

The Board of Directors' proposal for an authorization to the Board of Directors to decide upon the repurchase of the Company's own shares

Proposal by the Board of AB SKF (below the Company) to the Annual General Meeting, for an authorization to the Board to decide upon the repurchase of the Company's own shares.

With the intention to be able to adapt the capital structure of the Company to the capital needs of the Company and in order thereby to contribute to an increased shareholder value, the Board proposes that the Annual General Meeting authorizes the Board to decide upon the repurchase of the Company's own shares for the period until the next Annual General Meeting. If shares are repurchased, the Board intends to propose to cancel such own shares through reduction of the share capital. The Board proposes the following conditions for the repurchase of own shares.

Authorization to decide upon the repurchase of the Company's own shares

1. Shares of series A as well as shares of series B may be repurchased. The total amount of shares that can be repurchased, at the most, is so many shares that the Company thereafter holds a maximum of 5% of all shares issued by the Company.
2. The shares may be repurchased by operations on the NASDAQ OMX Stockholm AB.
3. A repurchase of shares by operations on the NASDAQ OMX Stockholm AB may only be made within the band of prices applying on the exchange. This band of prices pertains to the range between the highest purchase price and the lowest selling price. The repurchase shall be made in accordance with the provisions concerning the purchase and sale of a company's own shares set out in the rules issued by NASDAQ OMX Stockholm AB.
4. The shares shall be paid in cash.
5. A repurchase of shares may be made on one or more occasions.

Statement

A statement by the Board according to chapter 19 section 22 in the Companies Act is enclosed, Schedule 1.

Schedule 1

The Board of Directors' statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act (2005:551)

Taking into consideration the proposed dividend distribution as well as the proposed repurchase of own shares, the Board is of the opinion that the proposal of repurchase of own shares is reasonable considering the scope and nature of the Group's line of business, the risks involved and the requirements they impose on the Group's equity, consolidation level, liquidity and financial position.