

This is a non-official translation of the Swedish original wording. In case of discrepancies between the English translation and the Swedish original, the Swedish text shall prevail.

THE BOARD OF DIRECTORS' PROPOSAL FOR GUIDELINES FOR REMUNERATION OF SENIOR EXECUTIVES

The Board of Directors of HEXPOL AB (publ) proposes that the Annual General Meeting 2012 resolves on guidelines for remuneration to the managing director and other senior executives as follows.

The remuneration shall consist of basic remuneration, variable remuneration, other benefits and pension. The variable remuneration shall be based on earnings and the return on capital employed. Other senior executives are defined as members of the Group Management, currently the CFO and the company's business and product area managers. The total remuneration shall be in accordance with the market practice and be competitive to secure that the HEXPOL Group will be able to attract and retain competent senior executives.

The variable part of the salary shall be related to the earnings trend on which the individual may have an impact and be based on the outcome in relation to individually established goals. The variable part of the salary shall be maximised in relation to the fixed remuneration. The variable remuneration shall not qualify for pension. The variable remuneration is capped and shall constitute a maximum of 90-110 per cent of the basic remuneration.

The estimated cost of the company for variable remuneration to senior executives according to the Board of Director's proposal follows from the Appendix below.

Every year the Board of Directors shall consider whether or not to recommend the Annual General Meeting to resolve on a share or share rate related incentive programme, it being understood that issues and transfers of securities resolved by the general meeting pursuant to the so-called Leo regulations in Chapter 16 of the Swedish Companies Act shall not be comprised by these guidelines.

Pension benefits shall either be benefit or fee based, or a combination of both, with an individual pension age, however, never lower than 60 years.

The notice period shall normally be six months on the part of the employee. Between the company and the managing director, the managing director is entitled to a notice period of six months. At notice of termination by the company, a notice period of 24 months shall apply. For other senior executives the notice period shall be six months and on the part of the company normally 12 months.

Remuneration to the managing director and other senior executives shall be prepared by the Remuneration Committee of the Board of Directors and resolved by the Board of Directors based on the proposal of the Remuneration Committee.

These guidelines shall comprise officials who during the validity of these guidelines are part of the Group Management. The guidelines shall apply to employment contracts entered into after the resolution of the Annual General Meeting, and to any amendments of existing contracts. The Board of Directors shall have the right to deviate from the guidelines if, in an individual case, it is motivated by special circumstances.

Malmö in February 2012
HEXPOL AB (publ)
The Board of Directors

APPENDIX TO THE PROPOSAL OF THE BOARD OF DIRECTORS OF HEXPOL AB (PUBL) FOR GUIDELINES FOR REMUNERATION TO SENIOR EXECUTIVES

Estimated costs for variable remuneration

The costs for variable remuneration to senior executives according to the proposal of the Board of Directors is based on the present remuneration levels and may, at maximum outcome, which presupposes that all targets on which the variable remuneration is based are reached, amount to maximum SEK 19 million. The estimate is based on the persons currently being part of the Group Management.

Remuneration resolved upon that is not due for payment

HEXPOL AB has, at the time of the Annual General Meeting to be held on 4 May 2012, no outstanding remuneration commitments towards the senior executives under the company's bonus programme 2011.