



Principles for remuneration and other terms and conditions of employment for senior executives

The term “senior executives” applies to the President and other members of Group management.

Trelleborg shall offer market-level terms that enable the company to recruit, develop and retain senior executives. The remuneration structure shall comprise fixed and variable salary, pension and other remuneration, which combine to represent the individual’s total remuneration. Trelleborg continuously gathers and evaluates information regarding market remuneration levels for relevant industries and markets.

Principles for remuneration shall be allowed to vary in accordance with local conditions.

The Board has appointed a Remuneration Committee that is headed by the Chairman and makes decisions on matters regarding remuneration and terms and conditions of employment for the President and employees reporting directly to the President, as well as establishing principles for remuneration to other senior executives. The Remuneration Committee reports to the Board of Directors.

Remuneration

The remuneration structure shall be based on such factors as position, expertise, experience and performance.

Cash remuneration shall comprise fixed and variable salary. The fixed portion of salary shall be revised annually on January 1.

Variable salary is based on the extent of achievement of predetermined, mainly quantitative targets. Variable salary shall amount to not more than 65 percent of fixed salary for the President and between 25 and 60 percent of fixed salary for other senior executives and does not provide qualification for vacation salary.

Pension

For pension agreements signed after January 1, 2005, the pension age shall be 65 years. However, pension agreements shall provide the company and the senior executive the possibility, without specific motivation, to request early retirement from the age of 60. The pension shall be premium-based, secured through insurance and can vary between a minimum of 20 percent and a maximum of 45 percent. For the President, the premium shall comprise not more than 40 percent of fixed salary and, for other senior executives based in Sweden, not more than 30 percent of fixed salary. Older pension agreements shall be adapted to the above plan as far as possible.



Other terms and conditions

For the President, a period of notice of not more than 24 months applies. For other senior executives, a period of notice of not more than 24 months applies. No severance payment is made in addition to this.

If notice is given by a senior executive, six months' notice applies.

All senior executives shall be entitled to a company car and health insurance.

Older agreements shall be adapted to the above plan as far as possible.

Long-term incentive program

The President and certain selected senior executives (about 40 persons) with considerable influence on the company's earnings per share are offered a cash-based long-term incentive program annually. The program has a duration of three years. The goal of the program comprises the company's earnings per share based on the company's forecast for the first year of the program, with a 10-percent improvement per year for the subsequent two years. The target and participants in the program are determined by the Board of Directors. The result is related to the senior executive's level of annual variable salary and shall be a maximum of 25 percent of the variable salary per year for the President and other senior executives. Payment is made after the end of the program period, that is, after three years, provided that the senior executive remains employed by the company at the end of the third year. The result cannot be used as a basis for pension or vacation pay.