

PricewaterhouseCoopers AB as Trelleborg's auditor for a period of one year.

President and Group Management.

The President and CEO manages the day-to-day administration of Trelleborg. The President is assisted by Group Management comprising presidents of business areas and managers of corporate staff functions.

Group Management 2014. At the end of 2014, Group Management comprised 11 individuals. In 2014, Group Management held 5 meetings (5). These meetings focused on the Group's strategic and operational performance and budget follow-up. Trelleborg's operations are organized into five business areas. These consist of about 20 business units, which in turn comprise approximately 40 product areas.

For additional information about Group Management, refer to pages 72-73.

Internal Control. The responsibility of the Board of Directors for internal control is regulated by the Swedish Companies Act and the Swedish Corporate Governance Code. 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.

Trelleborg has defined internal control as a process that is influenced by the Board of Directors, the Audit Committee, the President, Group Management and other employees, and is formulated to provide reasonable assurance that Trelleborg's goals are achieved in terms of the following: effective and efficient business activities, reliable reporting and compliance with applicable legislation and regulations. The Internal Control process is based on a control environment that creates discipline and provides structure for the other four components of the process – risk assessment, control structures, information and communication, and monitoring. The starting point for the process is the regulatory framework for internal control updated in 2013 and issued by the

Committee of Sponsoring Organizations of the Treadway Commission (COSO), which is based on 17 fundamental principles linked to the five components.

Internal control over financial reporting.

Internal control of the financial reporting aims to provide reasonable assurance of the reliability of external financial reporting in the form of interim reports, annual reports and year-end reports, and to ensure that external financial reporting is prepared in accordance with legislation, applicable accounting standards and other requirements on listed companies.

Control environment. The Board of Directors bears overall responsibility for internal control over financial reporting. The Board has established a written work plan for the Board of Trelleborg and instructions for its Audit and Remuneration Committees that define the Board's responsibilities and regulate the internal distribution of work between itself and its committees. The Board has established an Audit Committee from within its ranks to represent the Board in matters concerning the monitoring of Trelleborg's financial reporting and, in relation to financial reporting, to monitor the efficiency of Trelleborg's internal control, internal audit and risk management activities. 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 CR and ERM issues and day-to-day financing operations and annually reviews and makes proposals for changes to the Treasury Policy. The Board has also established instructions for the President of Trelleborg and instructions for financial reporting to the Board of Trelleborg. 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

Auditor's remuneration 2014

SEK M	2014	2013
<i>PricewaterhouseCoopers</i>		
Audit assignment	23	22
Audit activities other than audit assignment	1	1
Tax consultancy services	4	5
Other services	6	19
<i>Other auditors</i>		
Audit assignment	1	0
Tax consultancy services	0	0
Other services	0	0
Total	35	47



MIKAEL ERIKSSON
Authorized Public Accountant, Auditor in Charge

Auditor of the Trelleborg Group since 2011. Partner of PricewaterhouseCoopers AB since 1989.

Qualifications: Graduate in business administration, Authorized Public Accountant since 1984.

Assignments: Eniro, Meda, EcoLean and Elverket.
Born: 1955



ERIC SALANDER
Authorized Public Accountant

Auditor of the Trelleborg Group since 2010. Partner of PricewaterhouseCoopers AB since 2005.

Qualifications: Graduate in business administration, Authorized Public Accountant since 2000.

Assignments: Sony Mobile Communications, Gambio, Hilding Anders, Getinge and Bong.
Born: 1967.

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.

Internal policy instruments for financial reporting primarily comprise the Treasury Policy, Communication Policy, Finance Manual (defining the accounting and reporting rules), and the Group's definition of processes and minimum requirements for good internal control over financial reporting.

Risk assessment. Trelleborg's risk assessment of financial reporting aims to identify and evaluate the most significant risks that affect internal control over financial reporting in the Group's companies, business areas and processes. The risk 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.

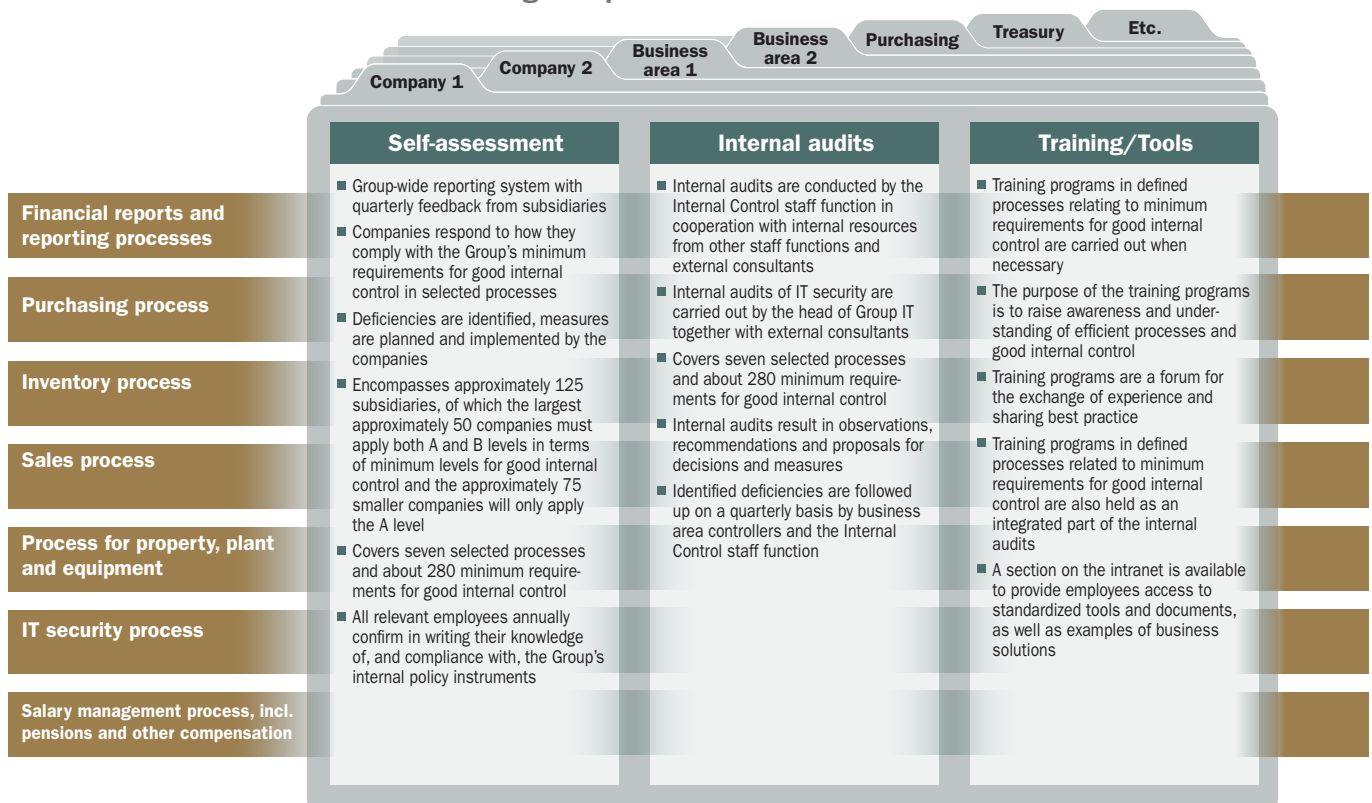
Risk assessment in relation to financial reporting is conducted as part of the Enterprise Risk Management process, which is described on pages 56-57.

Control structures. The most significant risks identified in terms of financial reporting are managed through control structures in companies, business areas and processes. 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 the Group's approximately 280 minimum requirements for good internal control in the seven defined, significant processes that are shown in the diagram below. The minimum

requirements encompass about 125 subsidiaries of which the largest approximately 50 companies must apply both A and B levels in respect of minimum requirements for good internal control and the approximately 75 smaller companies only the A level. The control structures in the accounting and reporting process, which are significant for ensuring the reliability of financial reporting, contain 50 of the approximately 280 minimum requirements for good internal control.

Information and Communication. Information and communication regarding internal policy instruments for financial reporting are available to all relevant employees on Trelleborg's intranet. Information and communication relating to financial reporting is also provided through training. The Group has a process in which all relevant employees confirm awareness of and compliance with the Group's internal policy instruments. The Group's CFO and the Head of the Internal Control staff function report

Internal control structure of the Trelleborg Group



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. External financial reporting is performed in accordance with relevant external and internal policy instruments. The process for the Group's whistleblower policy has been gradually improved.

Monitoring. Monitoring to ensure the effectiveness of internal control over financial reporting is conducted by the Board, the Audit Committee, the President, Group Management, the Internal Control staff function, Group Finance and Group Treasury and the Group's companies and business areas. Monitoring includes the follow-up of monthly financial reports in relation to budget and 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 the company'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, as well as work programs and budgets.

Activities in 2014. In 2014, the Internal Control staff function conducted 44 internal audits (37) in 19 countries (16), of which 17 were IT security audits (13). Emphasis was on Europe, Asia and the U.S. Most of the internal audits 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 and finance, or jointly with controllers from various business areas. Internal audits of IT security were carried out by the head of the IT Group staff function together with external consult-

ants. In 2014, the Internal Control staff function worked on a broad front with reviews of all processes. A new focus area for 2014 was monitoring the introduction of the new Enterprise Resource Planning system (ERP system).

Activities in focus in 2015. The number of internal audits will generally increase in 2015 and, geographically speaking, the Internal Control staff function will have a greater focus on high-growth markets. Slightly less than half of internal audits will take place in Europe. In 2015, the Internal Control staff function will continue to work broadly with reviews of all processes, with an additional focus on holding companies. Attention in 2015 will also be directed to expanding the follow-up of the implementation of new ERP systems.



Further information on corporate governance

The following information is available at www.trelleborg.com:

- Corporate Governance Reports from 2004 and onward.
- Information regarding Trelleborg's Annual General Meetings from 2004 and onward:
 - Notifications
 - Minutes
 - President's speeches
 - Press releases