

## **Statement by the Nomination Committee of Sandvik AB relating to proposed Board of Directors and Auditor in view of the 2018 Annual General Meeting**

### ***The Nomination Committee's work during the year***

The Nomination Committee held its first meeting in October 2017 and has since then held two further meetings in view of the 2018 Annual General Meeting. All decisions taken by the Nomination Committee have been unanimous.

The Chairman of the Board has informed the Nomination Committee of the process used in the Company for the annual evaluation of the Board and has presented the result of the evaluation. The Nomination Committee has also been informed of the Audit Committee's procurement of and recommendation for external Auditor.

In its work in view of the 2018 Annual General Meeting, the Nomination Committee has paid special attention to the requirements that the Company's strategic development, international operations as well as governance and control place on the Board's qualifications and composition. The Nomination Committee has discussed the composition of the Board and agreed on the principal requirements that should be imposed on the Board members, including the requirement regarding the independence of Board members. The Nomination Committee has applied rule 4.1 of the Swedish Code of Corporate Governance as the diversity policy. The rule states that the Board shall have an appropriate composition in view of the Company's operations, phase of development and other relevant circumstances, display diversity and breadth in terms of qualifications, experience and background of the Board members elected by the General Meeting and that the Company shall strive for gender balance. The Nomination Committee has also attached particular importance to the Board members having a reasonable total work load to ensure that sufficient time and attention can be given to the Board assignment in Sandvik, and has concluded that this is the case for the proposed Board members.

In order to assess whether the Board's fees are reasonable a comparison has been made with fees in companies of comparable size and complexity.

### ***Rationale for proposal for the Board***

In its review relating to the Board, as described above, the Nomination Committee has found that the current Board functions well and that the Board members represent a broad spectrum of experience and knowledge. The members have displayed great commitment and the rate of attendance is high.

In view of the above, the Nomination Committee has chosen to propose the re-election of Jennifer Allerton, Claes Boustedt, Marika Fredriksson, Johan Karlström, Johan Molin, Björn Rosengren, Helena Stjernholm and Lars Westerberg, as well as the re-election of Johan Molin as Chairman of the Board.

The Nomination Committee considers that the proposed Board has an appropriate composition in view of the Company's operations, phase of development and other relevant circumstances, and displays diversity and breadth in terms of the Board members' qualifications, experience and background. Further, the Nomination Committee has found that the number of other board assignments that each Board member has does not prevent the Board members from actively participating in the work of the Sandvik Board.

***Rationale for proposal for the Auditor***

The Board's Audit Committee has carried out a procurement procedure regarding the audit and has informed the Nomination Committee that the two accounting firms PricewaterhouseCoopers AB (PwC) and KPMG have been deemed as most suitable for the assignment.

After an overall assessment of these two accounting firms the Audit Committee has found that PricewaterhouseCoopers AB best meets Sandvik's requirements and needs and has therefore recommended election of PricewaterhouseCoopers AB as new Auditor. The Nomination Committee therefore proposes that the Annual General Meeting, pursuant to the recommendation of the Audit Committee, elects the accounting firm PricewaterhouseCoopers AB as the Company's Auditor.

Stockholm, February 2018

Nomination Committee of Sandvik Aktiebolag