

For further information, please contact:

*Press Relations:* Carl Bjernstam, +46 31-337 2517; +46 722-201 893; [carl.bjernstam@skf.com](mailto:carl.bjernstam@skf.com)

*Investor Relations:* Patrik Stenberg, +46 31-337 2104; +46 705-472 104; [patrik.stenberg@skf.com](mailto:patrik.stenberg@skf.com)

## Notice of Annual General Meeting

Gothenburg, 23 February 2022: Notice is hereby given that the Annual General Meeting of Aktiebolaget SKF will be held on Thursday, 24 March 2022.

Due to Covid-19, the Board of Directors has decided that the general meeting should be held without physical presence by inviting the shareholders to exercise their voting rights only by postal voting in accordance with the Act on temporary exceptions to facilitate the execution of general meetings in companies and other associations. There will be no meeting with a possibility to attend physically or by proxy; hence, the meeting will be held without physical presence.

Information on the resolutions adopted by the general meeting will be published on 24 March 2022 as soon as the results of the postal vote has been finalized. For further information, see the heading "Postal voting" below.

An address from the President and an address from the auditor will be available at the company's website, [www.skf.com](http://www.skf.com), latest by 22 March 2022.

### **Preconditions for participation**

For the right to participate at the Annual General Meeting, shareholders must be recorded in the shareholders' register kept by Euroclear Sweden AB as per Friday, 16 March 2022 and must notify its intention to participate to the company at the latest on 23 March 2022 by casting its postal vote in accordance with the instructions under the heading "Postal voting" below so that the postal voting is received by the company through Computershare AB no later than 23 March 2022. Shareholders whose shares are registered in the name of a trustee must have the shares registered temporarily in their own name in order to take part in the Annual General Meeting. Any such re-registration for the purpose of establishing voting rights made by the trustee latest by 18 March 2022 are taken into account in the production of the share register. This means that the shareholder should give notice of his/her wish to be included in the shareholders' register to the trustee well in advance, in accordance with the trustee's procedures.

### **Postal voting**

Shareholders may exercise their voting rights at the Annual General Meeting only by voting in advance, so-called postal voting in accordance with the Act on temporary exceptions to facilitate the execution of general meetings in companies and other associations.

A special form shall be used for postal voting. The form is available on [www.skf.com](http://www.skf.com). The postal voting form is considered as the notification of participation.

The completed and signed voting form must be received by SKF through Computershare AB no later than 23 March 2022. The form may be submitted by post to Computershare AB,

"AGM 2022 of AB SKF", Box 5267, 102 46 Stockholm or via e-mail to [proxy@computershare.se](mailto:proxy@computershare.se). Shareholders may also cast their postal votes electronically through Swedish BankID verification via SKF's website [www.skf.com](http://www.skf.com). Shareholders who are represented by a proxy holder shall submit a proxy form enclosed to the voting form. If the shareholder is a legal entity, a certificate of incorporation or a corresponding document shall be enclosed to the form.

Shareholders are not permitted to add special instructions or conditions to their postal votes. If this is done, the vote (i.e. the postal vote in its entirety) will be invalid. Further instructions and conditions can be found on the postal voting form.

For questions about the meeting or to have the postal voting form sent by post, please contact Computershare AB on telephone +46 771-24 64 00.

## Proposed agenda

1. Opening of the Annual General Meeting
2. Election of a Chairman for the Annual General Meeting
3. Election of persons to verify the minutes
4. Drawing up and approval of the voting list
5. Approval of agenda
6. Consideration of whether the Annual General Meeting has been duly convened
7. Presentation of annual report and audit report as well as consolidated accounts and audit report for the Group
8. Matter of adoption of the income statement and balance sheet and consolidated income statement and consolidated balance sheet for the Group
9. Resolution regarding distribution of profits and record date
10. Matter of discharge of the Board members and the Presidents from liability
11. Determination of number of Board members and deputy members
12. Determination of fee for the Board members
13. Election of Board members and deputy Board members  
The Nomination Committee's proposal for Board members:
  - 13.1 *Hans Stråberg*
  - 13.2 *Hock Goh*
  - 13.3 *Colleen Replier*
  - 13.4 *Geert Follens*
  - 13.5 *Håkan Buskhe*
  - 13.6 *Susanna Schneeberger*
  - 13.7 *Rickard Gustafson*
14. Election of Chairman of the Board of Directors
15. The Board of Director's proposal for a resolution on revised principles of executive remuneration
16. The Board of Directors' remuneration report
17. The Board of Directors' proposal for a resolution on SKF's Performance Share Programme 2022

## Proposal under item 3

Martin Jonasson (Andra AP-fonden) and Emilie Westholm (Folksam), or if one or both of them are prevented, the person or persons instead appointed by the Board, are proposed to be elected to approve the minutes of the Meeting together with the Chairman. The task of approving the minutes of the Meeting also includes verifying the voting list and that the advance votes received are correctly stated in the minutes of the Meeting.

## Proposal under item 4

The voting list proposed for approval under point 4 on the agenda, is the voting list drawn up by Computershare AB on behalf of the company, based on the Meeting's share register and advance votes received, as verified and recommended by the persons approving the minutes of the Meeting.

## **Proposal under item 9**

The Board of Directors proposes a dividend of SEK 7.00 per share. It is proposed that shareholders with holdings recorded on Monday, 28 March 2022 be entitled to receive the proposed dividend. Subject to resolution by the Annual General Meeting in accordance with this proposal, it is expected that Euroclear will distribute the dividend on Thursday, 31 March 2022.

## **Proposals under items 2, 11, 12, 13 and 14**

The Nomination Committee formed according to a resolution of the Annual General Meeting 2020 to represent all shareholders of the company consists of, besides the Chairman of the Board of Directors, representatives of FAM, AFA Försäkring, Skandia and Swedbank Robur Fonder, shareholders who together represent around 40% of the votes of the total number of company shares. The Nomination Committee has informed the company about the following proposal:

- Item 2 - that Sven Unger, or if he is prevented, the person or persons instead appointed by the Nomination Committee, is elected Chairman of the Annual General Meeting;
- Item 11 - that the Board of Directors shall consist of seven members and no deputy members;
- Item 12 - that the Board members elected by the Annual General Meeting and not employed by the company, for the period up to the end of the next Annual General Meeting, receive a fee according to the following:
  - a) An allotment of SEK 2,530,000 to the Chairman of the Board of Directors and SEK 825,000 to each of the other Board members; and
  - b) an allotment of SEK 285,000 to the Chairman of the Audit Committee, with SEK 210,000 to each of the other members of the Audit Committee, with SEK 165,000 to the Chairman of the Remuneration Committee and with SEK 130,000 to each of the other members of the Remuneration Committee;
- Item 13 - re-election of the Board members Hans Stråberg, Hock Goh, Colleen Replier, Geert Follens, Håkan Buskhe, Susanna Schneeberger and Rickard Gustafson.

A presentation of the proposed Board can be found at the company's website [www.skf.com](http://www.skf.com). Barb Samardzich has declined re-election at the Annual General Meeting 2022.

- Item 14 – that Hans Stråberg is re-elected as the Chairman of the Board of Directors.

## **Proposal under item 15**

The Board of Directors has decided to submit the following revised principles of remuneration for SKF's Group Management (executive remuneration) to the Annual General Meeting. The main contents of the proposal are stated below. The Board of Director's complete proposal is available at the company and at the company's website, [www.skf.com](http://www.skf.com).

The Board of Director's proposal for revised principles of remuneration are in all material respects similar to the previous version with a clarification of the criteria for variable salary.

Furthermore, a criterion promoting the SKF Group's sustainability targets, which can be independent of the financial performance of the SKF Group, has been added.

Group Management is defined as the President and the other members of the management team.

The Board of Directors' proposal is that the remuneration of Group Management members shall be based on market competitive conditions and at the same time support the shareholders' best interests. The total remuneration package for a Group Management member shall consist of fixed salary, variable salary, pension benefits, conditions for notice of termination and severance pay, and other benefits such as a company car. The objective of the principles of remuneration is to ensure that the SKF Group can attract and retain the best people in order to promote the SKF Group's mission and business strategy, its long-term interests and sustainability.

The fixed salary shall be at a market competitive level. Competence, responsibility, experience and performance shall be taken into account when the fixed salary is established.

The variable salary shall run according to a performance-based programme. The programme shall have predetermined and measurable criteria which can be both financial and non-financial and which contribute to the company's long-term and sustainable development. The criteria shall primarily be based on the annual financial performance of the SKF Group, such as financial result, growth and capital efficiency and shall promote sustainability targets of the SKF Group. The satisfaction of criteria for awarding variable salary shall be measured over a period of one year. To which extent the criteria for awarding variable salary has been satisfied shall be determined when the measurement period has ended, and the maximum variable salary is capped at a certain percentage of the fixed accumulated annual salary varying between 50 and 70 %. The Board of Directors is responsible for the evaluation so far as it concerns variable salary to the President. For variable salary to other executives, the President is responsible for the evaluation. For financial targets, the evaluation shall be based on financial information made public by the SKF Group.

SKF shall strive to establish pension plans based on defined contribution models.

A Group Management member may terminate his/her employment by giving six months' notice. In the event of termination of employment at the request of the company, employment shall according to the agreement cease immediately. A severance payment related to the number of years' service shall, however, in this case be paid out, provided that it shall always be maximized to two years' fixed salary.

The principles of remuneration for Group Management shall be presented by the Remuneration Committee to the Board of Directors that, at least every fourth year, shall submit a proposal for such principles to the Annual General Meeting for approval. The principles of remuneration shall be valid until new principles have been adopted by the Annual General Meeting.

The Board of Directors also proposes that the Annual General Meeting resolves to authorize the Board of Directors to derogate from the principles of remuneration decided by the Annual General Meeting, in whole or in part, if in a specific case there is special cause for the derogation and a derogation is necessary to serve the company's long-term interests, including its sustainability, or to ensure the company's financial viability.

### **Proposal under item 16**

The Board of Directors has prepared a Remuneration report which is proposed to be approved by the Annual General Meeting. The Remuneration report is available on the company's website, [www.skf.com](http://www.skf.com).

## **Proposal under item 17**

The main contents of the Board of Directors' proposal are stated below. The complete proposal is available at the company and at the company's website, [www.skf.com](http://www.skf.com).

At the Annual General Meeting in 2008 the SKF Group introduced a long-term performance share programme for senior managers and key employees. Since then, the Annual General Meeting has resolved each year upon a performance share programme.

The Board proposes, in order to continue to link the long-term interests of the participants and the shareholders, that a decision be taken at the Annual General Meeting 2022 on SKF's Performance Share Programme 2022.

The programme is proposed to cover not more than 225 senior managers and key employees in the SKF Group with an opportunity to be allotted, free of charge, SKF B shares in accordance with the following principal terms and guidelines.

Under the programme, not more than in total 1,000,000 SKF B shares may be allotted to not more than 225 senior managers and key employees in the Group. The number of shares that may be allotted must be related to the degree of achievement of the Total Value Added (TVA) target level, as defined by the Board, and to the SKF Group's carbon neutral net zero 2030 objective. TVA is a simplified, economic value-added model promoting greater operating profit, capital efficiency and profitable growth. TVA is the operating profit, less the pre-tax cost of capital.

90 % of the maximum allocation of shares under the programme is based on the level of TVA increase. The number of shares that may be allotted must be related to the degree of achievement of the Total Value Added (TVA) target level, as defined by the Board, for the TVA development for the financial years 2022-2024 compared to the financial year 2021. After the expiry of the financial year 2024 a comparison is made between the average TVA for the financial years 2022–2024 and TVA for the financial year 2021. The TVA change is expressed as a percentage. In order for allocation of shares to take place the TVA increase must exceed a certain minimum level (the threshold level). In addition to the threshold level a target level is set. Maximum allotment is awarded if the target level is reached or exceeded.

10 % of the maximum allocation of shares under the programme is based on the reduction of CO<sub>2</sub> emissions. The SKF Group net zero 2030 objective is related to the SKF Group's ambition to become carbon neutral year 2030 (the net zero 2030 objective). The target is based on a CO<sub>2</sub> emission reduction trajectory for the operations defined by the net zero 2030 objective with 2021's emissions as a starting point. After the expiry of the financial year 2024, a comparison will be made of the level of CO<sub>2</sub> reduction achieved during the programme period and the net zero 2030 objective trajectory. If the trajectory reduction level is met or exceeded full allotment is awarded, i.e. 10 % of the total maximum allotment under the programme. If the reduction does not meet the trajectory level, no allotment is awarded in relation to this part of the programme.

Provided that the TVA increase reaches the target level, and that the net zero 2030 objective target is met, the participants of the programme may be allotted the following maximum number of shares per person within the various key groups:

CEO and President – 36,500 shares  
Other members of Group Management – 13,000 shares  
Managers of large business units and similar – 4,500 shares  
Other senior managers – 3,000 shares  
Other key persons – 1,250 shares

If the TVA increase exceeds the threshold level for allotment of shares but the final allotment is below 5% of the target level, payment will be made in cash instead of shares, whereupon the amount of the cash payment shall correspond to the value of the shares calculated on the basis of the closing price for SKF's B share the day before settlement.

Allotment of shares requires that the persons covered by the programme are employed in the SKF Group during the entire calculation period. If all the conditions included in SKF's Performance Share Programme 2022 are met, allotment of shares shall be made free of charge following the expiry of the three year calculation period, i.e. during 2025.

Before the number of shares to be allotted is finally determined, the Board shall examine whether the allotment is reasonable considering SKF's financial results and position, the conditions on the stock market as well as other circumstances, and if not, as determined by the Board, reduce the number of shares to be awarded to the lower number of shares deemed appropriate by the Board.

The Board is furthermore entitled to introduce an alternative incentive solution for employees in countries where participation in SKF's Performance Share Programme 2022 is not appropriate. Such alternative incentive solution shall, as far as practicable, be formulated employing the same conditions as SKF's Performance Share Programme 2022.

The company has 455,351,068 shares in issue when this notice is issued. In order to comply with the obligations of SKF's Performance Share Programme 2022, a maximum number of 1,000,000 B shares are required, corresponding to approximately 0.2% of the total number of outstanding shares.

Assuming maximum allocation under the Performance Share Programme 2022 and a share price of SEK 184, the cost, including social security cost, is estimated at approximately MSEK 221. On the basis of a share price of SEK 280, the cost, including social security cost, is estimated at approximately MSEK 336. In addition, the administrative costs are estimated at approximately MSEK 2.

The Board does not propose for the time being to take any action to hedge SKF's obligations under the programme. Delivery of shares under the programme shall not take place until 2025.

---

## **Number of shares and votes, and documentation**

When this notice is issued, the total number of shares in the company are 455,351,068, represented by 29,403,933 series A shares and 425,947,135 series B shares, with a total number of votes of 71,998,646.5. The company holds no own shares.

The annual report, the audit report, statements of the Board of Directors and the auditor, the Board of Directors' remuneration report and complete proposals according to item 15 and 17 of the agenda together with the Nomination Committee's reasoned statement will be available at the company's headquarters at Sven Wingquists gata 2, 415 50 Gothenburg, and at the company's website, [www.skf.com](http://www.skf.com), no later than from 3 March 2022 and will be sent to shareholders who request this and state their address. The documents will be presented to the Annual General Meeting by being available at the company's website [www.skf.com](http://www.skf.com) and at the company's headquarters. Further, the share register of the meeting will be available at the company's headquarters.

## **Information at the Annual General Meeting, etc.**

The Board of Directors and the President shall, upon request by any shareholder and where the Board of Directors believes that it may take place without significant harm to the company, provide information in respect of any circumstances which may affect the assessment of a matter on the agenda, any circumstances which may affect the assessment of the company's or a subsidiary's financial position and the company's relationship to other group companies. A request for such information shall be made in writing no later than ten days before the meeting, i.e. latest by 14 March 2022, to AB SKF, Att. General Counsel, SE-415 50 Gothenburg, Sweden, or by e-mail: [chairman@skf.com](mailto:chairman@skf.com). The information will be made available at the company's website, [www.skf.com](http://www.skf.com), and at the company's headquarters on 19 March 2022 at the latest. The information will also be sent to the shareholder who has requested it and stated its address.

SKF's web-based financial report in English will be made public on 2 March 2022.

Proxy forms will be available at the company's website, [www.skf.com](http://www.skf.com), and may also be requested by letter to Computershare AB, "AGM 2022 of AB SKF", Box 5267, SE-102 46 Stockholm, Sweden or by phone +46 771 24 64 00.

Gothenburg in February 2022  
Aktiebolaget SKF  
(publ)  
Reg. no 556007-3495

The Board of Directors

---

## **Processing of Personal Data**

Personal data related to a shareholder which is gathered from the shareholders' register, notification on participation in the Annual General Meeting and information about advisors that are to participate or any other information that is otherwise given as set out above, will be processed mainly to register the shareholder, form part of the voting list at the Annual General Meeting and if necessary, the minutes from the Annual General Meeting. The personal data is processed in accordance with the Regulation (EU) 2016/679 of the European Parliament and of the Council. For complete information on the company's processing of your personal data in connection with the Annual General Meeting and your rights, see SKF's website [www.skf.com](http://www.skf.com) under the heading "About AGM" (which is located under the section "Investors" and "Corporate Governance").

---

*SKF's mission is to be the undisputed leader in the bearing business. We do this by offering solutions that reduce friction and CO2 emissions, whilst at the same time increasing machine uptime and performance. Our products and services around the rotating shaft include bearings, seals, lubrication management, artificial intelligence and wireless condition monitoring. SKF is represented in more than 130 countries and has around 17,000 distributor locations worldwide. Annual sales in 2021 were SEK 81,732 million and the number of employees was 42,602. [www.skf.com](http://www.skf.com)*

© SKF is a registered trademark of the SKF Group.