

Annual General Meeting of Sandvik Aktiebolag

The shareholders in Sandvik Aktiebolag are convened to the Annual General Meeting to be held on Thursday, 25 April 2013 at 5:00 p.m. at Göransson Arena, Sättragatan 15, Sandviken, Sweden.

RIGHT TO PARTICIPATE AND NOTIFICATION

Shareholders who wish to participate in the Meeting must be recorded in the share register maintained by Euroclear Sweden AB on Friday, 19 April 2013 and notify Sandvik AB of their intention to participate in the Meeting not later than Friday, 19 April 2013.

Notification of participation in the Meeting shall be made to Sandvik AB, c/o Computershare AB, Box 610, SE-182 16 Danderyd, Sweden, by telephone +46 (0) 26-26 09 40 weekdays 9:00 a.m. – 4:00 p.m. or on the Company's website www.sandvik.com. 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 Friday, 19 April 2013 to be entitled to participate in the Meeting. Please note that this procedure also applies to shareholders who utilize banks' shareholder deposit accounts.

When providing notification, 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 in advance of the Meeting. Proxy forms are available at the Company's website www.sandvik.com.

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. Speech by the President.
9. Resolution in respect of adoption of the Profit and Loss Account, Balance Sheet, Consolidated Profit and Loss Account and Consolidated Balance Sheet.
10. Resolution in respect of discharge from liability of the Board members and the President for the period to which the accounts relate.
11. Resolution in respect of allocation of the Company's result in accordance with the adopted Balance Sheet and resolution on record day.
12. Determination of the number of Board members and Deputy members. In conjunction with this, the work of the Nomination Committee will be presented.
13. Determination of fees to the Board of Directors.
14. Election of the Board of Directors and the Chairman of the Board of Directors.
15. Resolution on guidelines for the remuneration of senior executives.
16. Resolution on a long-term incentive program (LTI 2013).
17. Shareholder proposal.
18. Closing of the Meeting.

Postal address

Public Company (publ)

Telephone

Telefax

SANDVIK AB
Group Communications
SE-811 81 SANDVIKEN
SWEDEN

Reg.No 556000-3468
VAT No. SE663000060901
www.sandvik.com

+46 8 456 1229

+46 26 26 10 43

PROPOSALS FOR RESOLUTIONS

Item 11 – Dividend and record day

The Board of Directors proposes that the Annual General Meeting resolve on a dividend of SEK 3.50 per share. Tuesday, 30 April 2013 is proposed as the record day. If the Meeting approves these proposals, it is estimated that the dividend payments be distributed by Euroclear Sweden AB on Monday, 6 May 2013.

The Nomination Committee's proposals

The Nomination Committee comprises its Chairman Anders Nyberg, AB Industrivärden, Håkan Sandberg, Handelsbankens Pensionsstiftelse och Pensionskassa, Kaj Thorén, Alecta, Marianne Nilsson, Swedbank Robur fonder, and Anders Nyrén, Sandvik's Chairman of the Board of Directors.

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

- Item 2 –** Attorney Anders Lindblad as Chairman of the Annual General Meeting.
- Item 12 –** Eight Board members and no Deputy members (unchanged).
- Item 13 –** Fees to the Board of Directors:
 - Board member not employed by the Company: SEK 550,000 (previously SEK 525,000)
 - Chairman of the Board of Directors: SEK 1,650,000 (previously SEK 1,575,000)
 - Board member elected by the General Meeting who is a member of the Audit Committee: SEK 150,000 (unchanged)
 - Chairman of the Audit Committee: SEK 175,000 (unchanged)
 - Board member elected by the General Meeting who is a member of the Remuneration Committee: SEK 100,000 (unchanged)
 - Chairman of the Remuneration Committee: SEK 125,000 (unchanged)

Item 14 – Re-election of all Board members: Olof Faxander, Jürgen M Geissinger, Johan Karlström, Fredrik Lundberg, Hanne de Mora, Anders Nyrén, Simon Thompson and Lars Westerberg. Re-election of Anders Nyrén as the Chairman of the Board of Directors.

Item 15 – Proposal by the Board of Directors for a resolution on 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 for the period extending until the 2014 Annual General Meeting.

The remuneration of Group Executive Management is to comprise fixed salary, variable salary, pension and other benefits. 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 variable salary may comprise short-term incentives in cash and long-term incentives in cash, shares and/or share-based instruments in Sandvik AB. Variable salary in cash is conditional upon the fulfillment of defined and measurable goals and should be maximized in relation to the fixed salary. Long-term incentives in the form of shares and/or share-based instruments in Sandvik AB may be provided through participation in long-term incentive programs approved by the General Meeting. Terms and conditions for variable salary should be designed so that the Board, if exceptional economic circumstances prevail, has the option of limiting or refraining from payment of variable salary if such a measure is considered reasonable.

In specific cases, agreements may be reached regarding one-off remuneration amounts provided that such remuneration does not exceed an amount corresponding to the individual's annual fixed salary and maximum variable salary in cash, and is not paid more than once per year and individual. Pension benefits should either be

defined benefit or defined contribution, or a combination thereof. The retirement age for the President is a minimum of 60 and for other members of Group Executive Management the retirement age is a minimum of 62.

Normally, severance payment is made when employment is terminated by Sandvik. Members of Group Executive Management generally have a period of notice of not more than 12 months, in combination with severance pay corresponding to 6 -12 months fixed salary. An alternative solution may be applied to the President comprising a period of notice of 24 months and no severance pay. No severance payment will be made when employment is terminated by the employee.

The Board is to have the right to depart from the guidelines resolved on by the Annual General Meeting if, in an individual case, there are special reasons for this.

The sphere of senior executives encompassed by the guidelines comprises the President and other members of Group Executive Management.

Item 16 – Proposal by the Board of Directors for a resolution on a long-term incentive program (LTI 2013)

The Board of Directors proposes that the Annual General Meeting resolve on a long-term incentive program for senior executives and key employees for 2013 ("LTI 2013") based on the main principles set forth below. The terms and conditions are substantially the same as those for the 2011 and 2012 long-term incentive programs. In addition to aligning the participants' and the shareholders' interests, LTI 2013 is expected to strengthen the Group's ability to retain and recruit qualified employees to the Sandvik Group as well as to strengthen Sandvik's focus and objective to meet the Company's long-term business goals. LTI 2013 is also intended to increase the proportion of remuneration linked to Sandvik's performance and to promote private shareholding in Sandvik.

General

LTI 2013 encompasses approximately 350 senior executives and key employees in the Sandvik Group and comprises, at the most, 12,000,000 Sandvik shares. Participants in LTI 2013 have the opportunity to be allotted employee stock options ("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 connected to Sandvik Value Added (SVA) are met ("Performance Shares"). More senior executives (category 1 – 3 below) are required to make a private investment in Sandvik shares in order to be eligible for allotment of Employee Stock Options. If such an investment in Sandvik shares is made, executives of this group are also allotted rights ("Matching Rights") enabling the executive to acquire Sandvik shares at a certain price after a period of three years ("Matching Shares").

(A) Employee Stock Options for acquiring Performance Shares

The total number of Employee Stock Options that can be allotted may entitle to the acquisition of approximately 11,600,000 Performance Shares.

Allotment of Employee Stock Options will be made to the Chief Executive Officer (category 1) with no more than 145,000 Employee Stock Options, to other senior executives (category 2) with no more than 87,000 Employee Stock Options per person and to the remaining four groups (categories 3 – 6) with between 22,000 and 44,000 Employee Stock Options per person.

The Chief Executive Officer shall decide who is classified in categories 3 – 6 above, based on position, qualifications and individual performance.

In order to be allotted Employee Stock Options, an employee in categories 1 – 3 above is required to invest in Sandvik shares at market value by 14 June 2013 at the latest ("Savings Shares"). If the employee invests in Savings Shares at an amount corresponding to 10 per cent of the employee's fixed cash salary before tax for the year 2013, the employee is allotted the maximal number of Employee Stock Options according to the above. If the employee invests in Savings Shares at an amount corresponding to up to 10 per cent of the employee's fixed cash salary before tax for the year 2013, the employee will be allotted a proportionate linear number of Employee Stock Options. An employee in categories 4 – 6 above does not need to invest in Savings Shares to be allotted Employee Stock Options.

The Employee Stock Options are non-transferable. Each Employee Stock Option gives the employee the right to acquire one Performance Share.

How many of the Employee Stock Options that will eventually entitle to the acquisition of Performance Shares depends on how the growth of the Sandvik Group, expressed as Sandvik Value Added (SVA), develops during the financial years 2013 – 2015 (the “Performance Period”) compared to the financial year 2012 (the “Base Year”). If the average SVA for the three financial years which make up the Performance Period reaches 150 per cent or more compared to the Base Year’s SVA, 100 per cent of the allotted Employee Stock Options will entitle to acquire Performance Shares. If the average SVA for the three financial years which make up the Performance Period falls below 110 per cent compared to the Base Year’s SVA, no Employee Stock Options will entitle to acquire Performance Shares. If the average SVA for the three financial years which make up the Performance Period reaches 110 per cent, 20 per cent of the allotted Employee Stock Options will entitle to acquire Performance Shares. If the average SVA for the three financial years which make up the Performance Period is between 110 and 150 per cent, a proportional linear number of the Employee Stock Options entitles to acquire Performance Shares.

Employee Stock Options can be exercised to acquire Performance Shares not earlier than three years and not later than five years after the allotment of Employee Stock Options.

The exercise of Employee Stock Options to acquire Performance Shares requires continued employment.

For an employee in categories 1 – 3 above the exercise of Employee Stock Options to acquire Performance Shares also requires that all purchased Savings Shares are held continuously during a three-year period following the allotment of Employee Stock Options. The Chairman of the Board may grant exemptions from this requirement in special cases.

When exercising Employee Stock Options to acquire Performance Shares participants shall, for each Performance Share, pay an amount corresponding to 110 per cent of the volume-weighted average price paid for the Sandvik share at NASDAQ OMX Stockholm during a period of 10 trading days immediately following the Annual General Meeting 2013.

(B) Matching Rights for acquiring Matching Shares

Employees in categories 1 – 3 above who invest in Savings Shares are entitled to be allotted Matching Rights. The total number of Matching Rights that can be allotted may entitle to the acquisition of approximately 300,000 Matching Shares.

The Matching Rights are non-transferable.

One Matching Right is allotted for each Savings Share acquired by the participant. Each Matching Right entitles to acquire one Matching Share.

The Matching Rights can be exercised to acquire Matching Shares not earlier than three years and not later than five years after the allotment of Matching Rights.

The exercise of Matching Rights to acquire Matching Shares requires continued employment and that all the acquired Savings Shares are held continuously during a three-year period following the allotment of Matching Rights. The Chairman of the Board may grant exemptions from the requirement to continuously hold the Savings Shares during a three-year period in special cases.

When exercising Matching Rights to acquire Matching Shares participants shall, for each Matching Share, pay an amount corresponding to 75 per cent of the volume-weighted average price paid for the Sandvik share at NASDAQ OMX Stockholm during a period of 10 trading days immediately following the Annual General Meeting 2013.

Adjustment of the number of Performance Shares and/or Matching Shares etc.

Before the exercise of Employee Stock Options for acquiring Performance Shares or Matching Rights for acquiring Matching Shares may take place, the Board of Directors shall consider whether the number of Performance and Matching Shares is reasonable taking into account the financial results and position of Sandvik, stock market conditions and other circumstances, and if the Board of Directors comes to the conclusion that this is not the case, reduce the number of Performance and/or Matching Shares to the lower number the Board of Directors finds appropriate.

The Board of Directors may decide on the implementation of an alternative incentive solution for key employees in countries where the allotment of Employee Stock Options or Matching Rights, or the exercise of Employee Stock Options or Matching Rights for the acquisition of Performance and Matching Shares, respectively, is not appropriate. Such alternative incentive solution shall to the extent practically possible be designed to correspond to the terms of LTI 2013.

The Board of Directors, or a committee appointed by the Board of Directors for this purpose, shall be responsible for preparing the detailed terms and conditions, and the administration of LTI 2013 based on the main terms and guidelines herein.

LTI 2013 may result in the delivery to the employees of 12,000,000 Sandvik shares at the most, corresponding to approximately one per cent of the total number of shares and votes in the company at the time that LTI 2011 was resolved on. To ensure the delivery of the assessed required number of Sandvik shares under LTI 2013, the Board of Directors intends to secure the Company's commitment. Assuming a share price of SEK 100, an expected volatility of 40 per cent and a five year term, the cost for LTI 2013 is estimated at approximately SEK 241 million.

Item 17 – Shareholder proposal

Kjell Andersson proposes that the Business Area Sandvik Materials Technology (SMT) should be distributed to Sandvik's shareholders and listed on the stock exchange.

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 and statement are available on the Company's website www.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 complete proposals for resolutions under items 15, 16 and 17 will be available at Sandvik AB, Kungsbron 1, entrance G, floor 6, Stockholm and on the Company's website www.sandvik.com, from no later than Thursday, 4 April 2013. The documentation will be sent without charge to the shareholders who so request.

SHARES AND VOTES

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

PROGRAM FOR SHAREHOLDERS

Registration for the Meeting will commence at 2:30 p.m. Kulturskolan (*School of Culture*) will entertain at 3:15 – 4:15 p.m. and the award of the Wilhelm Haglund medal will take place at 4:30 p.m. A light meal will be served as from 2:30 p.m.

Stockholm, March 2013
SANDVIK AKTIEBOLAG (PUBL)
The Board of Directors

Sandvik AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 07:45 CET on 20 March 2013.

The Sandvik Group

Sandvik is a global industrial group with advanced products and world-leading positions in selected areas – tools for metal cutting, equipment and tools for the mining and construction industries, stainless materials, special alloys, metallic and ceramic resistance materials as well as process systems. In 2012 the Group had about 49,000 employees and representation in 130 countries.