



Principles for remuneration of senior executives

These principles apply to the Group Management, including President and CEO. The principles are forward-looking, i.e. they are applicable to remuneration and amendments to remuneration agreed, after they were adopted by the 2024 Annual General Meeting. These principles do not apply to any remuneration decided on or approved by the Annual General Meeting.

Trelleborg's strategy of securing leading positions in selected industries is supported by four strategic cornerstones: Geographic balance, Portfolio optimization, Structural improvements and Excellence. These ensure that the Group maintain focus and conduct activities in line with the strategy.

A prerequisite for the successful implementation of the strategy is that Trelleborg is able to recruit, develop and retain qualified senior executives. To this end the Group offers market-aligned remuneration, and these principles enable to offer senior executives competitive total remuneration.

Types of remuneration

Remuneration for all roles within the organisation is continuously benchmarked against those for comparable roles in similar organisations and in the employee's local market. A position grading system ("IPE") is used to determine the weight of the role within the context of Trelleborg. To secure a solid understanding of the market levels market data from multiple sources are normally obtained and a peer group is established. When compensation is determined, criticality of the role and availability on the market are considered. The method aims to ensure that the compensation that Trelleborg provides enables the Group to attract and retain the right competence at the right cost level.

Remuneration may consist of fixed salary, variable remuneration, pension benefits and other benefits. Additionally, the Annual General Meeting can resolve on other remuneration, such as share-based or share-price-based remuneration.

The criterias for awarding variable remuneration is to be measured over one year (short-term incentive program) or several years (long-term incentive programs). Both the short-term and the long-term incentive program may amount to not more than 100 percent of the fixed salary during the measurement period.

Further variable remuneration may be awarded in extraordinary circumstances, provided that they are limited in time and only made on an individual basis. Such remuneration may not exceed 100 percent of the fixed salary and may not be paid more than once each year per individual. Any resolution on such remuneration for the President and CEO shall be made by the Board based on a proposal from the Remuneration Committee. Any resolution on such remuneration for other senior executives shall be made by the Remuneration Committee based on a proposal from the President and CEO.

Variable remuneration will only qualify for pension benefits to the extent required by mandatory collective agreement provisions or otherwise stated by local law.

For the President and CEO pension benefits, including health insurance, are to be defined contribution. The premiums for defined contribution pension are to amount to not more than 45 percent of the fixed salary. For other senior executives, pension benefits, including health insurance, are to be defined contribution unless the individual concerned is subject to defined benefit pension under mandatory collective agreement provisions or otherwise stated by local law. The premiums for defined contribution pension are to amount to not more than 35 percent of the fixed salary.

Other benefits are for example, life insurance, medical insurance and company cars. Premiums and other costs relating to such benefits may amount to not more than 15 percent of the fixed salary.

For employment contracts governed by legislation outside of Sweden, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or established local practice.

With the start in 2024 Trelleborg will introduce a Performance Share Program for Group Management with the objective to incentivize our senior executives to hold Trelleborg shares up to a minimum level of one Annual Base Salary. Such plans are excluded from these principles and must be resolved by the Annual General Meeting.

Criteria for awarding variable cash remuneration

The variable remuneration is to be linked to predetermined and measurable criteria of a financial or non-financial nature. They may also be individualized, quantitative or qualitative objectives. The criteria must follow these principles.

To which extent the criteria for awarding variable remuneration have been fulfilled is to be determined when the measurement period has ended. The Remuneration Committee is responsible for evaluating variable remuneration to the President and CEO, subsequently to be approved by the Board of Directors. For variable remuneration to other senior executives, the President and CEO is responsible for the evaluation, subsequently to be approved by the Remuneration Committee. For financial objectives, the evaluation is to be based on the Group's latest published financial information.

Right to withhold or reclaim remuneration

Terms and conditions for variable remuneration are to be designed so that the Board of Directors (i) has the right to limit or refrain from payment of variable remuneration if exceptional economic circumstances occur and if such a measure is considered reasonable, and (ii) has the right to withhold or reclaim variable remuneration paid to an executive based on results that afterwards were found to have been misstated because of wrongdoing or malpractice.

The Board of Directors may, at its discretion, limit or refrain from payment of the individual variable salary if a senior executive, including the President and CEO, has breached or neglected Trelleborg's Code of Conduct or sustainability commitments.

Termination of employment

If employment of a senior executive is terminated by the company, the contractual notice period will not exceed 24 months. During the notice period all employment conditions will apply, unless otherwise expressly agreed upon. No additional severance payments will be made to the employee. When a senior executive terminates their employment, the contractual notice period will not exceed six months, and there is no right to any severance pay.

Salary and employment conditions for employees

In the preparation for these remuneration principles, current salary and employment conditions for employees of Trelleborg have been taken into account. Information on the employees' total income, the components of the remuneration, and its increase and growth rate over time, have been evaluated. Thereafter, the Remuneration Committee and the Board of Directors decide whether the principles and the limitations set out herein are reasonable.

Decision-making process to determine, review and implement the principles

The Board of Directors is to prepare a proposal for new principles at least every fourth year and submit such proposal to the Annual General Meeting. The principles shall apply until new

principles are adopted by the Annual General Meeting. The Remuneration Committee prepares the proposal for new principles. The Remuneration Committee also monitors and evaluates the programs for variable remuneration for senior executives, the application of the principles for senior executive remuneration as well as the current remuneration structures and levels in Trelleborg. The members of the Remuneration Committee are independent from Trelleborg and its senior executives. The President and CEO including other members of senior executives do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by the same.

Derogation from the principles

The Board of Directors may temporarily in whole or in part, derogate from the principles, if there is special cause for the derogation to serve Trelleborg's long-term interests or financial viability. It is the Remuneration Committee's tasks to prepare the Board of Directors' resolution to derogate from the principles.