

Sandvik's Annual General Meeting 2012

Sandvik AB held its Annual General Meeting on 2 May 2012 in Sandviken.

In his address, Olof Faxander, President and CEO, commented on the 2011 financial year and the trend for the first quarter of 2012. The presentation comprised a report on the background, objectives and implementation of Sandvik's new strategic direction as well as the financial outcome of the full year 2011 and the first quarter of 2012.

Adoption of the Profit and Loss Accounts and Balance Sheets

The General Meeting adopted the Profit and Loss Account and Balance Sheet for the parent company as well as the Consolidated Profit and Loss Account and Consolidated Balance Sheet for 2011. The Board members and the President were discharged from liability for the financial year 2011.

Dividend

The General Meeting resolved on a dividend of SEK 3.25 per share. The record date for payment of the dividend was set at Monday, 7 May 2012. The dividend is expected to be sent to shareholders by Euroclear Sweden AB on Thursday, 10 May 2012.

Board of Directors

Pursuant to the Nomination Committee's proposal, Jürgen M Geissinger was elected new member of the Board, and Olof Faxander, Johan Karlström, Fredrik Lundberg, Hanne de Mora, Anders Nyrén, Simon Thompson and Lars Westerberg were re-elected members of the Board. Anders Nyrén was re-elected Chairman of the Board.

Resigning Board member Egil Myklebust and employee representative Bo Westin were thanked for their services.

The employee unions have appointed Tomas Kärnström and Jan Kjellgren as members of the Board and Alicia Espinosa and Thomas Andersson as deputy members of the Board.

Fees to the Board

The General Meeting resolved pursuant to the Nomination Committee's proposal that the fee to each Board member not employed by the company be SEK 525,000 (previously SEK 500,000) and that the fee to the Chairman of the Board be SEK 1,575,000 (previously SEK 1,500,000). Further, the following fees were resolved on: SEK 150,000 (unchanged) to each Board member elected by the General Meeting who is a member of the Audit Committee, SEK 175,000 (unchanged) to the Chairman of the Audit Committee, SEK 100,000 (unchanged) to each Board member elected by the General Meeting who is a member of the Remuneration Committee and SEK 125,000 (unchanged) to the Chairman of the Remuneration Committee.

Resolution on Nomination Committee

The General Meeting resolved pursuant to the Nomination Committee's proposal on a procedure for appointing the members of the Nomination Committee as well as an instruction to the Nomination Committee, valid until the General Meeting resolves on a change.

Resolution on principles for remuneration of senior executives

The General Meeting resolved to adopt the Board's proposal regarding principles for remuneration of senior executives.

Resolution on the implementation of a long-term incentive program (LTI 2012)

The General Meeting approved the Board's proposal regarding the implementation of a long-term incentive program (LTI 2012) for about 350 senior executives and key employees in the Group, on substantially the same terms and conditions as the 2011 incentive program.

Participants will have the opportunity to be allotted employee stock options enabling the employee to acquire Sandvik shares at a certain price after a period of three years, on the condition that certain performance goals are met. More senior executives are required to make a private investment in Sandvik shares in order to be eligible to receive employee stock options and matching rights enabling the executive to acquire Sandvik shares at a certain price after a period of three years.

The program includes a maximum of 12,000,000 Sandvik shares. Assuming a share price of SEK 100, an expected volatility of 40 per cent and a five-year term, the cost of the program is estimated at approximately SEK 258 M.

Wilhelm Haglund medal

Ivan Machacek, Bertil Waldén and Lars Östlund, Sandvik Materials Technology, were named Product Developers of the Year and were awarded the Wilhelm Haglund Medal for their development of umbilical tubing for the oil industry that has resulted in faster hydraulic response time, lower risk of explosions, lower leakage frequency, lower cable cross-section area and thereby less expensive installations.

Sandviken, 2 May 2012

Sandvik Aktiebolag