

# CORPORATE GOVERNANCE REPORT 2020

Trelleborg is a publicly traded Swedish limited liability company listed on Nasdaq Stockholm Large Cap. Trelleborg applies the Swedish Corporate Governance Code and presents its 2020 Corporate Governance Report in this section. The auditor's review was conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement.

**Annual General Meeting 2020.** The 2020 Annual General Meeting took place on April 23, 2020 in Trelleborg. At the meeting, 20 shareholders were in attendance, personally or by proxy, representing about 70 percent of votes in Trelleborg. The Chairman of the Board, Hans Biörck, was elected Chairman of the Meeting. The number of Board members was limited to the Chairman together with the President and CEO due to the Coronavirus pandemic. A union employee representative also attended as did the Chairman of the Nomination Committee and Trelleborg's auditor.

The Annual General Meeting was livestreamed in its entirety to the general public.

Shareholders were given the opportunity to submit written questions to Trelleborg's management before the Meeting.

The complete minutes and information on the 2020 Annual General Meeting are available at [www.trelleborg.com](http://www.trelleborg.com).

The resolutions passed by the Meeting included the following:

- » That no dividend be paid for the 2019 fiscal year.
- » Re-election of Board members: Hans Biörck, Gunilla Fransson, Johan Malmquist, Peter Nilsson, Anne Mette Olesen,

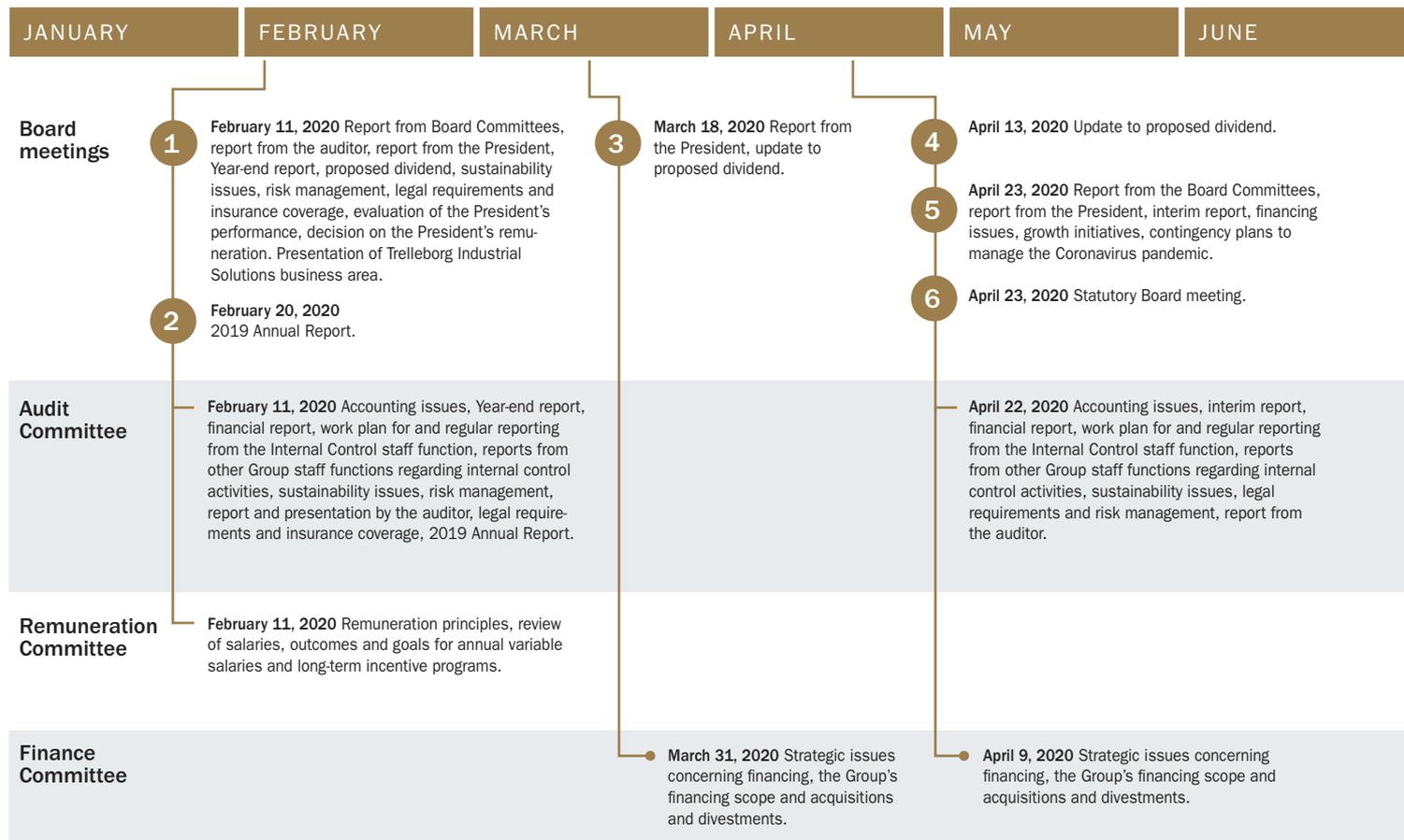
Susanne Pahlén Åklundh and Jan Ståhlberg. Panu Routila declined re-election.

- » Re-election of Hans Biörck as Chairman of the Board.
- » Re-election of Deloitte AB as auditor.
- » Remuneration for the Board members and the auditor.
- » Principles for remuneration and other employment terms for the President and other senior executives.

For information on shareholders and the Trelleborg share, refer to pages 134–136 and [www.trelleborg.com](http://www.trelleborg.com). Trelleborg's 2021 Annual General Meeting will be held on April 22, 2021 in Trelleborg.

**Nomination Committee for the 2021 Annual General Meeting.** As resolved by the 2017 Annual General Meeting until it decides otherwise, the Chairman of the Board is to contact representatives of Trelleborg's five major shareholders, not later than by the end of August, to ask that they appoint one member to the Nomination Committee.

## WORK OF THE BOARD OF DIRECTORS IN 2020



The Nomination Committee also included the Chairman of the Board as a co-opted member.

No payment is made to members of the Nomination Committee.

The Nomination Committee for 2021 held three minuted meetings and maintained continuous contact up to and including February 19, 2021. As a basis for the Nomination Committee's work, the Chairman of the Board presented a report on the work of the Board, which included an internal evaluation of the work and function of the Board, as well as holding meetings with the President and one Board member.

The Nomination Committee's guidelines for the selection of candidates to be nominated to the Board specify that they shall possess knowledge and experience relevant to Trelleborg's operations. The Diversity Policy applied for the Group's Board of Directors is item 4.1 in the Swedish Corporate Governance Code. The objective is that the Board of Directors, considering Trelleborg's operations, stage of development and conditions in general, is to have a suitable composition, characterized by diversity and breadth as regards the expertise, experience and background of the members elected by the Annual General Meeting, and that an even gender balance is to be sought.

The Nomination Committee took into consideration the Diversity Policy when preparing its proposal for the election of Board members ahead of the 2020 Annual General Meeting, which resulted in the Board composition presented on pages 60–61.

The Nomination Committee's proposals to the 2021 Annual General Meeting will be published in the official notification and on [www.trelleborg.com](http://www.trelleborg.com).

**Board of Directors 2020.** In 2020, Trelleborg's Board of Directors comprised seven members elected by the Annual General Meeting, including the President and CEO. Employees elect three representatives and one deputy to the Board of Directors. The Group's CFO attends the Board meetings as does the General Counsel, who serves as the Board's secretary. Other members of Group Management participate in Board meetings when necessary.

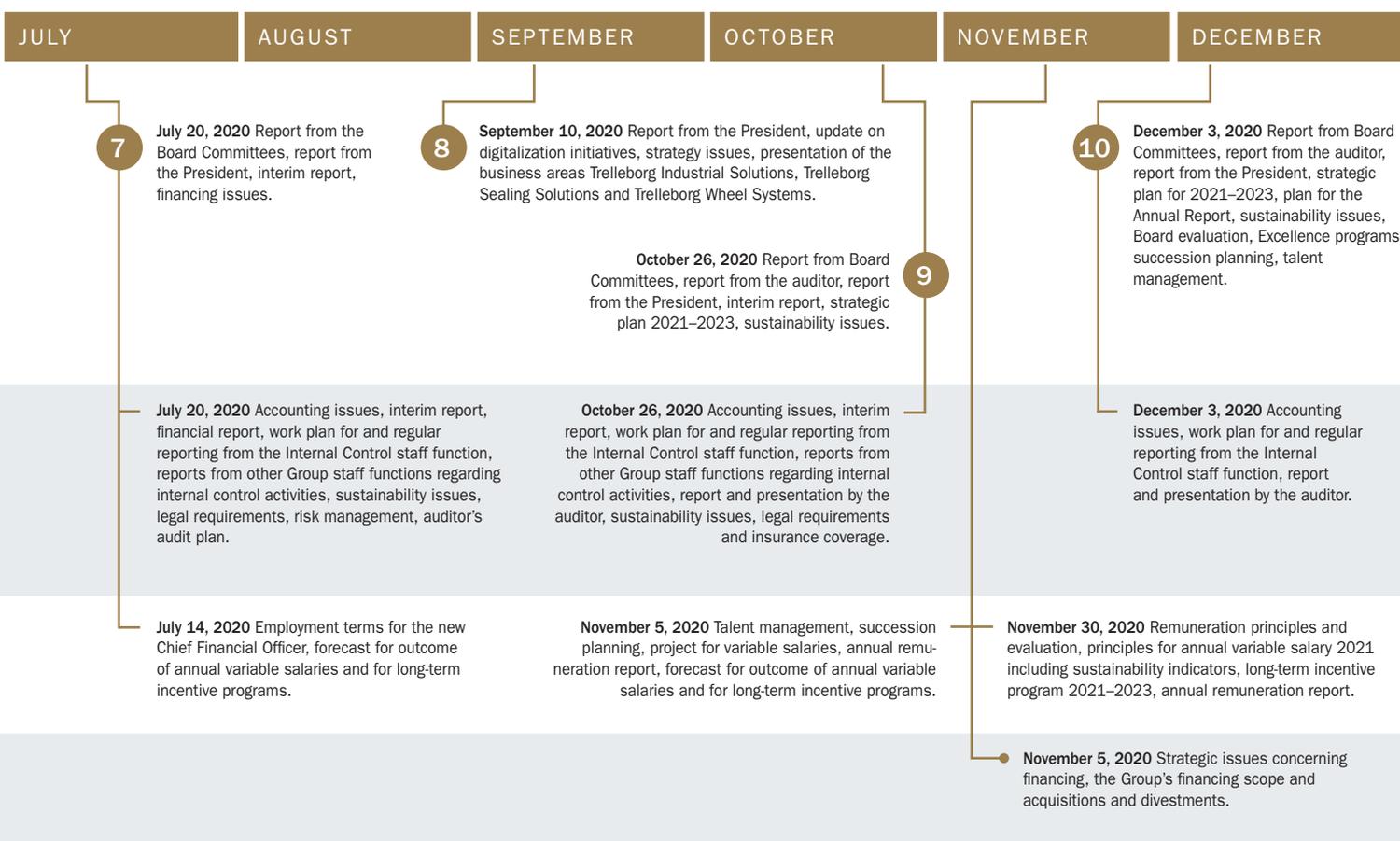
For further information on Board members, refer to pages 60–61 and Note 10, page 88.

**Work of the Board of Directors.** The Board held ten meetings during the year, including one statutory Board meeting. The Board of Directors is responsible for establishing Trelleborg's overriding targets, developing and following up the overall strategy, deciding on major acquisitions, divestments and investments and continuously monitoring operations. The work of the Board follows an annual plan. Recurring issues at Board meetings include reports from the Board Committees, reports from the President, interim reports and structural issues.

The President presents a report on the operations' performance at scheduled Board meetings. The Board conducts reviews with the auditor when audit reports are to be considered. The auditor also has meetings with the Board of Directors without the presence of Group Management.

The Audit Committee briefs the Board of Directors on work related to the whistleblower system.

Trelleborg's Board complies with the Swedish Corporate Governance Code's requirements stipulating that the majority of the Board members elected by the General Meeting must be independent in relation to Trelleborg and company management,



and that at least two of these are also to be independent in relation to Trelleborg's major shareholders.

The Chairman of the Board is responsible for evaluating work on the Board and in relation to management. It is an annual, systematic and structured process. In 2020, all members were interviewed by the Chairman. The results from these interviews were presented and discussed by the Board and Nomination Committee, forming the basis for evaluating the size and composition of the Board. The evaluation focused on the Board activities in general and, to a certain degree, on the contributions made by individual Board members, including the Chairman and President. The evaluation for 2020 shows that the work of the Board is deemed to have functioned well. Board evaluations carried out in previous years have distinctly influenced the work of the Board and committees.

**Board Committees.** For the past number of years, the Board has established three committees from within its ranks; the Audit, Remuneration and Finance Committees.

*Audit Committee.* Recurring issues at Audit Committee meetings are accounting issues, interim reports, financial reports, work plans for and regular reporting from the Internal Control staff function, sustainability issues, risk management, and reports from the auditor.

The Audit Committee is to also represent the Board by keeping itself informed in matters relating to the audit of the annual report and the consolidated financial statements, reviewing and monitoring the auditor's impartiality and independence, and providing assistance when preparing proposals regarding the appointment of auditor for approval by the Annual General Meeting. The Audit Committee is also to represent the Board by monitoring the Group's work in relation to sustainability and ERM issues and day-to-day financing operations, and annually reviews and makes proposals for changes to the Treasury Policy.

*Remuneration Committee.* Recurring issues at Remuneration Committee meetings are remuneration, succession planning and leadership development issues.

*Finance Committee.* Recurring issues at Finance Committee meetings are the Group's financing, financing scope and acquisitions. Refer to the illustration on pages 54–55.

**Auditor 2020.** The Annual General Meeting resolved that the auditing firm Deloitte AB shall be Trelleborg's auditor for a period of one year.

See page 57 for further information.

**Group Management 2020.** In 2020, Group Management held four meetings. Normally, the meetings take place over a few days to allow time for presentations and discussions. These meetings focused on the Group's strategic and operational performance and budget follow-up. In addition, several reviews and regular checks took place concerning the performance of operations in relation to, for example, contingency plans for the pandemic, major orders, potential acquisitions, risk management and so forth.

Trelleborg's operations are organized into three business areas and one reporting segment. They consist of about 20 business units, which in turn comprise approximately 40 product areas. The organization is based on the principle of decentralized responsibility and authority.

Each legal unit, which does not necessarily reflect the operating units, has its own Board of Directors that focuses on regulatory compliance, among other aspects.

**Sustainability reporting.** Trelleborg has prepared its sustainability report in accordance with Global Reporting Initiative (GRI) guidelines. The Sustainability Report includes the statutory sustainability statement, which is prepared as a separate report to the annual report in accordance with Chapter 6, Section 11 of the Swedish Annual Accounts Act. The scope of the Sustainability Report and the statutory sustainability statement is outlined in the index overview for the GRI Standards on page 130.

**Internal culture.** Trelleborg applies an approach involving far-reaching decentralized responsibility to drive and implement the Group's strategy. The Group's operating activities are pursued through independent operational units with responsibility for profit, balance sheet and cash flows. Local managers and their coworkers make the commercial decisions, ensure that these are handled correctly with a balanced approach to risk-taking. As a means of support, the individual business areas regularly follow up the results of their business units' operations, similar to the manner in which Group Management follows up the business areas as part of a well-established work process.

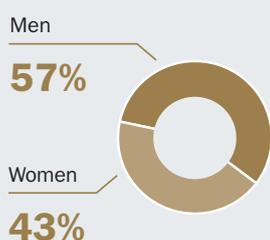
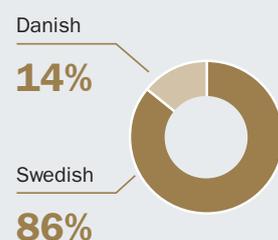
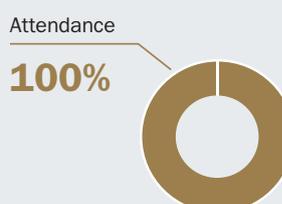
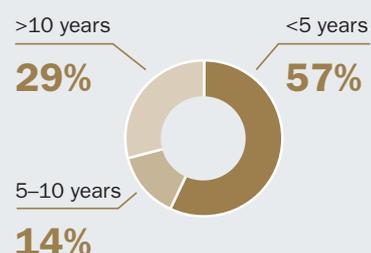
**Core values.** Trelleborg is a global Group characterized by individual and cultural diversity and shared value systems are therefore particularly important. The core values are long-term commitments, which, when coupled with Trelleborg's business concept, goals and strategies, guide the Group in making decisions and conducting business. The core values are:

- » Customer focus: Working in partnership, we aim to add value for our customers, as well as for Trelleborg.
- » Innovation: We promote an innovative attitude and corporate culture. Innovation is a key driver for our growth.
- » Responsibility: We all share responsibility for our company as a whole and for its results.
- » Performance: We shall perform better than our competitors.

**Diversity.** Trelleborg works to achieve a balanced mix of ethnicities, ages and genders in its operations. The Group's Diversity Policy recognizes that diversity is a strength for the Group. Enhanced diversity and inclusion has the potential to further drive Trelleborg's performance and results, both at team level and individually. Refer to pages 38–39.

## MEMBERS OF BOARD COMMITTEES AT DECEMBER 31, 2020

AUDIT COMMITTEE	REMUNERATION COMMITTEE	FINANCE COMMITTEE
Gunilla Fransson, Chairman	Hans Biörck, Chairman	Hans Biörck, Chairman
Hans Biörck	Johan Malmquist	Johan Malmquist
Susanne Pahlén Åklundh	Anne Mette Olesen	Jan Ståhlberg
Jan Ståhlberg		

GENDER DISTRIBUTION IN THE BOARD OF DIRECTORS <sup>1</sup>NATIONALITY <sup>1</sup>BOARD MEETING ATTENDANCE <sup>1</sup>TIME ON THE BOARD OF DIRECTORS <sup>1</sup>

<sup>1</sup> Board members elected by the Annual General Meeting, including the President and CEO.

## NOMINATION COMMITTEE FOR THE 2021 ANNUAL GENERAL MEETING

Name/Representing	Share of votes, % Aug 31, 2020	Share of votes, % Dec 31, 2020
Ragnar Lindqvist, Dunker Foundations	54.10	54.10
Anna Sundberg, Handelsbanken Funds	2.30	2.25
Peter Lagerlöf, Lannebo Funds	2.12	2.50
Henrik Didner, Didner & Gerge Funds	1.16	1.02
Johan Sjöström, Second Swedish National Pension Fund	1.05	0.76
<b>Total</b>	<b>60.73</b>	<b>60.63</b>

## AUDITOR'S REMUNERATION 2020

SEK M	2020	2019
<b>Deloitte</b>		
Audit assignment	25	23
Audit activities other than audit assignment	2	2
Tax consultancy services	0	0
Other services	1	1
<b>Other auditors</b>		
Audit assignment	6	5
Audit activities other than audit assignment	0	0
Tax consultancy services	0	0
Other services	0	0
<b>Total</b>	<b>34</b>	<b>31</b>

## AUDITORS 2020

**Hans Warén****Authorized Public Accountant, Auditor in Charge**

Auditor of the Trelleborg Group since the 2017 Annual General Meeting.

Partner of Deloitte AB since 1998.

Qualifications: Graduate in business administration. Authorized Public Accountant since 1992.

Other assignments: Axfood, Castellum, Industrivärden and Lindab.

Born: 1964.

**Maria Ekelund****Authorized Public Accountant**

Auditor of the Trelleborg Group since the 2017 Annual General Meeting.

Partner of Deloitte AB since 2008.

Qualifications: Masters degree in business administration. Authorized Public Accountant since 2002.

Other assignments: Atos Medical, Idogen, Ikano Bostad, Lindégruppen and Sigma.

Born: 1970.

# INTERNAL CONTROL OVER FINANCIAL REPORTING

Internal control over financial reporting is included as a part of the overall internal control at Trelleborg, and constitutes a central component of Trelleborg's corporate governance. The key goals are that internal control is appropriate and effective, provides reliable reports and complies with laws and regulations.

Trelleborg's Board of Directors has concluded that the current Internal Control set up is sufficient from a corporate governance perspective and that there is no need for an internal audit function.

The starting point for the internal control process is the regulatory framework for internal control issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). According to COSO, the review and assessment are conducted in five areas where the control environment creates discipline and provides structure for the other four areas: risk assessment, control structures, information and communication, and monitoring.

**Control environment.** The control environment provides the basis for the internal control. One important aspect is that decision making, authority and responsibility are clearly defined and communicated between different levels within Trelleborg and that policy instruments, in the form of policies, manuals and recommendations, exist (refer to page 53 for a list of external and internal policy instruments) and are observed.

The Board of Directors bears overall responsibility for financial reporting where the Audit Committee assists the Board by monitoring, for example, the efficiency of Trelleborg's internal control, internal audit and risk management.

The responsibility for maintaining an effective control environment and the day-to-day work involving internal control is delegated to the President.

The Group's Internal Control staff function serves as the Group's internal audit function and reports to the Audit Committee and the Group's CFO. The function focuses on developing, enhancing and securing internal control over the Group's financial reporting by proactively concentrating on the internal control environment and by examining the effectiveness of internal control.

**Risk assessment.** Risk assessment aims to identify and evaluate the most significant risks, including risk of fraud and risks in connection with significant changes, that affect internal control within the Group.

The assessment results in control targets that ensure that the fundamental demands placed on external financial reporting are fulfilled and comprise the basis for how risks are to be managed through various control structures.

The risk assessment is updated on an annual basis under the direction of the Internal Control staff function and the results are reported to the Audit Committee.

**Control activities.** The most significant risks are managed through control structures in the Group. Management may entail that these risks are accepted, reduced or eliminated.

The control structures aim to ensure efficiency in the Group's processes and good internal control and are based on minimum requirements for good internal control in defined processes. Refer to the illustration on page 59.

**Information and communication.** The internal policy instruments are available to all relevant employees on Trelleborg's intranet and are generally provided through training. Special campaigns are conducted covering, for example, the Group's whistleblower initiative. All relevant employees annually confirm in writing their knowledge of, and compliance with, the Group's internal policy instruments.

The Group's CFO and the Head of the Internal Control staff function report the results of their work on internal control as a standing item on the agenda of the Audit Committee's meetings. The results of the Audit Committee's work in the form of observations, recommendations and proposed decisions and measures are continuously reported to the Board. The minutes of the Audit Committee meetings are presented to the Board and the Chairman of the Audit Committee reports on its work.

External financial reporting is performed in accordance with relevant external and internal policy instruments.

**Monitoring.** Monitoring to ensure the effectiveness of internal control is conducted by the Board, the Audit Committee, the President, Group Management, the Internal Control staff function, Group Finance, Group Treasury and Group Tax as well as the Group's companies and business areas.

Monitoring includes the follow-up of monthly financial reports in relation to targets, quarterly reports with results from self-assessments in the Group's companies and business areas, and results from internal audits. Monitoring also encompasses following up observations reported by Trelleborg's auditor.

The Internal Control staff function works in accordance with an annual plan that is approved by the Audit Committee. The plan is based on the risk analysis and encompasses prioritized companies, business areas and processes within the Group, as well as work programs and budgets.

**Activities in 2020.** In 2020, the Internal Control staff function conducted 30 internal controls in 13 countries, of

which seven were IT security controls. The focus was primarily on Europe. The lower number of internal controls compared with earlier years was attributable to the pandemic. Most of the internal controls were conducted by the Internal Control staff function in cooperation with internal resources from other staff functions with specialist competence in such areas as purchasing, finance and legal affairs, or jointly with controllers from various business areas. Internal controls of IT security were carried out by external IT consultants together with the Group IT staff function. In 2020, the Internal Control

staff function worked on a broad front with reviews of all processes and most controls were conducted digitally.

**Activities in focus in 2021.** The planned number of internal controls will generally remain at the same level as in 2018 and 2019. Geographically, the Internal Control staff function will primarily devote a greater focus to Asia and the US. In 2021, the Internal Control staff function will continue to work broadly with reviews of all processes. A small number of internal controls are planned with the support of record analysis.

## INTERNAL CONTROL STRUCTURE OF THE TRELLEBORG GROUP

	Self-assessment	Internal controls	Training/Tools
Financial reports and reporting processes	<ul style="list-style-type: none"> <li>Group-wide reporting system with quarterly feedback from subsidiaries.</li> </ul>	<ul style="list-style-type: none"> <li>Internal controls are conducted by the Internal Control staff function in cooperation with internal resources from other staff functions and external consultants.</li> </ul>	<ul style="list-style-type: none"> <li>Training programs in defined processes relating to minimum requirements for good internal control are carried out when necessary.</li> </ul>
Purchasing process	<ul style="list-style-type: none"> <li>Companies respond to how they comply with the Group's minimum requirements for good internal control in selected processes.</li> </ul>	<ul style="list-style-type: none"> <li>Internal controls of IT security are carried out by the head of Group IT together with external consultants.</li> </ul>	<ul style="list-style-type: none"> <li>The purpose of the training programs is to raise awareness and understanding of efficient processes and good internal control.</li> </ul>
Inventory process	<ul style="list-style-type: none"> <li>Deficiencies are identified, measures are planned and implemented by the companies.</li> </ul>	<ul style="list-style-type: none"> <li>Covers 7 selected processes and about 280 minimum requirements for good internal control.</li> </ul>	<ul style="list-style-type: none"> <li>Training programs are a forum for the exchange of experience and sharing best practice.</li> </ul>
Sales process	<ul style="list-style-type: none"> <li>Encompasses approximately 170 subsidiaries.</li> </ul>	<ul style="list-style-type: none"> <li>Internal controls result in observations, recommendations and proposals for decisions and measures.</li> </ul>	<ul style="list-style-type: none"> <li>Training programs in defined processes related to minimum requirements for good internal control are also held as an integrated part of the internal audits.</li> </ul>
Process for property, plant and equipment	<ul style="list-style-type: none"> <li>Covers 7 selected processes and about 280 minimum requirements for good internal control.</li> </ul>	<ul style="list-style-type: none"> <li>Identified deficiencies are followed up on a quarterly basis by business area controllers and the Internal Control staff function.</li> </ul>	<ul style="list-style-type: none"> <li>Material available on the intranet to provide employees access to standardized tools and documents, as well as examples of business solutions.</li> </ul>
IT security process			
Salary management process, incl. pensions and other compensation	<ul style="list-style-type: none"> <li>All relevant employees annually confirm in writing their knowledge of, and compliance with, the Group's internal policy instruments.</li> </ul>		

## THE FOLLOWING INFORMATION IS AVAILABLE AT WWW.TRELLEBORG.COM:

- » The Articles of Association
- » The Code of Conduct
- » Corporate Governance Reports from 2007 and onward
- » Information regarding Trelleborg's Annual General Meetings from 2004 and onward (notifications, minutes, President's speeches, press releases)
- » Information regarding the Nomination Committee
- » Information regarding the principles for remuneration of senior executives
- » Information for the 2021 Annual General Meeting



A summary of Trelleborg's 115-year history can be found on [www.trelleborg.com](http://www.trelleborg.com).



	Hans Blörck	Gunilla Fransson	Johan Malmquist	Peter Nilsson
	Chairman	Member	Member	Member
Year elected	2009, Chairman 2018	2016	2016	2006
Born	1951	1960	1961	1966
Nationality	Swedish	Swedish	Swedish	Swedish
Qualifications	Graduate in business administration	M.Sc. Eng. and Licentiate of Technology	Graduate in business administration	M.Sc. Eng.
Other assignments	Chairman of the Board of Skanska AB. Board member of Svenska Handelsbanken AB	Chairman of the Board of Net Insight AB. Board member of Dunker Foundations, Eltel AB, Nederman AB, and Permobil AB	Chairman of the Board of Arjo AB and Getinge AB. Board member of Dunker Foundations, Elekta AB, Mölnlycke Health Care AB, Stena Adactum AB and the Chalmers University of Technology Foundation	Chairman of the Board of Cibes Holding AB. Board member of Couplers Holdco AB and the Chamber of Commerce and Industry of Southern Sweden
Employment and professional experience	Full-time Board member and/or Chairman.  Formerly CFO of Skanska AB, Autoliv Inc. and Esselte AB	Full-time Board member and/or Chairman.  Formerly various senior positions at Saab AB and Ericsson AB	Full-time Board member and/or Chairman.  Formerly President and CEO of Getinge AB and various senior positions at Electrolux AB	President and CEO of Trelleborg AB  Formerly Business Area President at Trelleborg and other posts within the Trelleborg Group, as well as management consultant at BSI
Dependence	No	Yes. Dependent in relation to the company's major shareholders through his assignment on behalf of Trelleborg's main owner, the Dunker Foundations	Yes. Dependent in relation to the company's major shareholders through his assignment on behalf of Trelleborg's main owner, the Dunker Foundations	Yes. Dependent in relation to the company as a result of his position as Trelleborg's President
Own and related-party holdings 2020	10,000 shares	3,000 shares	5,000 shares	60,572 shares and 250,000 call options (2016) <sup>2</sup> and 50,000 call options (2018) <sup>2</sup>
Shares in related companies	–	–	–	–
Board meeting attendance	Chairman 10 of 10	Member 10 of 10	Member 10 of 10	Member 10 of 10
Audit Committee attendance	Member 5 of 5	Chairman 5 of 5	–	–
Remuneration Committee attendance	Chairman 4 of 4	–	Member 4 of 4	–
Finance Committee attendance	Chairman 3 of 3	–	Member 3 of 3	–
Total reimbursement 2020, SEK 000s <sup>1</sup>	2,090	820	750	–
Of which Board, SEK 000s	1,750	600	600	–
Of which Committees, SEK 000s	340	220	150	–

Board assignments and holdings in Trelleborg as stated above reflect the situation as per December 31, 2020.

<sup>1</sup> Remuneration paid to the Board of Directors for the period May 2020–April 2021. The fees paid to the members of the Board of Directors elected by the Annual General Meeting are approved by the Annual General Meeting based on the proposals of the Nomination Committee. For the 2020 calendar year, remuneration was paid as per Note 10. No consulting fees were paid to the Board members. Remuneration is not paid to executive Board members. Remuneration excludes travel allowances.

<sup>2</sup> Refer to page 66 for more information about call options.

## BOARD MEMBERS AND DEPUTIES APPOINTED BY THE EMPLOYEE ORGANIZATIONS



### Maria Eriksson

Employee representative, appointed by the Unions of the Trelleborg Group (PTK)  
Elected to the Board: 2020  
Born: 1972  
Nationality: Swedish  
Quality engineer. Other assignments: Chairman of Unionen Trelleborg Ersmark AB and member of Trelleborg Swedish Works Council (PTK)  
Qualifications: Engineer, machine specialist  
Shareholding 2020: –  
Board meeting attendance: 10 of 10



### Jimmy Fältin

Employee representative, appointed by the Unions of the Trelleborg Group (LO)  
Elected to the Board: 2018  
Born: 1965  
Nationality: Swedish  
Machine operator. Other assignments: Member of the Trelleborg European Work Council, the Trelleborg Swedish Works Council (LO) and the Negotiating Delegation Technology Agreement IF Metall. Division Chairman IF Metall Norra Västerbotten  
Qualifications: Training in behavioral science, employment contracts and labor law  
Shareholding 2020: –  
Board meeting attendance: 9 of 10



	Anne Mette Olesen	Susanne Pahlén Åklundh	Jan Ståhlberg
	Member	Member	Member
Year elected	2015	2016	2018
Born	1964	1960	1962
Nationality	Danish	Swedish	Swedish
Qualifications	MBA and B.Sc. Eng.	M.Sc. Eng.	Graduate in business administration
Other assignments			Deputy Chairman of the Board of Bactiguard Holding AB. Board member of ITB-Med AB
Employment and professional experience	Chief Strategy & Sustainability Officer AAK AB  Formerly various senior positions at Coloplast A/S, Chr. Hansen A/S and Danisco Ingredients A/S	Executive Vice President at Alfa Laval AB  Formerly various senior positions at Alfa Laval	Founder and CEO of Trill Impact AB  Formerly Vice President and Deputy Chairman of EQT and various senior positions at Ovako Steel
Dependence	No	No	No
Own and related-party holdings 2020	2,500 shares	5,000 shares	130,000 shares
Shares in related companies	–	–	–
Board meeting attendance	Member 10 of 10	Member 10 of 10	Member 10 of 10
Audit Committee attendance	–	Member 5 of 5	Member 3 of 5 <sup>4</sup>
Remuneration Committee attendance	Member 3 of 4 <sup>3</sup>	–	–
Finance Committee attendance	–	–	Member 3 of 3
Total reimbursement 2020, SEK 000s <sup>1</sup>	675	740	815
Of which Board, SEK 000s	600	600	600
Of which Committees, SEK 000s	75	140	215

Board assignments and holdings in Trelleborg as stated above reflect the situation as per December 31, 2020.

<sup>1</sup> Remuneration paid to the Board of Directors for the period May 2020–April 2021. The fees paid to the members of the Board of Directors elected by the Annual General Meeting are approved by the Annual General Meeting based on the proposals of the Nomination Committee. For the 2020 calendar year, remuneration was paid as per Note 10. No consulting fees were paid to the Board members. Remuneration is not paid to executive Board members. Remuneration excludes travel allowances.

<sup>3</sup> Not present at meeting number 2.

<sup>4</sup> Succeeded former Board member Panu Routila on the Audit Committee as of Meeting No. 3.



#### Lars Petterson

Employee representative, appointed by the Unions of the Trelleborg Group (LO)  
Elected to the Board: 2018  
Born: 1965  
Nationality: Swedish  
Machine operator. Other assignments: Member of Unions of the Trelleborg Group (LO)  
Qualifications: Cabinetmaker, training in negotiation and in salary system development  
Shareholding 2020: –  
Board meeting attendance: 10 of 10



#### Magnus Olofsson\*

Deputy employee representative, appointed by the Unions of the Trelleborg Group (PTK)  
Elected to the Board: 2021  
Born: 1964  
Nationality: Swedish  
Production manager and process manager. Other assignments: Chairman of Unionen Trelleborg Industri AB and Trelleborg AB and member of Trelleborg Swedish Works Council (PTK)  
Qualifications: Rubber and plastics technology. Previous positions in production management, product and process development.  
Shareholding 2020: –

\*Peter Larsson was succeeded by Maria Eriksson as Board member, who was in turn succeeded by Magnus Olofsson as deputy in January 2021.





	Peter Nilsson	Fredrik Nilsson*	Jean-Paul Mindermann	Peter Hahn
<b>Position</b>	President and CEO	CFO and overall responsibility for Businesses Under Development	Business Area President, Trelleborg Industrial Solutions	Business Area President, Trelleborg Sealing Solutions
<b>Employed</b>	1995	2021	2011	2001
<b>In current position since</b>	2005	2021	2017	2018
<b>Born</b>	1966	1977	1965	1958
<b>Nationality</b>	Swedish	Swedish	German	US/German
<b>Qualifications</b>	M.Sc. Eng.	Graduate in business administration	Graduate in business administration	M.Sc. Eng.
<b>Other assignments</b>	Chairman of the Board of Cibes Holding AB. Board member of Couplers Holdco AB, Trelleborg AB and the Chamber of Commerce and Industry of Southern Sweden		President of Contex Holding GmbH and Board member of Herschel Infrared Ltd and Herschel Energy Ltd	
<b>Professional experience</b>	Business Area President at Trelleborg and other posts within the Trelleborg Group, as well as management consultant at BSI	CFO AAK, various finance roles in Sandvik	Business Unit President at the Trelleborg Group, President of Premia Group, CEO of Watts Industrial Tires and other senior management functions	Business Unit President at the Trelleborg Group and various senior positions at 4M Technologies, Leybold and Degussa
<b>Own and related-party holdings 2020</b>	60,572 shares and 250,000 call options (2016) <sup>1</sup> and 50,000 call options (2018) <sup>2</sup>	3,475 shares	8,500 shares and 12,500 call options <sup>2</sup>	12,500 call options <sup>2</sup>
<b>Shares in related companies</b>	–	–	–	–

<sup>1</sup> In February 2016, the principal owner – The Henry Dunker Donation Fund & Foundations – offered the President and CEO 250,000 call options in Trelleborg, with a term of five years. Peter Nilsson purchased these call options at a price of SEK 15.20 per call option. Each call option entitles the holder to purchase one Series B share at a call price of SEK 143.16. The Black & Scholes method was used in the valuation of the call options. The principal owner's intention in introducing the program was to encourage the President and CEO's long-term commitment to the company. Trelleborg AB did not participate in the offer and will not be charged with any earnings effect related to the program.

<sup>2</sup> In November 2018, the principal owner – The Henry Dunker Donation Fund & Foundations – offered the members of Group management 12,500 call options each in Trelleborg, except the President and CEO who was offered 50,000 call options, with a term of five years. The members of Group management purchased these call options at a price of SEK 9.86 per call option. Each call option entitles the holder to purchase one Series B share at a call price of SEK 175.83. The Black & Scholes method was used in the valuation of the call options. The principal owner's intention in introducing the program is to encourage Group management's long-term commitment to the company. Trelleborg AB did not participate in the offer and will not be charged with any earnings effect related to the program.

\*Ulf Berghult was succeeded by Fredrik Nilsson in the first quarter of 2021.



## REMUNERATION OF GROUP MANAGEMENT 2020

SEK 000s		Fixed salary	Annual variable salary	Long-term incentive program	Other benefits	Total	Pension	Total including pension
President	2020	11,330	2,057	–	198	13,585	5,047	18,632
	2019	11,108	4,834	1,430	199	17,571	4,921	22,492
Group Management, others (7 persons)	2020	23,610	5,024	–	1,528	30,162	6,620	36,782
	2019	26,595	8,252	2,829	1,762	39,438	9,411	48,849
<b>Total</b>	<b>2020</b>	<b>34,940</b>	<b>7,081</b>	<b>–</b>	<b>1,726</b>	<b>43,747</b>	<b>11,667</b>	<b>55,414</b>
<b>Total</b>	<b>2019</b>	<b>37,703</b>	<b>13,086</b>	<b>4,259</b> <sup>1</sup>	<b>1,961</b>	<b>57,009</b>	<b>14,332</b>	<b>71,341</b>

<sup>1</sup> Expensed in 2019. Payment is made in the first quarter, 2020 to 2022, on condition that the individual is employed in the Group on December 31 of the preceding year.



	Paolo Pompei	Charlotta Gråhs	Patrik Romberg*
<b>Position</b>	Business Area President, Trelleborg Wheel Systems	Senior Vice President, General Counsel	Senior Vice President, Communications and Senior Vice President, Human Resources
<b>Employed</b>	1999	2014	2006
<b>In current position since</b>	2017	2014	2011
<b>Born</b>	1971	1971	1966
<b>Nationality</b>	Italian	Swedish	Swedish
<b>Qualifications</b>	B.Sc. in economics, M.Sc. in international trade	Master of Law	MBA and university studies in behavioral science and education
<b>Other assignments</b>			
<b>Professional experience</b>	Business Unit President at the Trelleborg Group	Group General Counsel at Dometic Group and Senior Corporate Counsel at Husqvarna Group, lawyer at Mannheimer Swartling Advokatbyrå and Hengeler Mueller Rechtsanwälte	Various positions at the Trelleborg Group and Unilever
<b>Own and related-party holdings 2020</b>	12,500 call options <sup>2</sup>	12,500 call options <sup>2</sup>	901 shares and 12,500 call options <sup>2</sup>
<b>Shares in related companies</b>	–	–	–

<sup>2</sup> In November 2018, the principal owner – The Henry Dunker Donation Fund & Foundations – offered the members of Group management 12,500 call options each in Trelleborg, except the President and CEO who was offered 50,000 call options, with a term of five years. The members of Group management purchased these call options at a price of SEK 9.86 per call option. Each call option entitles the holder to purchase one Series B share at a call price of SEK 175.83. The Black & Scholes method was used in the valuation of the call options. The principal owner's intention in introducing the program is to encourage Group management's long-term commitment to the company. Trelleborg AB did not participate in the offer and will not be charged with any earnings effect related to the program.

\*Paolo Astarita adopted an advisory role within the Group at the end of 2020 and Patrik Romberg also assumed the role of Senior Vice President, Human Resources.



## PRINCIPLES FOR REMUNERATION

The following principles for remuneration of senior executives were adopted by the 2020 Annual General Meeting:

- » Trelleborg will offer market-based terms of employment that enable the company to recruit, develop and retain senior executives.
- » The remuneration structure is to comprise fixed and variable salary, pension and other remuneration, which together form the individual's total remuneration package.
- » Trelleborg continuously gathers, evaluates and adapts information on market-based remuneration levels for relevant industries and markets.
- » Principles for remuneration may vary depending on local conditions.
- » The remuneration structure will be based on such factors as position, expertise, experience and performance.

Senior executives comprise the President and other members of Group Management. The principles are supplemented by a policy governing benefits for senior executives as well as a global Remuneration Policy covering all managers and senior salaried employees. In 2020, total remuneration of Group Management amounted to SEK 43,747,000 (57,009,000), excluding pension premiums, and SEK 55,414,000 (71,341,000), including pension premiums.

For additional information concerning remuneration, refer to Note 10, pages 87–88.