

SKF Group Antitrust Policy

Compliance with the antitrust laws is a matter of continuing interest and concern to the management of SKF. Every employee who is involved directly or indirectly in the buying or selling operations of the SKF Group or who is in contact with its competitors should have a sufficient understanding of those laws and this policy to recognize the situations which may need antitrust considerations and to know when to ask for legal advice.

It is SKF's policy to comply with applicable antitrust laws. It is also SKF's policy not to engage in any activity or transaction described below, even if such activity or transaction is not prohibited under applicable laws.

U S employees should refer to the SKF Corporate Compliance Program, "Conducting Business and Doing It Right" and in particular the "Antitrust Laws Policy & Guide For Compliance" which has been distributed to all salaried employees.

1. Relations with Competitors

1.1 Prices or other conditions of sale

Any agreement or understanding with a competitor that has an effect on prices, whether direct or indirect, including arrangements with respect to the terms or other conditions of sale.

1.2 Division of markets or allocation of customers

Any agreement or understanding with a competitor to divide markets, whether on a geographical or a product basis or to allocate customers, whether on a specific named basis or according to product lines or services.

1.3 Restrictions on production or sales

Any agreement or understanding with a competitor (or with third parties) that limits the production or sales of a product.

1.4 Boycotts

Any agreement or understanding with a competitor (or with third parties) to refuse to sell to or to purchase from a customer or supplier, regardless of any reasonable basis for such refusal.

1.5 Limitations on research or suppression of technological developments

Any agreement or understanding with a competitor that limits research expenditures or that suppresses or delays technological developments.

2. Relations with Customers

2.1 Resale price maintenance

Any agreement or understanding between a supplier and a customer to limit or fix the price or terms under which the customer may resell the purchased product.

2.2 Other restrictions on resale

Any agreement or understanding that prohibits distributors from selling products of competitors if the effect may be to foreclose a substantial part of the market to such competitors, as well as any agreement or understanding that restricts the classes of customers to whom distributors may resell or places absolute geographical restrictions on the areas in which a distributor may sell.

2.3 Discrimination in price, services or facilities

In the United States this practice includes discrimination in price or in the terms or conditions of sale between purchasers of products of "like grade and quality" where the effect may be anti-competitive.

Discrimination in advertising or merchandising assistance, whether by making payments or providing assistance in kind, is prohibited unless comparable assistance is also made equally available to the customer's competitors. Under the EU antitrust laws the underlying principle applies only to undertakings which have a dominant position.

2.4 Charging "unreasonably low" prices

In the United States sales below cost have been held to be "unreasonably low", and such sales would be illegal if they are made with the intent to eliminate competition or if that is their effect. Again, under the EU rules the prohibition will apply only to undertakings which have a dominant position. (Such undertakings would also commit a breach of the EU rules if they use their dominant position to charge excessively high prices.)

2.5 Tie-in arrangements

Any arrangement under which a customer is compelled to purchase one kind of goods or service in order to obtain goods or services of another kind. In general, the test is whether the customer has the option of purchasing the products separately.

2.6 Reciprocal dealing

Any agreement or understanding between a buyer and a seller under which the buyer uses his purchasing power to coerce or persuade the seller to purchase goods from him is prohibited. It can include attempts to sell your products by stressing your company's purchases from the prospective customer. For practical purposes, the prohibition applies only to sales in or to the United States.