



# Press Release

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## Sandvik's Annual General Meeting 2011

Sandvik AB's Annual General Meeting, held in Sandviken on 3 May, approved a dividend of SEK 3.00 per share for 2010. The record date for payment of the dividend was set at Friday, 6 May. The dividend is expected to be sent to shareholders by Euroclear Sweden AB on Wednesday, 11 May.

In his address, Olof Faxander, President and CEO since 1 February 2011, commented on the 2010 fiscal year and the trend for the first quarter of 2011. The presentation comprised a report on the global market trend and Sandvik's potential for continued beneficial performance in the world markets.

### Board of Directors

Johan Karlström and Olof Faxander were elected new members of the Board, and Fredrik Lundberg, Hanne de Mora, Egil Myklebust, Anders Nyrén, Simon Thompson and Lars Westerberg were re-elected as members of the Board. Anders Nyrén was re-elected Chairman of the Board.

Outgoing Board member Georg Ernrooth and outgoing Board member and former President and CEO Lars Pettersson were thanked for their service.

The unions appointed Tomas Kärnström and Jan Kjellgren as members of the Board and Alicia Espinosa and Bo Westin as deputy members of the Board.

### Auditor

KPMG AB was re-elected as the company's auditor through the 2010 Annual General Meeting, meaning for four years. KPMG AB has appointed Authorised Public Accountant George Pettersson as the auditor-in-charge.

Outgoing auditor-in-charge Caj Nackstad was thanked for his service.

### Resolution on amendments to the Articles of Association

The Meeting resolved to approve the amendments proposed by the Board to adapt the Articles of Association to the revisions in the Swedish Companies Act. The resolved amendments require the auditor's assignment to apply until the conclusion of the Annual General Meeting held during the fourth financial year after the year in which the auditor was appointed. The amendments also require the notice of the General Meeting to be announced in Post och Inrikes Tidningar and on the company's website, and for confirmation of the publication of the notice to be printed in Svenska Dagbladet as well as a daily newspaper distributed in Sandviken or Gävle. In addition, information concerning time-limits for the notice was granted support since these are legally required. The exact time of day for the registration to the General Meeting was also removed. Finally, the term "General Meeting of Shareholders" was replaced with "Annual General Meeting."

### Resolution on Nomination Committee

The Annual General Meeting resolved that the four largest shareholders known to the company on the final business day in August 2011 shall appoint one member each and these persons and the Board Chairman (convener) shall comprise the Nomination Committee.

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**Resolution on guidelines for remuneration to Executive Management**

The Annual General Meeting approved the Board's proposal regarding guidelines for remuneration etc. to Executive Management.

**Resolution on the implementation of a long-term incentive programme**

The Meeting approved the Board's proposal regarding the implementation of a long-term share-based incentive programme for about 400 senior executives and key employees in the Group. The programme will replace the former cash-based programme in conjunction with its expiration.

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 received employee stock options and matching rights enabling the executive to acquire Sandvik shares at a certain price after a period of three years.

The programme includes a maximum of 12,000,000 Sandvik shares, corresponding to about 1 per cent of the total number of shares, and will be secured in the form of share swaps with a third party, thus resulting in no dilution effect. Assuming a share price of SEK 120, expected volatility of 30 per cent and a five-year term, the cost of the program is estimated at slightly more than SEK 250 M.

**Statutory meeting of the Board of Directors**

A statutory meeting of the Board of Directors was held following the Annual General Meeting. The Audit Committee comprises Hanne de Mora, Chairman, Anders Nyrén and Simon Thompson. The Remuneration Committee comprises Anders Nyrén, chairman, Egil Myklebust and Lars Westerberg.

**Wilhelm Haglund medal**

Mats Ahlgren, Susanne Norgren and Marianne Collin, Sandvik Tooling, were named Product Developers of the Year and were awarded the Wilhelm Haglund Medal for their development of cemented carbides based on submicron substrates with PVD coatings. This resulted in the development of 13 new types of cemented carbides with combined sales of more than EUR 100 M after three years.

Sandviken, 3 May 2011

Sandvik Aktiebolag (publ)