

**Presentation of the Members of the Board of Directors and the Nomination Committee's reasoned statement.**

Information regarding board members nominated for election as members of the Board of Directors at the Annual General Meeting on 26 March 2015 and the Nomination Committee's statement regarding the composition of the proposed Board of Directors and proposed remuneration.

**Members of the Board of Directors proposed to be re-elected by the Annual General Meeting 2015 (information as per 16 February 2015)****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, and member of the Board of Management in Volkswagen AG, responsible for Commercial Vehicles since 2012. Other assignments: Vice Chairman of Scania AB, member of the board of EQT Holding AB and MAN SE.

Shareholding (own and/or held by related parties): 300,000 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 September 2012 he is also member of the Board of Management in Volkswagen AG. The Nomination Committee has been informed that Volkswagen AG 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 Nomination Committee has been informed that SKF is not one of Volkswagen AG's material suppliers. Hence, the Nomination Committee considers Volkswagen AG 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 AG'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

\* 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](http://www.corporategovernanceboard.se).

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 Volkswagen AG.

**Lena Treschow Torell**

Board member since 2007

Born 1946

Education and job experience: Ph.D. (University of Gothenburg). Professor at University of Uppsala and at Chalmers University of Technology. Vice President at Chalmers University 1995-1998. Research Director at the European Commission in Brussels, 1998-2001. President of the Royal Swedish Academy of Engineering Sciences (IVA) 2001-2008 and Chairman of the Academy, 2009-2011. Chairman of European Council of Applied Sciences, Technologies and Engineering 2008-2012. Other assignments: Board member of SAAB AB and Investor AB. Chairman of Chalmers University of Technology and MISTRA, the Foundation for Strategic Environmental Research.

Shareholding (own and/or held by related parties): 3,100 SKF B

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

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

**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: Board member of Symrise AG and Chairman of SAG Group GmbH and President of the Board of Scania Schweiz AG and Vice-Chairman of Coperion GmbH.

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

**Lars Wedenborn**

Board member since 2008

Born 1958

Education and job experience: Master of Science in Economics (University of Uppsala). Deputy Managing Director and CFO of Alfred Berg 1991-2000, Executive Vice President and CFO of Investor AB 2000-2007, and presently CEO of FAM AB wholly owned by the Wallenberg Foundations.

Other assignments: Chairman of NASDAQ OMX Nordic Ltd., and board member of NASDAQ OMX Group Inc., Höganäs AB, Alecta, The Grand Group AB, ELK Entertainment AB and FAM AB. Member of the council of the Stockholm Chamber of Commerce.

Shareholding (own and/or held by related parties): 10,000 SKF A, 1,500 SKF B

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

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

**Joe Loughrey**

Board member since 2009

Born 1949

Education and job experience: Bachelor of Science degree in Economics and African Studies (University of Notre Dame). Several managerial and executive positions within Cummins over 35 years, the last as vice Chairman of the Cummins Inc. Board 2008-2009, President and Chief Operating Officer of Cummins Inc. 2005-2008 and President of Cummins Engine Business 1999-2005.

Other assignments: Chairman of the Board of Hillenbrand, Inc. and Oxfam America. Member of the board of the Vanguard Group, Hyster-Yale Materials Handling Inc., the V Foundation for Cancer Research and the Lumina Foundation for Education. Co-chairman of the Chicago Council on Global Affairs Independent Task Force on Immigration Reform. Member (previously chairman 2009-2012) of the Advisory Council of the College of Arts and Letters and of the Kellogg Institute of International Studies Advisory Board at the University of Notre Dame.

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

**Jouko Karvinen**

Board member since 2010

Born 1957

Education and job experience: Master of Science (Tampere University of Technology). Employed by ABB Group Limited from 1987 and served in several international positions; head of the Automation Technology Products Division, and member of the ABB Executive Committee from 2000-2002. President and CEO of Philips Medical Systems, USA, 2002-2006, and appointed to the Board of Management of Royal Philips Electronics in the Netherlands in 2006. CEO of Stora Enso Oyj 2007-2014.

Other assignments: Vice Chairman of Nokia Oyj.

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

**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 & Science, 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 of a number of other companies in the Kalyani Group. Board member of 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.

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.

Other assignments: Chairman of the Board of Advent Energy Limited since 2007 and MEC Resources since 2005. Member of the Board of Stora Enso Oyj since 2012, Santos Australia since 2012 and BPH Energy since 2007.

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 1955

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. Experience from several board assignments within the SAAB-Group.

Other assignments: CEO of Combitech AB since 2006 and Vice President Business development and Financial control in Business Area Industrial Products and Services of the Saab Group 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

**New member of the Board of Directors proposed to be elected by the Annual General Meeting 2015****Nancy Gougarty**

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, 2006-2012, General Motors Corporation and Delphi Corporation from 1978 to 2005.

Other assignments: President and Chief Operating Officer for Westport Innovations since 2013. 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**

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 leading positions within the SKF Group 1987-2005 and President and CEO of Höganäs AB 2005-2014.

Other assignments: President and CEO of AB SKF.

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

Independence in relation to the Company/senior management\*: No

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.**

Nancy Gougarty adds solid industrial expertise and international experience to the Board. The Nomination Committee's view is that the proposed composition of the Board of Directors provides the Board with a wide competence and diversity and sound experience from the segments and markets where the company is conducting its business.

The long term ambition of the Nomination Committee is to improve the balance between men and women 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 Board's variable remuneration is removed and that the fixed remuneration is increased by an amount equal to the average variable remuneration during 2011-2014. In addition, it is proposed that the fixed Board fee be increased to align the compensation to market level. The Nomination Committee proposes an adjustment of the members' fixed remuneration for committee work in the manner as set out in the proposal to the Annual General Meeting. In light of the foregoing, the Nomination Committee considers that the proposed fee adjustment is appropriate.