

Presentation of the Members of the Board of Directors, the Nomination Committee's reasoned statement and statement how it has conducted its work.

Information regarding board members nominated for election as members of the Board of Directors at the Annual General Meeting on 29 March 2017 and the Nomination Committee's statement regarding the composition of the proposed Board of Directors and proposed remuneration. There is also, at the end, a short description of how the Nomination Committee has conducted its work.

Members of the Board of Directors proposed to be re-elected by the Annual General Meeting 2017 (information as per 23 February 2017)

Leif Östling

Chairman, Board member since 2005

Born 1945

Education and job experience: Master of Engineering (Chalmers University of Technology, Gothenburg), Bachelor of Economics (School of Business, Economics and Law, University of Gothenburg), various management positions at Scania since 1972, President and CEO of Scania AB between 1994 and 2012, Vice Chairman of Scania AB 2013–2015, member of the Board of Management of Volkswagen AG, responsible for Commercial Vehicles, 2012-2015.

Other assignments: Board member of EQT Holding AB and Supervisory Board of Volkswagen Truck / Bus GmbH.

Shareholding (own and/or held by related parties): 500,000 SKF B

Independence in relation to the company/senior management*: Yes

Independence in relation to major shareholders of the Company*: Yes

The Nomination Committee's statement regarding the independence of Leif Östling

Leif Östling is Chairman of the AB SKF Board of Directors. Since July 2015 he is also board member of the Supervisory Board for Volkswagen Truck/ Bus GmbH, a company in the Volkswagen group. The Nomination Committee has been informed that the Volkswagen group is one of SKF's more important customers. Thus, in the opinion of the Nomination Committee, the circumstance referred to in Rule 4.4, paragraph 2, bullet 4, in the Swedish Code of Corporate Governance (the "Code") exists**. Regardless thereof, it is the Nomination Committee's opinion that Leif Östling shall be considered independent in relation to the company and senior management. In accordance with Rule 2.6, paragraph 3, bullet 4, of the Code, the Nomination Committee justifies its position as follows.

* The information regarding independency relates to the independence of the proposed Board member according to the Swedish Code of Corporate Governance in relation to (i) the company/senior management and (ii) major shareholders.

**The Code is available at the website of the Swedish Corporate Governance Board, www.corporategovernanceboard.se.

The Nomination Committee has been informed that SKF is not one of the Volkswagen group's material suppliers. Hence, the Nomination Committee considers the Volkswagen group not to be dependent on SKF. Considering this, it is the assessment of the Nomination Committee that Leif Östling would not be considered taking into account Volkswagen group's interests in the work of AB SKF's Board of Directors. The Nomination Committee is not aware of any other relevant circumstances which may cause Leif Östling's independence in relation to the company and senior management to be questioned.

Further, the Nomination Committee notes that Leif Östling, due to the disqualification rules of the Swedish Companies Act, will not be allowed to participate in matters regarding agreements between SKF and the Volkswagen group.

Peter Grafoner

Board member since 2008

Born 1949

Education and job experience: Doctor's degree in Engineering (University of Dortmund). Brown Boveri & Cie, several managerial and executive positions within AEG, Chairman of the Management Board of Mannesmann VDO AG 1996–2000 and vice Chairman of the Management Board of Linde AG during 2000–2001.

Other assignments: Chairman of the Board of Coperion GmbH.

Shareholding (own and/or held by related parties): 6,700 SKF B

Independence in relation to the company/senior management*: Yes

Independence in relation to major shareholders of the Company*: Yes

Lars Wedenborn

Board member since 2008

Born 1958

Education and job experience: Master of Science in Economics (University of Uppsala). EVP and CFO of Alfred Berg 1991–2000, EVP and CFO of Investor AB 2000–2007, and CEO of FAM AB, wholly owned by the Wallenberg Foundations, since 2007.

Other assignments: Chairman of NASDAQ Nordic Ltd., and board member of NASDAQ Group Inc., Höganäs AB, Alecta, Nefab AB and FAM AB.

Shareholding (own and/or held by related parties however not including FAM AB): 10,000 SKF A, 11,500 SKF

Independence in relation to the company/senior management*: Yes

Independence in relation to major shareholders of the Company*: No

Baba Kalyani

Board member since 2011

Born 1949

Education and job experience: Master of Science (Massachusetts Institute of Technology, USA) and a Bachelor of Mechanical Engineering (Birla Institute of Technology, India). Managing Director of Bharat Forge Ltd since 1993 and before that several senior positions in Bharat Forge Ltd since 1972.

Other assignments: Chairman of the Kalyani Group, Bharat Forge Ltd and a number of companies in the Kalyani Group. Member of the World Economic Forum, the Confederation of Indian Industries and Founder Chairman of Pratham Pune Education

Foundation, an NGO engaged in providing primary education to underprivileged children in the local community.

Shareholding (own and/or held by related parties): 0

Independence in relation to the company/senior management*: Yes

Independence in relation to major shareholders of the Company*: Yes

Hock Goh

Board member since 2014

Born 1955

Education and job experience: Bachelor's degree (honours) in Mechanical Engineering from Monash University, Australia, completed the Advanced Management Program at INSEAD. Operating Partner of Baird Capital Partners Asia, 2005–2012. Has held several senior management positions in Schlumberger Limited, 1995–2005, President of Network and Infrastructure Solutions division in London, President Asia and Vice President and General Manager China both in Beijing.

Other assignments: Chairman of the Board of MEC Resources since 2005. Member of the Board of Stora Enso Oyj since 2012, Santos Australia since 2012, Vesuvius PLC since 2015 and Harbour Energy since 2015.

Shareholding (own and/or held by related parties): 0

Independence in relation to the company/senior management*: Yes

Independence in relation to major shareholders of the Company*: Yes

Marie Bredberg

Board member since 2014

Born 1957

Education and job experience: Master of Science in Industrial Engineering and Management from the Institute of Technology at Linköping University. Vice President of AerotechTelub AB, 2004–2006 and CFO, 2000–2004. CEO of Combitech AB 2006–2015. Experience from several board assignments within the SAAB-Group.

Other assignments: Vice President Business development and Financial control in Business Area Industrial Products and Services of the SAAB Group since 2015. Board member in Combitech AB, Mjärdevi Science Park AB and Vricon Systems AB.

Shareholding (own and/or held by related parties): 1,000 SKF B

Independence in relation to the company/senior management*: Yes

Independence in relation to major shareholders of the Company*: Yes

Nancy Gougarty

Board member since 2015

Born 1955

Education and job experience: MBA from Case Western Reserve University and a Bachelor of Science in Industrial Management from the University of Cincinnati. Experience from several leading positions within TRW Automotive, 2005–2012, General Motors Corporation and Delphi Corporation from 1978 to 2005. President and Chief Operating Officer for Westport Innovations from 2013 to 2016.

Other assignments: CEO and member of the Board of Westport Fuel Systems Inc. since 2016 and Board member of Trimas Corporation since 2013.

Shareholding (own and/or held by related parties): 0

Independence in relation to the company/senior management*: Yes

Independence in relation to major shareholders of the Company*: Yes

Alrik Danielson

Board member of AB SKF's Board since 2015

Born 1962

Education and job experience: Bachelor of Science in Business Administration and International Economics, School of Business, Economics and Law, University of Gothenburg. Several positions within the SKF Group 1987-2005 and President and CEO of Höganäs AB 2005-2014.

Other assignments: President and CEO of AB SKF since 2015. Board member of Association of Swedish Engineering Industries since 2015.

Shareholding (own and/or held by related parties): 20,000 SKF B

Independence in relation to the company/senior management*: No

Independence in relation to major shareholders of the Company*: Yes

New member of the Board of Directors proposed to be elected by the Annual General Meeting 2017 (information as per 23 February 2017)

Ronnie Leten

Born 1956

Education and job experience: Master of Science in Applied Economics (University of Hasselt, Belgium). President, CEO and Board member of Atlas Copco AB since 2009, various leading positions within the Atlas Copco Group, 1997-2009 and 1985-1995. Plant manager of Tenneco Automotive Inc., Belgium, 1995-1997. Various positions within General Biscuits, 1979-1985.

Other assignments: Chairman of AB Electrolux

Shareholding (own and/or held by related parties): 10,000 SKF B

Independence in relation to the company/senior management*: Yes

Independence in relation to major shareholders of the Company*: Yes

Barb Samardzich

Born 1958

Education and job experience: Bachelor of Science in Mechanical Engineering (University of Florida), Master of Science in Mechanical Engineering (Carnegie Mellon University), Master of Science in Engineering Management (Wayne State University). Various management positions at Ford Motor Company, 1990-2016, the latest as Chief Operating Officer of Ford Europe, 2013-2016. Engineer in the Commercial Nuclear Fuel Division at Westinghouse Electric Corporation, 1981-1990.

Other assignments: Board member of Adient plc, Velodyne LidDAR and MTS Systems

Shareholding (own and/or held by related parties): 0

Independence in relation to the company/senior management*: Yes

Independence in relation to major shareholders of the Company*: Yes

The Nomination Committee's statement regarding the composition of the proposed Board of Directors and the proposed remuneration.

The Nomination Committee's view is that the proposed composition of the Board of Directors, which includes a strengthening of the industrial and digital competence, provides the Board with a wide competence and diversity and sound experience from the segments and markets where the Company is conducting its business, including automotive and industrial.

The Nomination Committee has as regards the diversity policy for the Board applied the rules of the Code and has therefore based its work on that the Board is to have a composition appropriate to the company's operations, phase of development and other relevant circumstances. The Board members elected by the shareholders' meeting are collectively to exhibit diversity and breadth of qualifications, experience and background. The Company is to strive for gender balance on the Board.

The Nomination Committee has conducted an evaluation of the fees payable to the Board members. The basic underlying principle of the directors' fees is that the remuneration shall be reasonable and competitive enough in order for SKF to attract members with high skills and experience in a global market. The compensation shall also reflect the responsibilities and the duration which the directorship entails. The Nomination Committee proposes that the remuneration is adjusted as set out in the proposal to the Annual General Meeting. The proposal of the Nomination Committee leads to a remuneration increase of approximately 3 % for each individual Board and Committee assignment compared to the remuneration decided upon at the Annual General Meeting 2016.

How the Nomination Committee has conducted its work

At the Annual General Meeting of AB SKF held in the spring 2016 it was resolved that the Company shall have a Nomination Committee formed by one representative of each of the four major shareholders with regard to the number of votes held as well as the Chairman of the Board. In a press release dated 16 September 2016 it was announced that a Nomination Committee had been appointed consisting of Marcus Wallenberg from FAM, Ramsay Brufer from Alecta, Anders Algotsson from AFA Insurance, Anders Jonsson from Skandia and the Chairman of the Board, Leif Östling.

Marcus Wallenberg was elected as chairman for the Nomination Committee. The Nomination Committee has held five minuted meetings

The task of the Nomination Committee has been to furnish the Annual General Meeting 2017 with proposals regarding Chairman of the Annual General Meeting, Board of Directors and Chairman of the Board of Directors, fee for the Board of Directors, auditor, fee for the auditor and a proposal for a Nomination Committee facing the Annual General Meeting of 2018.

As regards the election of the Board of Directors, the Nomination Committee has, based on the evaluation of the work of the Board made by AB SKF's Board of Directors, assessed how the current Board meets the requirements that will face the Board of Directors and what further competencies that needs to be added to the

Board. The Nomination Committee has, as in previous years, interviewed/contacted members of the Board of Directors

The Nomination Committee's proposals for Chairman of the Annual General Meeting, Board of Directors and Chairman of the Board of Directors, fees for the Board of Directors, auditor, fees for the auditor and Nomination Committee facing the Annual General Meeting of 2018 were published through the notice of the Annual General Meeting 2017.