

For further information, please contact:

Press Relations: Theo Kjellberg, +46 725 77 6576; theo.kjellberg@skf.com

Investor Relations: Patrik Stenberg, +46 31-337 2104; +46 705-472 104; patrik.stenberg@skf.com

Notice of Annual General Meeting

Gothenburg, 17 February 2021: Notice is hereby given that the Annual General Meeting of Aktiebolaget SKF, reg. no. 556007-3495, will be held on Thursday, 25 March 2021.

Due to the contagious Covid-19 and the authorities' regulations/guidance on avoiding gatherings of people, 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. 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 25 March 2021 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 Chairman of the Board, the President and the incoming President will be available at the company's website, www.skf.com, latest by 22 March 2021. Further, an address from the auditor will be available at the company's website.

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 by Friday, 17 March 2021 and must notify its intention to participate to the company at the latest on 24 March 2021 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 24 March 2021. 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 19 March 2021 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 section 22 of the Act (2020:198) 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. The postal voting form is considered as the notification of participation.

The completed voting form must be received by SKF through Computershare AB no later than 24 March 2021. The form may be submitted by post to Computershare AB, "AGM 2021 of AB SKF", Box 5267, 102 46 Stockholm or via e-mail to info@computershare.se. Shareholders who are natural persons may also cast their postal votes electronically through Swedish BankID verification via SKF's website 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.

The shareholders may request in the voting form that a resolution on one or several of the matters on the proposed agenda below should be deferred to a so-called continued general meeting, which cannot be conducted solely by way of advance voting. Such general meeting shall take place if the Annual General Meeting so resolves or if shareholders with at least one tenth of all shares in the company so requests.

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.

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
10. Matter of discharge of the Board members and the President 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 *Barb Samardzich*
 - 13.4 *Colleen Replier*
 - 13.5 *Geert Follens*
 - 13.6 *Håkan Buskhe*
 - 13.7 *Susanna Schneeberger*
 - 13.8 *Rickard Gustafson*
14. Election of Chairman of the Board of Directors

15. Determination of number of auditors and deputy auditors
16. Determination of the fee for the auditors
17. Election of auditors and deputy auditors
18. The Board of Director's proposal concerning amendment of the Articles of Association
19. The Board of Directors' remuneration report
20. The Board of Directors' proposal for a resolution on SKF's Performance Share Programme 2021

Proposal under item 3

Martin Jonasson (Andra AP-fonden) and Nina Bönnellyche (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 6.50 per share. It is proposed that shareholders with holdings recorded on Monday, 29 March 2021 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, 1 April 2021.

Proposals under items 2, 11, 12, 13, 14, 15, 16 and 17

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, Skandia, AFA Försäkring and Swedbank Robur Fonder, shareholders who together represent close to 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 eight 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 2,300,000 to the Chairman of the Board of Directors and SEK 750,000 to each of the other Board members; and
 - b) an allotment of SEK 260,000 to the Chairman of the Audit Committee, with SEK 190,000 to each of the other members of the Audit Committee, with SEK 150,000 to the Chairman of the Remuneration Committee and with SEK 120,000 to each of the other members of the Remuneration Committee;

- Item 13 - re-election of the Board members Hans Stråberg, Hock Goh, Barb Samardzich, Colleen Repplier, Geert Follens, Håkan Buskhe and Susanna Schneeberger. It is proposed that Rickard Gustafson is to be newly elected.

Rickard Gustafson will succeed Alrik Danielson as President and CEO of SKF during the first half of 2021. He is currently the President and CEO of the SAS Group and his previous senior positions include CEO of the insurance company Codan/Trygg Hansa and several positions within General Electric.

A presentation of the proposed Board can be found at the company's website www.skf.com.

Ronnie Leten has declined re-election at the Annual General Meeting 2021 due to lack of time.

- Item 14 – that Hans Stråberg is proposed to be the Chairman of the Board of Directors.
- Item 15 – that one auditor without deputy auditor shall be appointed;
- Item 16 – that the auditor is paid for work performed according to approved invoice; and
- Item 17 – that, in accordance with the Audit Committee's recommendation, the registered firm of auditors Deloitte AB is elected as auditor for a period of four years until the close of the Annual General Meeting 2025.

Proposal under item 18

The Board of Directors proposes that the Annual General Meeting resolves to amend the Articles of Association. A new section is proposed to be inserted in the Articles of Association allowing the Board to collect proxies in accordance with the procedure described in Chapter 7, Section 4 of the Companies Act and allowing the Board to decide that shareholders shall have the right to provide their votes in advance before a General Meeting in accordance with Chapter 7, Section 4a of the Companies Act. Further, a number of editorial amendments are proposed to reflect changes in legislation. All proposed amendments are stated in the updated Articles of Association which is available on the company's website among the Board of Director's complete proposals.

Proposal under item 19

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 among the Board of Director's complete proposals.

Proposal under item 20

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.

Background

At the Annual General Meeting in 2008 the SKF Group introduced a long-term performance share programme for senior managers and key employees (SKF's Performance Share Programme 2008). Since 2008 the Annual General Meeting has resolved each year upon a performance share programme. The terms and conditions of SKF's Performance Share Programme 2021 are the same as for SKF's Performance Share Programme 2020 that was resolved at the Annual General Meeting 2020.

SKF's Performance Share Programme 2021

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 2021 on SKF's Performance Share Programme 2021.

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, for the TVA development for the financial years 2021–2023 compared to the financial year 2020. 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. After the expiry of the financial year 2023 a comparison is made between the average TVA for the financial years 2021–2023 and TVA for the financial year 2020. The TVA change is expressed as a percentage.

The allocation of shares is based on the level of TVA increase. 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.

Provided that the TVA increase reaches the target level, the participants of the programme may be allotted the following maximum number of shares per person within the various key groups:

CEO and President – 30,000 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 2021 are met, allotment of shares shall be made free of charge following the expiry of the three year calculation period, i.e. during 2024.

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 2021 is not appropriate. Such

alternative incentive solution shall, as far as practicable, be formulated employing the same conditions as SKF's Performance Share Programme 2021.

The company has 455,351,068 shares in issue as per 17 February 2021. In order to comply with the obligations of SKF's Performance Share Programme 2021, 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 2021 and a share price of SEK 227, the cost, including social security cost, is estimated at approximately MSEK 272. On the basis of a share price of SEK 370, the cost, including social security cost, is estimated at approximately MSEK 444. 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 2024.

Special majority requirement

The resolution of the Annual General Meeting under item 18 on the agenda will be valid only if it is supported by shareholders holding at least two thirds of the votes cast as well as the number of shares represented at the Meeting.

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 31,371,055 series A shares and 423,980,013 series B shares, with a total number of votes of 73,769,056.3. 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' complete proposal according to item 18, 19 and 20 of the agenda and 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, no later than from 4 March 2021 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 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 15 March 2021, to AB SKF, Att. General Counsel, SE-415 50 Gothenburg, Sweden, or by e-mail: chairman@skf.com. The information will be made available at the company's website and at the company's headquarters on 20 March 2021 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 3 March 2021.

Proxy forms will be available at the company's website, www.skf.com, and may also be requested by letter to Computershare AB, "AGM 2021 of AB SKF", Box 5267, SE-102 46 Stockholm, Sweden or by phone +46 771 24 64 00.

Gothenburg in February 2021
Aktiebolaget SKF
(publ)

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 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 2020 were SEK 74 852 million and the number of employees was 40,963. www.skf.com

® SKF is a registered trademark of the SKF Group.