Proposal by the Board of Directors of Sandvik AB 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 2016
Annual General Meeting, which guidelines correspond substantially to those adopted by the
2014 Annual General Meeting.

The remuneration of the 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 of Directors, if exceptional economic circumstances prevail,
have 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 minimum retirement age for the President is 60 and for other members of the
Group Executive Management the minimum retirement age is 62.

Normally, severance payment is made when employment is terminated by Sandvik.
Members of the 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 of Directors 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 the Group Executive Management.

For information concerning the current remuneration of senior executives, including ongoing
long-term incentive programs, refer to note 3.5 in the Company’s 2014 Annual Report.

Stockholm, January 2015
Sandvik Aktiebolag (publ)
The Board of Directors