares.

Costs of LTI 2020 and hedging arrangements

The total cost of LTI 2020 is estimated up to SEK 210 million, assuming a Sandvik share price of SEK 130. The costs will be allocated over the years 2020-2022. The costs have

been calculated as the sum of personnel costs, including social security costs of SEK 35 million, and administration costs of approximately SEK 2 million for the program.

Sandvik intends to secure its commitment to deliver up to 2.5 million Sandvik shares under LTI 2020 through a share swap agreement with a third party. The interest cost for such a share swap is estimated at approximately SEK 1.5 million per year based on the current interest levels and a share price of SEK 130. Against this cost, however, stands the value of possible dividends.

Preparation of the proposal

The proposal has been prepared by the Board's Remuneration Committee and has been discussed and resolved on by the Board of Directors. The President has not taken part in the Board of Directors' discussion and resolution with respect to the proposal.

Majority requirement

The resolution regarding LTI 2020 requires a majority of more than half of the votes cast at the Meeting.

Other

For a description of other long-term incentive programs within Sandvik reference is made to note 3.5 in Sandvik's 2019 Annual Report and to the Company's website.

Item 19 – Proposal by the Board of Directors for authorization of the Board of Directors to resolve on acquisition of the Company's own shares

The Board of Directors proposes that the Annual General Meeting authorizes the Board of Directors to, for the period until the 2021 Annual General Meeting, resolve on acquisitions of the Company's own shares in accordance with the following conditions.

- Acquisitions shall take place on Nasdaq Stockholm.
- Acquisitions may only be made at a price per share within the price range (spread) applicable from time to time, meaning the spread between the highest purchase price and the lowest selling price prevailing and disseminated by Nasdaq Stockholm from time to time.
- The Company may acquire a maximum number of shares so that the Company's holding at any time does not exceed 10 per cent of the total number of shares in the Company.
- The authorization may be utilized on one or several occasions up to the 2021 Annual General Meeting.

The purpose of the authorization is to enable the Board of Directors to continuously adapt the Company's capital structure and thereby contribute to increased shareholder value.

In order for the resolution on authorization to be valid, it must be supported by shareholders representing at least two thirds of the votes cast as well as the shares represented at the Annual General Meeting.

The Board of Directors' statement, pursuant to Chapter 19, Section 22 of the Swedish Companies Act, is available on the Company's website home.sandvik.

INFORMATION AT THE ANNUAL GENERAL MEETING

The Board of Directors and the President shall, if any shareholder so requests and the Board of Directors believes that it can be done without material harm to the Company, provide information regarding circumstances that may affect the assessment of an item on the agenda, and circumstances that can affect the assessment of the Company's or its subsidiaries' financial situation, or the Company's relation to other group companies.

DOCUMENTATION

The Nomination Committee's proposals under items 2 and 11–16 and the Board of Directors' proposals under items 17–19 are included in their entirety in this notice. The Nomination Committee's statement and the presentation of the proposed Board members is available on the Company's website home.sandvik.com. Accounting documents, the Auditor's Report and the Auditor's statement regarding the application of the guidelines for remuneration as well as the Board of Directors' complete proposal under item 10 and statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act are available at Sandvik AB, Kungsbron 1, section G, floor 6, Stockholm, as well as on the Company's website home.sandvik.com. Copies of the documents will be sent without charge to those shareholders who so request and provide their address to the Company.

SHARES AND VOTES

The total number of shares and votes in the Company is 1,254,385,923.

PROCESSING OF PERSONAL DATA

Sandvik Aktiebolag, reg. no. 556000-3468, is the controller of the processing of personal data performed by the Company or its service providers in connection with the Meeting. For information on how your personal data is processed, please see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

Stockholm, March 2020

SANDVIK AKTIEBOLAG (PUBL)
The Board of Directors