Trelleborg Coated Systems US, Inc.
Notice to Interested Persons
Participants in the Reeves Brothers, Inc. Pension Plan

BACKGROUND: You are hereby notified that a written submission has been filed on behalf of Trelleborg Coated Systems US, Inc. ("Trelleborg") and The Reeves Brothers, Inc. Pension Plan (the "Plan") with the United Stated Department of Labor (the "DOL"). As explained more fully below, Trelleborg intends to purchase two tracts of land from the Plan during the summer of 2011. Trelleborg and the Plan intend to complete these transactions only if the DOL provides relief from the "prohibited transaction" restrictions under sections 406(a)(1)(A), 406(a)(1)(D), 406(b)(1) and 406(b)(2) of the Employee Retirement Income Security Act of 1974 ("ERISA") and from the sanctions resulting from the application of sections 4975(c)(1)(A), 4975(c)(1)(D), and 4975(c)(1)(E) of the Internal Revenue Code of 1986, as amended (the "Code"). Therefore, Trelleborg has submitted an application to the DOL requesting authorization that these prohibited transaction rules do not apply with respect to the purchase of the tracts of land from the Plan.

This submission has met the requirements for a tentative authorization under the DOL's Class Exemption—Prohibited Transaction Exemption 96-62 (PTE 96-62). In general, PTE 96-62 requires the granting of at least two substantially similar individual exemptions by the DOL within the last 60 months, or the granting of one substantially similar individual exemption within the last 120 months and the issuance of one substantially similar final authorization within the last 60 months.

YOUR RIGHTS: As a person who may be affected by the purchase of the Plan's real property by Trelleborg, you have the right to comment on the purchase. The DOL will make no final decision on the authorization request until it reviews all comments received in response to the enclosed notice. Any comments should be submitted in written form to:

Office of Exemption Determinations
Division of Exemptions
U.S. Department of Labor
200 Constitution Avenue, NW, Room N-5700
Washington, DC 20210
Attention: Submission No. E-00666

Comments may also be faxed to (202) 219-0204 or emailed to Weng.Karin@dol.gov. Any comments must be submitted no later than **May 14, 2011.**

BACKGROUND OF THE TRANSACTION: Trelleborg is a Delaware Corporation headquartered in Spartanburg, South Carolina. Trelleborg is a leading manufacturer of polymer-coated, high precision materials. These materials are primarily used in industrial, aerospace, marine, medical, and defense applications. Trelleborg sponsors the Plan. Trelleborg intends to buy two tracts of land—the "Indiana Tract" and the

“Spartanburg Tract” from the Plan during the summer of 2011. The trustees of the Plan are A. Keith Dye, Danny W. Hall, Debbie Rhoads and Larry Lewis. The Plan is a defined benefit plan and its minimum funding standards are currently satisfied.

The Indiana Tract

The Indiana Tract is a 35.749 acre parcel located in Auburn, Indiana. The Indiana Tract is zoned “I-2, Heavy Industrial District.” The Indiana Tract is currently undeveloped. The Plan purchased the Indiana Tract from Trelleborg on October 1, 1996 for $172,050.

An appraisal conducted on September 21, 2010 valued the Indiana Tract at $250,000. This appraisal noted that a portion of the Indiana Tract may lie within a flood hazard area. The appraisal was completed in the form of a qualified appraisal report conducted by Daniel Kruse—a qualified independent appraiser. Mr. Kruse is an Indiana Certified General Appraiser. Based on the fair market value of the Indiana Tract as determined in the appraisal, the property has appreciated at an annual rate of 2.71% since it was purchased.

Along with that appreciation, the Plan initially earned income on the Indiana Tract through a lease of the property to Trelleborg. The lease had a five year term and required lease payments of $1,541.67 per month, generating annual revenue of $18,500. This lease generated revenue of $92,500 over its duration. In addition to these lease payments, Trelleborg paid all holding costs with respect to the Indiana Tract for the entire duration of the lease. After the lease terminated, Trelleborg continued to pay all holding costs other than property taxes.[1] The Plan has paid $3,713.79 in property taxes with respect to the Indiana Tract. Trelleborg did not use the Indiana Tract during or after the lease period.

The Spartanburg Tract

The Spartanburg Tract is a 68.32 acre parcel located in Spartanburg, South Carolina. The Spartanburg Tract is not subject to zoning. However, it is subject to Spartanburg County development standards, which are designed to guide development with respect to building height, buffer, yard setbacks, impervious surface density, and parking requirements. The Spartanburg Tract is currently undeveloped. The Plan purchased the Spartanburg Tract from Trelleborg on October 1, 1996 for $1,902,594.

An appraisal conducted on October 8, 2010, valued the Spartanburg Tract at $2,400,000. The appraisal was completed in the form of a qualified appraisal report conducted by Allan Reich—a qualified independent appraiser. Mr. Reich is a South Carolina Certified General Real Estate Appraiser. Based on this appraisal, the Spartanburg Tract has appreciated at an annual rate of 1.67% since it was purchased.

[1] Trelleborg understands that the DOL is not expressing an opinion on whether the holding of the property after the lease expiration violates the prudence provisions of Part 4 of Title I of ERISA.

Along with that appreciation, the Plan initially earned income on the Spartanburg Tract through a lease of the property to Trelleborg. The lease had a five year term and required lease payments of $16,195.92 per month, generating annual revenue of $194,351. This lease generated revenue of $971,755 over its duration. In addition to these lease payments, Trelleborg paid all holding costs with respect to the Spartanburg Tract for the entire duration of the lease. After the lease terminated, Trelleborg continued to pay all holding costs other than property taxes.[2] The Plan has paid $144,895.85 in property taxes with respect to the Spartanburg Tract. Trelleborg did not use the Spartanburg Tract during or after the lease period.

DESCRIPTION OF THE TRANSACTION: The Plan intends to sell both tracts of land to Trelleborg within 90 days following the receipt of authorization from the DOL. The Plan's sales of the tracts to Trelleborg would be one-time transactions for cash. In exchange for the tracts, the Plan will receive the greater of (i) the fair market value identified in appraisals conducted in 2010 (i.e. $250,000 for the Indiana Tract and $2,400,000 for the Spartanburg Tract) or (ii) the fair market value as of the date of the sale of the tracts to Trelleborg determined based on updates to the appraisals as of the date of the sales. Although the Spartanburg Tract abuts other property owned by Trelleborg, the appraiser for this tract has determined that no additional assemblage value or premium should be paid to Trelleborg as a result of the adjacency of the two properties.

CONDITIONS FOR THE TRANSACTION:

- The sales are one-time transactions for cash;
- The Plan will receive the greater of the fair market value as identified in the appraisals conducted in 2010, or the updated appraised values at the time of the sales;
- The terms and conditions of the sales are at least as favorable to the Plan as those obtainable in arm's length transactions with unrelated third parties;
- The Plan will not pay any commissions, costs, or other expenses in connection with the sales;
- The Plan trustees have determined that the sale of the tracts would be in the best interest of participants and beneficiaries, as the sale proceeds could be invested more favorably in other assets.
- The Plan Trustees will review and, if appropriate, approve the methodology used by the qualified, independent appraisers, ensure that such methodology is properly applied in determining the fair market value of the Indiana Tract and the

[2] Trelleborg understands that the DOL is not expressing an opinion on whether the holding of the property after the lease expiration violates the prudence provisions of Part 4 of Title I of ERISA.

Spartanburg Tract, respectively, as of the date of the sale, and will also determine whether it is prudent to go forward with the proposed transactions.

SUBSTANTIALLY SIMILAR TRANSACTIONS: The DOL has previously provided exemptions from the prohibited transaction rules in situations substantially similar to the sales contemplated in this notice, including in the following cases:

- Prohibited Transaction Exemption 2002-26 for Holt, Fleck & Free P.A. Profit Sharing Plan, 67 Fed. Reg. 36030 (May 22, 2002); and
- Final Authorization No. 06-07E for H.E.B. Brand Savings & Retirement Plan and HE Butt Grocery Company.

These transactions are substantially similar to the transaction contemplated in this notice because both of these transactions:

- Involved the sale of real property by a qualified plan to the plan sponsor;
- Required that the plans receive the greater of the fair market value of the property being sold based upon a recent valuation by a qualified independent appraiser or the fair market value of the property being sold at the time of the transaction as determined by an updated appraisal;
- Required the plan sponsor to pay all commissions, costs, or other expenses in connection with the sale; and
- Required the plans' trustees to determine—prior to the sale of the property to the plan—that the sale was appropriate and in the best interests of the plan, its participants, and its beneficiaries.