



Annual General Meeting of Sandvik Aktiebolag

The shareholders in Sandvik Aktiebolag are given notice of the Annual General Meeting to be held on Tuesday, 27 April 2021.

In view of the Covid-19 pandemic, the Board of Directors has decided that the Annual General Meeting shall be conducted without the physical presence of shareholders, representatives and third parties, and that shareholders shall only be entitled to exercise their voting rights by postal voting before the Meeting. Information on the resolutions passed at the Meeting will be disclosed on Tuesday, 27 April 2021, as soon as the outcome of the postal voting has been finally confirmed.

REGISTRATION AND NOTICE

Shareholders who wish to participate in the Meeting by postal voting must:

- be recorded as shareholder in the share register maintained by Euroclear Sweden AB on Monday, 19 April 2021; and
- give notice of their intention to participate by submitting their postal votes (in accordance with the instructions under the heading Postal Voting below), so that these are received by Computershare AB not later than Monday, 26 April 2021.

Shareholders whose shares are registered in the name of a nominee must, to be entitled to participate in the Meeting, temporarily have re-registered the shares in their own name so that the shareholder is registered in the share register as of Monday, 19 April 2021. Please note that this procedure also applies with respect to shares held on a bank's shareholder deposit account and certain investment savings accounts. Request for such voting rights registration shall be made to the nominee, in accordance with the nominee's routines, at such time in advance as decided by the nominee. Voting rights registration that has been made by the nominee not later than Wednesday, 21 April 2021 will be taken into account in the preparation of the share register.

POSTAL VOTING

The Board of Directors has decided that shareholders should be able to exercise their voting rights only by postal voting in accordance with Section 22 of the Act (2020:198) on temporary exceptions to facilitate the execution of general meetings in companies and other associations. A special form must be used for the postal vote. The form for postal voting is available on the Company's website home.sandvik and at the Company's head office, Kungsbron 1, section G, floor 6, Stockholm, Sweden. The completed and signed form for postal voting shall be sent by e-mail to info@computershare.se or to Computershare AB, "Sandvik's AGM", Box 5267, SE-102 46 Stockholm, Sweden. Completed forms must be received by Computershare not later than Monday, 26 April 2021. Shareholders who are natural persons may also cast their votes electronically through verification with BankID via the Company's website home.sandvik. Such electronic votes must also be submitted not later than Monday, 26 April 2021.

The shareholders may not provide special instructions or conditions to the postal vote. If so, the entire postal vote is invalid. Further instructions and conditions can be found in the postal voting form.

PROXIES ETC

If a shareholder submits its postal vote through a representative, a written and dated proxy signed by the shareholder must be attached to the postal voting form. Proxy forms are available on the Company's website home.sandvik.com. If the shareholder is a legal person, a registration certificate or other authorization document must be attached to the form.

SHAREHOLDERS' RIGHT TO RECEIVE INFORMATION

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.

A request for such information shall be made in writing to the Company not later than ten days prior to the Meeting, i.e. not later than Saturday, 17 April 2021, at the address of Sandvik AB, Att: Åsa Thunman, Box 510, SE-101 30 Stockholm, Sweden or by e-mail to asa.thunman@sandvik.com. The questions and responses will be made available on the Company's website home.sandvik.com and at the Company's head office, Kungsbron 1, section G, floor 6, Stockholm, Sweden not later than Thursday, 22 April 2021. The information will also be sent to those shareholders who requested it and provided their address to the Company.

AGENDA

1. Election of Chairman of the Meeting.
2. Election of one or two persons to verify the minutes.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Examination of whether the Meeting has been duly convened.
6. Presentation of the Annual Report, Auditor's Report and the Group Accounts and Auditor's Report for the Group.
7. Resolution in respect of adoption of the Profit and Loss Account, Balance Sheet, Consolidated Profit and Loss Account and Consolidated Balance Sheet.
8. Resolution in respect of discharge from liability of the Board members and the President for the period to which the accounts relate.
9. Resolution in respect of allocation of the Company's result in accordance with the adopted Balance Sheet and resolution on record day.
10. Determination of the number of Board members, Deputy Board members and Auditors.
11. Determination of fees to the Board of Directors and Auditor.
12. Election of Board members:
 - 12.1 Andreas Nordbrandt
 - 12.2 Jennifer Allerton
 - 12.3 Claes Boustedt
 - 12.4 Marika Fredriksson
 - 12.5 Johan Molin
 - 12.6 Helena Stjernholm
 - 12.7 Stefan Widing
 - 12.8 Kai Wörn
13. Election of Chairman of the Board.

14. Election of Auditor.
15. Approval of remuneration report.
16. Resolution on a long-term incentive program (LTI 2021).
17. Authorization on acquisition of the Company's own shares.
18. Resolution on amendments to the Articles of Association.

PROPOSALS FOR RESOLUTION

Item 1 – Election of Chairman of the Meeting

The Nomination Committee consists of its Chairman Fredrik Lundberg (AB Industrivärden), Ann Grevelius (Alecta), Marianne Nilsson (Swedbank Robur Funds), Lars Pettersson (Lundbergs) and Johan Molin (Sandvik's Chairman of the Board).

The Nomination Committee proposes attorney Sven Unger as Chairman of the Meeting, or in the event he is prevented from participating, the person appointed by the Nomination Committee.

Item 2 – Election of one or two persons to verify the minutes

The Board of Directors proposes Ann Grevelius, representing Alecta, and Anders Oscarsson, representing AMF, or if one or both of them are prevented from participating, the person(s) appointed by the Chairman of the Board, to verify the minutes of the Meeting. The assignment to verify the minutes also includes verifying the voting list and that the received postal votes are correctly reflected in the minutes.

Item 3 – Preparation and approval of the voting list

The voting list proposed to be approved is the voting list prepared by Computershare AB on behalf of the Company, based on the General Meeting share register and received postal votes, controlled and verified by the persons assigned to verify the minutes.

Item 9 – Dividend and record day

The Board of Directors proposes that the Annual General Meeting resolve on a dividend of SEK 6.50 per share. Thursday, 29 April 2021 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 Tuesday, 4 May 2021.

Item 10 – Determination of the number of Board members, Deputy Board members and Auditors

The Nomination Committee proposes eight Board members with no deputies and one registered public accounting firm as Auditor.

Item 11 – Determination of fees to the Board of Directors and Auditor

The Nomination Committee proposes fees to the Board of Directors as follows:

- Chairman of the Board of Directors: SEK 2,625,000 (2,550,000)
- Other Board members not employed by the Company: SEK 710,000 (690,000) each
- Chairman of the Audit Committee: SEK 310,000 (300,000)
- Other members of the Audit Committee: SEK 175,000 (170,000) each
- Chairman of the Remuneration Committee: SEK 150,000 (145,000)
- Other members of the Remuneration Committee: SEK 118,000 (115,000) each
- Chairman of the Acquisitions and Divestitures Committee: SEK 200,000 (0)

- Other members of the Acquisitions and Divestitures Committee: SEK 150,000 (0) each

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

Item 12 – Election of Board members

The Nomination Committee proposes the election of the following persons as Board members:

- 12.1 Andreas Nordbrandt (new)
- 12.2 Jennifer Allerton (re-election)
- 12.3 Claes Boustedt (re-election)
- 12.4 Marika Fredriksson (re-election)
- 12.5 Johan Molin (re-election)
- 12.6 Helena Stjernholm (re-election)
- 12.7 Stefan Widing (re-election)
- 12.8 Kai Wörn (re-election)

Johan Karlström has declined re-election.

Andreas Nordbrandt, born 1971, holds a M.Sc. in Mechanical Engineering and Hydraulics and has a long and solid industrial experience in a global environment, in particular within international mining operations, and is deemed to be able to complement existing competence in the Sandvik Board in an excellent way. Andreas is President and board member of Mälärvillan AB.

Item 13 – Election of Chairman of the Board

The Nomination Committee proposes re-election of Johan Molin as Chairman of the Board of Directors.

Item 14 – Election of Auditor

The Nomination Committee proposes, pursuant to the recommendation of the Audit Committee, re-election of PricewaterhouseCoopers AB as Auditor for the period until the end of the 2022 Annual General Meeting.

Item 15 – Approval of remuneration report

The Board of Directors proposes that the Annual General Meeting approves the Board of Directors' remuneration report pursuant to Chapter 8, Section 53 a of the Swedish Companies Act.

Item 16 – Resolution on a long-term incentive program (LTI 2021)

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 2021 (“LTI 2021”) on the below terms and conditions.

General

LTI 2021 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 2021 is 2.3 million shares, which corresponds to approximately 0.2 percent of the number of outstanding shares in Sandvik.

In order to participate in LTI 2021 the employee is required to invest in Sandvik shares at market price no later than 15 June 2021 (“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 2021 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 2021 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 9 persons),
- 6 for each senior manager (approximately 60 persons), and
- 5 for each key contributor (approximately 280 persons).

Each member of the Group Executive Management shall nominate the persons that are to be offered participation in LTI 2021 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 2021 (“EPS 2021”), compared to adjusted EPS for the financial year 2020 (“EPS 2020”). 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 2021 exceeds EPS 2020.
- In order for any remaining Performance Shares to be allotted EPS 2021 growth must exceed 5 percent in relation to EPS 2020. 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 2021 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 2021 are met, allotment of Performance Shares will take place during 2024, and no later than 30 June 2024. 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 2021.

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 2021. 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 2021 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 2021 and hedging arrangements

The number of Sandvik shares that will be needed for LTI 2021 will depend on the Sandvik share price at investment and the participation rate. To secure an adequate number of shares, given the market volatility, a Sandvik share price of SEK 135 has been used when calculating the maximum number of shares needed. Based on this share price the total cost of LTI 2021 is estimated at up to SEK 334 million. The costs have been calculated as the sum of personnel costs, including social security costs of SEK 55 million, and administration costs of approximately SEK 2 million for the program. Based on a share price of SEK 185 (which would result in fewer Sandvik shares being needed) the total cost is estimated at up to SEK 346 million, of which SEK 57 million constitutes social security cost and approximately SEK 2 million constitutes administration costs. The costs for LTI 2021 will be allocated over the years 2021–2023.

Sandvik intends to secure its commitment to deliver Sandvik shares under LTI 2021 through a share swap agreement with a third party. The interest cost for such a share

swap is estimated at approximately SEK 1.4 million per year based on the current interest levels, regardless of whether the calculation is based on a share price of SEK 135 or SEK 185. 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 2021 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 G4 in Sandvik's 2020 Annual Report and to the Company's website.

Item 17 – 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 2022 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 2022 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.

Item 18 – Resolution on amendments to the Articles of Association

The Board of Directors proposes that the Annual General Meeting resolve to amend the Articles of Association as proposed below:

Current wording	Proposed new wording
<p>§ 1 The name of the company is Sandvik Aktiebolag. The company is public (publ).</p>	<p>§ 1 The name of the company is Sandvik Aktiebolag. The company is public (publ). <i>[no amendment in the English version]</i></p>
<p>§ 10 (first paragraph) To be entitled to participate in a General Meeting of the Shareholders, a shareholder must (i) be listed on the print-out or other presentation of the entire shareholders' register showing the position five weekdays prior to the Meeting and (ii) notify the Company of his/her intention to participate not later than the date stipulated in the notice of the Meeting. This date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday prior to the Meeting.</p>	<p>§ 10 (first paragraph) To be entitled to participate in a General Meeting of the Shareholders, a shareholder must notify the Company of his/her intention to participate not later than the date stipulated in the notice of the Meeting. This date may not be a Sunday, other public holiday, Saturday, Midsummer's Eve, Christmas Eve or New Year's Eve and may not fall earlier than the fifth weekday prior to the Meeting.</p>
<p>[No equivalent]</p>	<p>§ 13 <i>The Board may before a General Meeting decide that the shareholders shall be able to exercise their right to vote by post before the General Meeting as set out in Chapter 7, Section 4 a of the Swedish Companies Act (2005:551).</i> <i>The Board may decide that persons not being shareholders of the Company shall be entitled, on the conditions stipulated by the Board, to attend or in any other manner follow the discussions at a General Meeting.</i></p>
<p>§ 13 The Company's shares shall be registered in a Central Securities Depository Register pursuant to the Financial Instruments Accounts Act (1998:1479).</p>	<p>§ 14 The Company's shares shall be registered in a Central Securities Depository Register pursuant to the <i>Swedish Central Securities Depositories and Financial Instruments Accounts Act (1998:1479)</i>.</p>

The proposed changes to § 1, § 10 and current § 13 of the Articles of Association are due to legislative amendments (the amendment to § 1 only applies to the Swedish language version of the Articles of Association). As regards § 10 the record day is prescribed by law and therefore does not have to be included in the Articles of Association. The new § 13 is proposed in order to give the Board of Directors the possibility to decide on advance voting, so-called postal voting, before a General Meeting and to decide on participation of third parties in General Meetings. This is permitted under the Swedish Companies Act only where specified in the Articles of Association.

The Board of Directors also proposes that the President shall be authorized to make any minor adjustments to the resolution that may prove to be necessary in connection with the registration of the Articles of Association with the Swedish Companies Registration Office.

In order for the resolution on amendments to the Articles of Association 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.

DOCUMENTATION

The Nomination Committee's proposals under items 1 and 10–14 and the Board of Directors' proposals under items 2–3, 9 and 15–18 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 (including the Board of Directors' statement relating to the proposal under item 9), the Board of Directors' remuneration report, the Board of Directors' statement relating to the proposal under item 17, the Auditor's Report and the Auditor's statement regarding the application of the guidelines for remuneration are presented by being available at the Company's head office, Kungsbron 1, section G, floor 6, Stockholm, Sweden, 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. The General Meeting share register will be available at the Company's head office, Kungsbron 1, section G, floor 6, Stockholm, Sweden.

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 2021

SANDVIK AKTIEBOLAG (PUBL)
The Board of Directors