



Compensation Committee's evaluation of remuneration to senior executives

The Compensation Committee, which comprises Board Chairman Anders Narvinger, Claes Lindqvist and Hans Biörck, submits the following evaluation of the variable remuneration and application of the guidelines for remuneration to senior executives in Trelleborg decided at the 2010 Annual General Meeting. In its analysis, the Compensation Committee also reviewed the remuneration structures and levels in the company.

The compensation structure to senior executives in Trelleborg shall comprise fixed and variable salaries, pension and other remunerations.

Variable remuneration in 2010 comprised variable salary and a long-term incentive program. For 2010, Group Management received SEK 18.5 M in variable salary. The outcome was based on predetermined goals regarding Trelleborg's pretax profit and operating cash flow, excluding the effects of structural changes. The portion of variable salary in relation to fixed salary in 2010 was within the limits of a maximum 65 percent for the President and between 25 and 65 percent for the other senior executives that were decided by the 2010 Annual General Meeting. SEK 8.2 M was expensed in 2010 for the cash-based long-term incentive program to Group Management introduced annually since 2005. The program is for a period of three years and the first payment is made to executives who continue to be employed within Trelleborg in the first quarter of the year after the program expired. In total, Group Management received variable remuneration of SEK 26.7 M, which amounts to about one third of their total remuneration. It is the Compensation Committee's opinion that this portion of variable remuneration is within the interval of influenceable remuneration that optimizes the senior executives' involvement in the Group's development and thereby benefits the shareholders while at the same time providing Trelleborg the flexibility to reward top performances and retain senior executives.

Total remuneration to senior executives in 2010 amounted to 0.3 percent of the Group's total operating expenses, a proportion that is within the range that the Compensation Committee considers is in proportion to these persons' responsibility for the company's development.

The Compensation Committee assessed that the remuneration levels in Trelleborg during 2010 were at a market level in relation to relevant industries and markets. In addition to Group Management, about 30 employees with significant influence on Trelleborg's profit per share are annually offered the long-term incentive program.

The remuneration structure in Trelleborg is based on such factors as position, expertise, experience and performance.

It is the opinion of the Compensation Committee that the remuneration principles decided by Trelleborg's 2010 Annual General Meeting have been appropriate and complied with. This is also concluded in the auditors' statement in accordance with the Swedish Companies Act.

Trelleborg, February 2011

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