



Remuneration Committee's evaluation of remuneration of senior executives

The Remuneration Committee, which consists of Board Chairman Hans Biörck, Anne Mette Olesen and Johan Malmquist, hereby submits the following evaluation of the variable remuneration and application of the principles of remuneration for senior executives in the Trelleborg Group adopted by the 2019 Annual General Meeting. In its analysis, the Remuneration Committee also reviewed the remuneration structures and levels in the company.

The remuneration structure for senior executives in the Trelleborg Group should consist of fixed and variable salaries, pension and other remuneration.

Variable remuneration in 2019 consisted of annual variable salary and long-term incentive programs. For 2019, Group Management – totaling 9 individuals – received SEK 13.1 M in annual variable salary. The outcome was based on predetermined goals, for example, Trelleborg's pre-tax profit and operating cash flow, both excluding the effects of structural changes. For the business areas, other operating key figures also served as targets for annual variable salary. The portion of variable salary in relation to fixed salary in 2019 was below the limits of a maximum 65 percent for the President and between 25 and 65 percent for the other senior executives, as approved by the Annual General Meeting. For 2019, SEK 4.3 M was expensed for the cash-based long-term incentive programs for Group Management, which have been introduced annually since 2005. The programs run for a period of three years and payments are made to executives who have not given notice of termination of their employment within the Trelleborg Group before December 31, the year the program expires. In total, Group Management received variable remuneration of SEK 17.3 M, which corresponds to approximately 25 percent of their total remuneration. It is the Remuneration Committee's opinion that this portion of variable remuneration is within the interval of remuneration that can be influenced by the senior executives, thus optimizing their involvement in the Group's development and thereby benefiting the shareholders, while also providing the Trelleborg Group with the flexibility to reward top performance and retain senior executives.

The Remuneration Committee considered the remuneration levels in Trelleborg during 2019 to be market-based in relation to relevant industries and markets. In addition to Group Management, up to 40 employees with significant influence on Trelleborg's earnings per share are invited to participate in the long-term incentive program each year.

The remuneration structures in the Trelleborg Group are based on such factors as position, expertise, experience and performance.

The Remuneration Committee is of the opinion that the principles of remuneration established by Trelleborg AB's Annual General Meeting 2019 have been appropriate and have been complied with. The appropriateness is also evident from the auditor's statement in accordance with the Swedish Companies Act

Trelleborg, February 2020

Hans Biörck

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