

TREDEGAR CORP  
Form DEF 14A  
April 13, 2011

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United States  
Securities and Exchange Commission  
Washington, D.C. 20549

Schedule 14A Information

Proxy Statement Pursuant to Section 14(a) of the Securities Exchange Act of 1934  
(Amendment No.       )

Filed by the Company  T

File by a party other than the Company

Check the appropriate box:

Preliminary proxy statement

Confidential, for use of the Commission only (as permitted by Rule 14a-6(e)(2))

Definitive proxy statement

Definitive additional materials

Soliciting material pursuant to §240.14a-12

Tredegear Corporation  
(Name of Registrant as Specified In Its Charter)

(Name of Person(s) Filing Proxy Statement, if other than the Company)

Payment of Filing Fee (check the appropriate box):

No fee required.

Fee computed on table below per Exchange Act Rules 14a-6(i)(4) and 0-11

1. Title of each class of securities to which transaction applies:

2. Aggregate number of securities to which transaction applies:

3. Per unit price or other underlying value of transaction computed pursuant to Exchange Act Rule 0-11  
(set forth the amount on which the file fee is calculated and state how it was determined):

4. Proposed aggregate offering price:

5. Total fee paid:

£  Fee paid previously with preliminary materials.

Check box if any part of the fee is offset as provided by the Exchange Act Rule 0-11(a)(2) and identify the filing for which the offsetting fee was paid previously. Identify the previous filing by registration statement number, or the Form or Schedule and the date of its filing.

1. Amount Previously Paid:

2. Form, Schedule or Registration Statement No.:

3. Filing Party:

4. Date Filed:

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1100 Boulders Parkway  
Richmond, Virginia 23225

Annual Meeting of Shareholders

April 13, 2011

To Our Shareholders:

We invite you to attend the Annual Meeting of Shareholders to be held at the Jepson Alumni Center of the University of Richmond, 49 Crenshaw Way, Richmond, Virginia, on Tuesday, May 24, 2011, at 9:00 a.m., Eastern Daylight Time. A formal notice of the meeting, a proxy statement and a proxy card are enclosed. You are being asked to consider and act upon each of the following items:

1. To elect the four directors identified in the enclosed proxy statement to serve until the 2014 annual meeting of shareholders and until their successors are elected and qualified;
2. To conduct a non-binding advisory vote on the compensation paid by Tredegar to our named executive officers;
3. To conduct a non-binding advisory vote on the frequency of holding future non-binding advisory votes on the compensation paid by Tredegar to our named executive officers;
4. To ratify the selection of PricewaterhouseCoopers LLP as our independent auditors for fiscal year 2011; and
5. To transact such other business as may properly come before the meeting or any adjournments or postponements thereof.

There are four ways for you to exercise your vote. You may vote by completing, signing, dating and returning the enclosed proxy card in the self-addressed, stamped envelope provided. If your shares of Tredegar common stock are registered directly in your name with Computershare Investor Services, our transfer agent, you also have the option of voting your shares by telephone or via the Internet. Finally, you may vote in person at the meeting, even if you return the proxy.

On behalf of our Board of Directors, management and employees of Tredegar Corporation, I thank you for your continued support and confidence in our company.

Sincerely yours,

R. Gregory Williams  
Chairman of the Board



TREDEGAR CORPORATION

NOTICE OF ANNUAL MEETING OF SHAREHOLDERS

TIME: Tuesday, May 24, 2011, at 9:00 a.m., Eastern Daylight Time

PLACE: Jepson Alumni Center  
University of Richmond  
49 Crenshaw Way  
Richmond, Virginia 23173  
(see directions on reverse)

- ITEMS OF BUSINESS:
1. To elect the four directors identified in the proxy statement to serve as Class I directors until the 2014 annual meeting of shareholders and until their successors are elected and qualified;
  2. To conduct a non-binding advisory vote on the compensation paid by Tredegar to our named executive officers;
  3. To conduct a non-binding advisory vote on the frequency of holding future non-binding advisory votes on the compensation paid by Tredegar to our named executive officers;
  4. To ratify the appointment of PricewaterhouseCoopers LLP as Tredegar's independent registered public accounting firm for the fiscal year ending December 31, 2011; and
  5. To transact any other business as may properly come before the annual meeting or any adjournments or postponements of the annual meeting.

WHO MAY VOTE: You may vote if you were a shareholder of record on March 25, 2011.

DATE OF MAILING: This notice and the proxy statement are first being mailed to shareholders on or about April 13, 2011.

By Order of the Board of Directors  
A. Brent King  
Vice President, General Counsel and Secretary





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PROXY STATEMENT

for

ANNUAL MEETING OF SHAREHOLDERS  
TREDEGAR CORPORATION

To be held on May 24, 2011

Approximate date of mailing—April 13, 2011

**VOTING INFORMATION**

The Board of Directors (or Board) of Tredegar Corporation, a Virginia corporation (or Tredegar, we, our or us), is soliciting your proxy for the annual meeting of shareholders to be held on Tuesday, May 24, 2011 (the annual meeting). This proxy statement and the enclosed proxy card contain information about the items you will be voting on at the annual meeting.

Who may vote?

You may vote if you owned shares of Tredegar common stock on March 25, 2011, the date our Board established for determining shareholders entitled to vote at the annual meeting. On that date, there were 31,953,448 outstanding shares of Tredegar common stock. You are entitled to one vote for each share of Tredegar common stock you own.

What are the proposals shareholders will be voting on at the annual meeting?

You will be voting on the following:

- the election of the four directors identified in this proxy statement to serve as Class I directors until the 2014 annual meeting of shareholders and until their successors are elected and qualified;
- a non-binding advisory vote on the compensation paid to our named executive officers, as disclosed in this proxy statement pursuant to the compensation disclosure rules of the Securities and Exchange Commission (the SEC) (also known as a “say-on-pay” vote);
- a non-binding advisory vote on the frequency — every year, every two years, or every three years — with which Tredegar shareholders will be asked to approve, by a non-binding advisory vote, the compensation paid to our named executive officers (also known as a “frequency” vote or “say-when-on-pay” vote);
- the ratification of the appointment of PricewaterhouseCoopers LLP (or PwC) as Tredegar’s independent registered public accounting firm for the fiscal year ending December 31, 2011; and
- the transaction of any other business as may properly come before the annual meeting or any adjournments or postponements of the annual meeting.

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How do I vote my shares?

You may vote your shares as follows:

- You may vote in person at the annual meeting. Even if you plan to attend the annual meeting, we encourage you to vote your shares by proxy by one of the methods described below. If your shares of Tredegar common stock are registered directly in your name with Computershare Investor Services (or Computershare), our transfer agent, and you desire to vote in person at the annual meeting, you will be able to request a ballot at the annual meeting. If your shares of Tredegar common stock are held in street name with a brokerage firm and you desire to vote in person at the annual meeting, you will need to obtain a legal proxy from the brokerage firm. You should contact your brokerage firm for further information.
- If your shares of Tredegar common stock are registered directly in your name with Computershare, you may vote by mail by completing, signing, dating and returning the enclosed proxy in the self-addressed, stamped envelope provided.
- If your shares of Tredegar common stock are registered directly in your name with Computershare, you may vote by telephone (touch-tone phones only) by calling toll-free 1-800-652-VOTE (8683) and following the instructions. Please have your control number located on the enclosed proxy card available when you call.
- If your shares of Tredegar common stock are registered directly in your name with Computershare, you may vote via the Internet by accessing the web page [www.investorvote.com/TG](http://www.investorvote.com/TG) and following the on-screen instructions. Please have your control number located on the enclosed proxy card available when you access the web page.

If your shares of Tredegar common stock are held in street name with a brokerage firm, you may vote by completing, signing and returning the voting instruction form provided by your broker. You may also be able to vote by telephone or via the Internet if your broker makes these methods available. Please see the voting instruction form provided by your broker.

What constitutes a quorum for the annual meeting?

A quorum is a majority of the outstanding shares of Tredegar common stock, present in person or represented by proxy at the annual meeting. Abstentions, withheld votes and shares held of record by a broker or its nominee that are voted on any matter at the annual meeting are included in determining the number of shares present. Shares held of record by a broker or its nominee that are not voted on any matter at the annual meeting will not be included in determining whether a quorum is present. A quorum is necessary to conduct business at the annual meeting.

What are my voting choices when voting on the director nominees?

In the vote on the election of our director nominees, you may:

- vote for all nominees;
- withhold votes as to all nominees; or
- withhold a vote as to one or more specific nominees.



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A nominee is elected to our Board if a plurality of votes cast in the election of directors is cast “for” the nominee. In the event that any nominee for director is unavailable for election, our Board may either reduce the number of directors or choose a substitute nominee. If our Board chooses a substitute nominee, the shares represented by a proxy will be voted for the substitute nominee, unless other instructions are given in the proxy. Our Board has no reason to believe that any of the nominees will be unavailable.

Our Board recommends that you vote “FOR” all of the nominees.

What are my voting choices on the non-binding advisory vote on the compensation paid by Tredegar to our named executive officers?

In the non-binding advisory vote on the compensation paid by Tredegar to our named executive officers, you may:

- vote for the approval of the compensation paid by Tredegar to our named executive officers;
- vote against the approval of the compensation paid by Tredegar to our named executive officers; or
- abstain from voting on the approval of the compensation paid by Tredegar to our named executive officers.

To be approved, the number of votes cast “for” this proposal must exceed the number of votes cast “against” this proposal.

Our Board recommends that you vote “FOR” the approval of the compensation paid by Tredegar to our named executive officers, as disclosed in this proxy statement pursuant to the SEC’s compensation disclosure rules.

What are my voting choices on the non-binding advisory vote on the frequency with which Tredegar shareholders will be asked to approve, by a non-binding advisory vote, the compensation paid by Tredegar to our named executive officers?

In the non-binding advisory vote on the frequency with which Tredegar shareholders will be asked to approve, by a non-binding advisory vote, the compensation paid by Tredegar to our named executive officers, you may:

- vote that the shareholders be asked to approve the compensation paid by Tredegar to our named executive officers every year;
- vote that the shareholders be asked to approve the compensation paid by Tredegar to our named executive officers every two years;
- vote that the shareholders be asked to approve the compensation paid by Tredegar to our named executive officers every three years; or
- abstain from voting to select the frequency with which Tredegar shareholders will be asked to approve the compensation paid by Tredegar to our named executive officers.

Under Virginia law, other than the election of directors, action on a matter is approved if the votes cast “for” the matter exceed the votes cast “against” the matter, unless the articles of incorporation or Virginia law require a greater number of affirmative votes. Because of the nature of this proposal, however, the frequency (i.e., every year, every two years or every three years) receiving the greatest number of votes cast (i.e., plurality) will be considered the frequency recommended by shareholders.



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Our Board recommends that you vote “FOR” the approval of a non-binding advisory vote on the compensation paid by Tredegar to our named executive officers every THREE YEARS.

What are my voting choices when voting on the ratification of the appointment of PwC as our independent registered public accounting firm?

In voting on the ratification of the appointment of PwC as our independent registered public accounting firm for the fiscal year ending December 31, 2011, you may:

- vote for the ratification of the appointment of PwC;
- vote against the ratification of the appointment of PwC; or
- abstain from voting on the ratification of the appointment of PwC.

The ratification of the appointment of PwC as our independent registered public accounting firm requires that the number of votes cast “for” the ratification exceeds the number of votes cast “against” the ratification.

Our Board recommends that you vote “FOR” the ratification of the appointment of PricewaterhouseCoopers LLP as Tredegar’s independent registered public accounting firm for the fiscal year ending December 31, 2011.

Will my shares be voted if I do not return my proxy?

If you are a Tredegar shareholder whose stock is registered directly in your name with Computershare, our transfer agent, and you do not provide your signed proxy, your shares will not be represented at the meeting, will not count toward the quorum requirement and will not be voted.

If you are a Tredegar shareholder whose stock is held in street name with a brokerage firm, your broker may or may not vote your shares in its discretion if you have not provided voting instructions to the broker. Whether the broker may vote your shares depends on the proposals before the meeting. Under the rules of the New York Stock Exchange, your broker may vote your shares in its discretion on “routine matters.” The ratification of the appointment of the independent registered public accounting firm is a routine matter on which brokers are permitted to vote on behalf of their clients if their clients do not furnish voting instructions with respect to this matter.

The rules of the New York Stock Exchange, however, do not permit your broker to vote your shares on proposals that are not considered “routine.” When a proposal is not a routine matter and your broker has not received your voting instructions with respect to that proposal, your broker cannot vote your shares on that proposal. This is called a “broker non-vote.” Under the rules of the New York Stock Exchange, the election of directors (Proposal 1), the non-binding advisory vote on the compensation paid by Tredegar to our named executive officers (Proposal 2) and the non-binding advisory vote on the selection of the frequency with which Tredegar shareholders will be asked to approve the compensation paid by Tredegar to our named executive officers (Proposal 3) are considered non-routine matters. In order to avoid a broker non-vote of your shares on these proposals, you must send voting instructions to your broker.

Abstentions, withheld votes with respect to the election of directors and broker non-votes will not affect the outcome of the vote on the election of the director nominees, the non-binding advisory vote on the compensation paid by Tredegar to our named executive officers, the non-binding advisory vote on the selection of the frequency with which Tredegar shareholders will be asked to approve the compensation paid



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by Tredegar to our named executive officers or the ratification of the appointment of PwC (unless all votes are abstentions or withheld votes).

Can I change or revoke my vote?

You may change or revoke your proxy at any time before it is voted at the annual meeting. You can change or revoke your proxy by (1) voting in person at the annual meeting, (2) delivering another later dated proxy or (3) notifying Tredegar's Corporate Secretary in writing that you want to change or revoke your proxy. Attendance at the annual meeting will not by itself revoke a proxy.

What happens if I do not specify a choice when returning a proxy?

All signed proxies that have not been revoked will be voted at the annual meeting. If your proxy contains any specific voting instructions, they will be followed. However, if you sign and return your proxy without providing specific voting instructions, you give authority to the individuals designated on the proxy card to vote on the proposal(s) for which you have not made specific selections. If no specific instruction is given or selection made, it is intended that all proxies signed and returned will be voted in the manner recommended by our Board as disclosed in this proxy statement. As to any other business that may properly come before the annual meeting, the individuals designated on the proxy card will vote the shares of Tredegar common stock represented by the proxy card in the manner as our Board may recommend or otherwise in the proxyholders' discretion.

What does it mean if I receive more than one proxy card?

If you receive more than one proxy card, it means you have multiple accounts with our transfer agent, Computershare, or with one or more brokerage firms. To vote all your shares, you will need to sign and return all proxy cards. We encourage you to consolidate your accounts with the same name and address with Computershare in a single account whenever possible. For additional information, please contact our transfer agent at 1-800-622-6757.

Who pays for the solicitation of proxies?

We will pay the cost of soliciting proxies and may use employees to solicit proxies by mail, in person or by telephone. We have engaged Alliance Advisors, LLC (Alliance) to solicit proxies from brokers, nominees, fiduciaries and other custodians. We will pay Alliance \$5,000 for its services and will reimburse Alliance for its out-of-pocket expenses, including mailing, copying, phone calls, faxes and other matters, and will indemnify Alliance against any losses arising out of that firm's proxy soliciting services on our behalf.

How do I communicate with the Board of Directors?

Our Board has unanimously approved a process for shareholders and other interested parties to send communications to our Board and individual directors. Shareholders can communicate in writing to our Board and, if applicable, any Board Committee or specified individual directors by either mailing communications c/o Tredegar Corporation, 1100 Boulders Parkway, Richmond, Virginia, 23225, Attention: Corporate Secretary, or by sending an e-mail to the following address: [directors@tredegar.com](mailto:directors@tredegar.com). As noted elsewhere in this proxy statement, you may use these same means to communicate with non-management directors or the independent directors (in each case, individually or as a group). We will forward communications to the intended recipient(s), although we screen mail for security purposes.



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Where can I find Tredegar's corporate governance materials?

Our Governance Guidelines, Code of Conduct and the charters of our Audit Committee, Executive Compensation Committee, Investment Policy and Related Person Transactions Committee and Nominating and Governance Committee are available on our website at [www.tredegar.com](http://www.tredegar.com) by selecting "Corporate Governance" under "About Tredegar."

How may I obtain Tredegar's Annual Report on Form 10-K for the fiscal year ended December 31, 2010, and other financial information?

Unless you have given specific instructions that you prefer to receive your materials electronically, we have enclosed a copy of our 2010 Annual Report, which includes our Annual Report on Form 10-K for the fiscal year ended December 31, 2010.

**IMPORTANT NOTICE REGARDING THE AVAILABILITY OF PROXY MATERIALS FOR THE ANNUAL MEETING OF SHAREHOLDERS TO BE HELD ON MAY 24, 2011**

The proxy statement and the 2010 Annual Report are available at [www.tredegar.com](http://www.tredegar.com) under "Investor Relations."

Shareholders may request additional copies of the 2010 Form 10-K (including the financial statements and financial statement schedules), without charge, from:

Tredegar Corporation  
Attention: Investor Relations  
1100 Boulders Parkway  
Richmond, Virginia 23225  
1-800-411-7441  
[invest@tredegar.com](mailto:invest@tredegar.com)

We will deliver a list of exhibits to the 2010 Form 10-K, showing the cost of each, with the copy of the 2010 Form 10-K. We will provide any of the exhibits upon payment of the charge noted on the list. Exhibits to the 2010 Form 10-K are also available on the SEC's website at [www.sec.gov](http://www.sec.gov).

May shareholders ask questions at the annual meeting?

Yes. At the end of the annual meeting, we will give shareholders attending the meeting the opportunity to ask questions.

Is it possible to receive future mailings electronically?

Yes. If your shares of Tredegar common stock are registered in your name with Computershare and you are interested in receiving future shareholder communications electronically rather than receiving paper copies, you should vote your shares using the Internet voting option and follow the instructions provided. When future shareholder communications become available, you will receive an e-mail letting you know that you may access and download the documents from Tredegar's website at [www.tredegar.com](http://www.tredegar.com). Your choice for electronic distribution will remain in effect indefinitely, unless you revoke your choice by sending written notice of revocation to us at the address noted above. If your shares of Tredegar common stock are held in street name with a brokerage firm, you should refer to the information provided by your broker and follow the instructions on how to receive future shareholder communications electronically, if this option is provided.



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What if I have questions for Tredegar's transfer agent?

You can contact our transfer agent directly with questions concerning stock certificates, dividend checks, transfer of ownership, our dividend reinvestment and stock purchase plan or other matters relevant to your Tredegar shareholder account at:

Computershare Investor Services  
250 Royall Street  
Canton, MA 02021  
Telephone: 1-800-622-6757  
web.queries@computershare.com

Can I access my Tredegar account online?

Yes. If you are a shareholder of record, you can access your Tredegar shareholder account online via Computershare's Investor Centre at [www.computershare.com/investor](http://www.computershare.com/investor), a service provided by our transfer agent. This service makes it easy and convenient to get current information on your shareholder account, such as:

- Review share balances
- Review certificate history
- Review 1099 tax information
- Change mailing address
- Review dividend payment history
- Enroll in our dividend reinvestment plan
- Request direct deposit of dividends
- Obtain shareholder forms and instructions

You may also access this site by visiting our website at [www.tredegar.com](http://www.tredegar.com) and selecting "Shareholder Services" under "Investor Relations." If you have any questions or need assistance (including obtaining a new personal identification (PIN) number), please contact Computershare's Shareholder Services Group at 1-800-622-6757.

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**PROPOSAL 1:  
ELECTION OF DIRECTORS**

Our Board is divided into three classes of directors. Each class of directors customarily serves for three years and until their successors are elected and qualified. The term for each class is staggered so that one class is elected at each annual meeting. Certain circumstances could cause the terms of our directors to vary and the classes of directors to change if a director is elected for less than a three-year term. The Board intends to amend our amended and restated Bylaws to increase the number of directors to ten, effective immediately prior to the annual meeting.

The Board, upon the recommendation of the Nominating and Governance Committee, has nominated for election to our Board two candidates who are not presently directors on our Board, Messrs. George C. Freeman, III, and Thomas G. Slater, Jr. Messrs. Freeman and Slater were recommended for nomination by a non-management director. The terms of three of our present directors, Messrs. George A. Newbill, Norman A. Scher and R. Gregory Williams, will expire at the 2011 annual meeting. Upon the recommendation of the Nominating and Governance Committee, Messrs. Newbill and Williams, along with Messrs. Freeman and Slater, have been nominated by the Board for election as Class I directors at the 2011 annual meeting for terms expiring at the 2014 annual meeting. Mr. Scher will retire from the Board upon the expiration of his current term at the annual meeting. He is not being nominated for re-election to the Board.

Should all the nominees be elected to our Board, the director classes after the 2011 annual meeting will be as follows:

Class I Terms expiring at 2014 annual meeting	Class II Terms expiring at 2012 annual meeting	Class III Terms expiring at 2013 annual meeting
George C. Freeman, III	Austin Brockenbrough, III	Donald T. Cowles
George A. Newbill	William M. Gottwald	John D. Gottwald
Thomas G. Slater, Jr.	Richard L. Morrill	Nancy M. Taylor
R. Gregory Williams		

Our Board recommends that you vote “FOR” all of the nominees.

**TREDEGAR'S BOARD OF DIRECTORS**

Integrity and honesty are core values of Tredegar. As a result, our directors must be persons of the utmost integrity who possess the highest standards of business and professional conduct. We believe that each of our directors has these and other key attributes that are important to an effective board, including candor, analytical skills, business acumen, the willingness to engage management and each other in a constructive and collaborative fashion, and the ability and commitment to devote significant time and energy to service on our Board and its committees. These characteristics are emphasized in the evaluation and recruitment of new directors.

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Following is certain information concerning the nominees as well as the directors whose terms of office will continue after the annual meeting:

Austin Brockenbrough, III  
Age: 74  
Director since 1993  
Term expires 2012

Managing Director of Lowe, Brockenbrough & Company, Inc., a private investment counseling firm, since 1970.  
Other directorship: Trustee of The Williamsburg Investment Trust, a registered investment management company.

The Board has concluded that Mr. Brockenbrough should serve as a director based on his strong background in finance, including his investment management experience.

Donald T. Cowles  
Age: 64  
Director since 2003  
Term expires 2013

Retired, having served previously as Executive Director, Initiatives of Change, Inc., a not-for-profit network working for a more inclusive American society, from January, 2006 until June, 2008, has also served as a pro bono consultant to government and non-profit organizations since 2001.

The Board has concluded that Mr. Cowles should serve as a director based on his prior service as a manufacturing executive, particularly with regard to his position as president of the aluminum distribution businesses of Reynolds Metals Company.

George C. Freeman, III  
Age: 47  
Nominated for a term expiring 2014

Chief Executive Officer of Universal Corporation, an international leaf tobacco merchant, since April 1, 2008 and President of Universal since December 12, 2006, having served previously as General Counsel and Secretary of Universal from February, 2001 until November, 2005, and as Vice President of Universal from November, 2005 until December 12, 2006.

The Board has concluded that Mr. Freeman should serve as a director based on his strong executive management and leadership skills, his financial expertise and his extensive knowledge of international business, risk oversight and corporate governance.

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John D. Gottwald  
Age: 56  
Director since 1989  
Term expires 2013

Retired, having served previously as President and Chief Executive Officer of Tredegar from March 1, 2006 until January 31, 2010 and as Chairman of the Board of Tredegar from September 10, 2001 until March 1, 2006.

The Board has concluded that Mr. Gottwald should serve as a director based on his significant knowledge and understanding of Tredegar and its businesses and his significant experience and expertise in the leadership of global manufacturing companies.

William M. Gottwald  
Age: 63  
Director since 1997  
Term expires 2012

Vice Chairman of the Board of Tredegar, having served previously as Chairman of the Board of Directors of Albemarle Corporation, a specialty chemicals company, from 2001 until 2008.

The Board has concluded that Mr. Gottwald should serve as a director based on his significant experience and expertise in the leadership of global manufacturing companies.

Richard L. Morrill  
Age: 71  
Director since 1997  
Term expires 2012

President, The Teagle Foundation, a charitable foundation, since January 1, 2010, and Chancellor of the University of Richmond since June 1, 2004, having served previously as Chairman of the Board of Tredegar from March 1, 2006 until May 18, 2010.

Other directorships: Albemarle and Trustee of The Williamsburg Investment Trust.

The Board has concluded that Dr. Morrill should serve as a director based on his extensive leadership skills and experience and strategic acumen.

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George A. Newbill  
Age: 68  
Director since 2008  
Term expires 2011

Retired, having served previously as Executive Vice President of Albemarle from August, 2007 until February 29, 2008 and as Senior Vice President – Manufacturing Operations of Albemarle from January, 2004 until August, 2007.

The Board has concluded that Mr. Newbill should serve as a director based on his extensive experience in manufacturing operations, since integrating processes in our manufacturing subsidiaries is an important factor of our success.

Thomas G. Slater, Jr.  
Age: 67  
Nominated for a term expiring 2014

Partner of Hunton & Williams LLP, a law firm, since 1976. Mr. Slater served as a director of Tredegar from 1998 until March 2, 2010.

The Board has concluded that Mr. Slater should serve as a director based on his legal expertise and his extensive knowledge of Tredegar and its businesses, based on his prior experience and service as a Board member of Tredegar.

Nancy M. Taylor  
Age: 51  
Director since 2010  
Term expires 2013

President and Chief Executive Officer of Tredegar since January 31, 2010, having served previously as Executive Vice President of Tredegar from January 1, 2009 until January 31, 2010, President of Tredegar Film Products from April 5, 2005 until January 31, 2010, and Senior Vice President of Tredegar from November 1, 2004 until January 1, 2009.

The Board has concluded that Ms. Taylor should serve as a director based on her significant knowledge and understanding of Tredegar and its businesses, and her knowledge of the complex issues facing global manufacturing companies and to enhance Tredegar's ability to respond to such issues.

R. Gregory Williams  
Age: 59  
Director since 2002  
Term expires 2011

President of CCA Financial Services, LLC, a technology equipment leasing company, since 1984, and Chairman of the Board of Directors since May 18, 2010.

The Board has concluded that Mr. Williams should serve as a director based on his strong background in finance and accounting, particularly with regard to his oversight of financial and audit structures.

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Messrs. John D. Gottwald and William M. Gottwald are brothers. In addition, Mr. Thomas G. Slater, Jr., is married to Mr. John D. Gottwald's sister-in-law and is a partner of the law firm of Hunton & Williams LLP, which provides legal services to us on a variety of matters.

Our Board has affirmatively determined that the following members of our Board are independent, as that term is defined under the general independence standards of the New York Stock Exchange listing standards and our Governance Guidelines:

Austin Brockenbrough, III  
Donald T. Cowles  
George C. Freeman, III (nominee)  
Richard L. Morrill  
George A. Newbill  
R. Gregory Williams

Our Board has adopted, as part of our Governance Guidelines, categorical standards to assist it in making these independence determinations. All of the directors and the nominees identified as "independent" in this proxy statement meet these categorical standards, which are available on our website at [www.tredegar.com](http://www.tredegar.com) by selecting "Corporate Governance" under "About Tredegar."



Table of Contents**BOARD COMMITTEES**

The following table provides an overview of the membership, principal functions and number of meetings held in 2010 of all of the committees of our Board. Each of the Audit Committee, Executive Compensation Committee, Investment Policy and Related Person Transactions Committee and Nominating and Governance Committee of our Board operates under a charter approved by our Board. Those committee charters are available on our website. See “Voting Information — Where can I find Tredegar’s corporate governance materials?” on page 6 of this proxy statement. Each of the committees periodically reviews its respective committee charter and, if appropriate, recommends revisions thereto to our Board.

Committee and Members	Principal Functions*	Number of Meetings
AUDIT:  Austin Brockenbrough, III Donald T. Cowles** R. Gregory Williams	<p>Reviews and oversees financial reporting, policies, procedures and internal controls</p> <p>Retains independent registered public accounting firm</p> <p>Oversees activities of independent registered public accounting firm</p> <p>Oversees internal audit function</p> <p>Oversees legal and regulatory compliance and adherence to our Code of Conduct</p> <p>To the extent not otherwise delegated to another Committee comprised solely of independent directors, reviews and approves, if appropriate, related person transactions</p> <p>Receives from and discusses with independent registered public accounting firm written disclosures as to independence</p> <p>Prepares the Audit Committee report for inclusion in the annual proxy statement</p> <p>Establishes procedures for complaints received regarding our accounting, internal accounting controls and auditing matters</p>	5

\* We recommend that shareholders review the charters for our Audit Committee, Executive Compensation Committee, Investment Policy and Related Person Transactions Committee and Nominating and Governance Committee for a full description of the respective committee’s responsibilities.

\*\* Committee Chairperson



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Committee and Members	Principal Functions*	Number of Meetings
EXECUTIVE COMPENSATION:  Donald T. Cowles Richard L. Morrill** George A. Newbill	Approves corporate goals and objectives relevant to Chief Executive Officer compensation and evaluates our Chief Executive Officer's performance in light of those goals and objectives  Determines and approves Chief Executive Officer compensation, including base salary and incentive awards  Approves the salaries and incentive awards of executive officers  Grants awards under our equity incentive plans  Reviews compensation programs to confirm they do not encourage unnecessary risk-taking  Reviews and discusses with our management the Compensation Discussion and Analysis  Based on such review and discussion, determines whether to recommend to our Board that the Compensation Discussion and Analysis be included in the annual proxy statement  Prepares the Executive Compensation Committee report for inclusion in the annual proxy statement	5
EXECUTIVE:  John D. Gottwald** Norman A. Scher Nancy M. Taylor	Acts on our Board's behalf in accordance with our Bylaws, except as limited by the Virginia Stock Corporation Act and except with respect to the compensation of executive officers	6
INVESTMENT POLICY AND RELATED PERSON TRANSACTIONS:  Austin Brockenbrough, III** Donald T. Cowles Richard L. Morrill	Administers our Investment Conflict of Interest Policy  Reviews and approves, if appropriate, requests by our directors, officers and employees to (1) co-invest in investments in non-marketable securities we are considering or (2) dispose of any such co-investment; the committee received no such requests during 2010  Reviews and approves, if appropriate, related person transactions	1

\* We recommend that shareholders review the charters for our Audit Committee, Executive Compensation Committee, Investment Policy and Related Person Transactions Committee and Nominating and Governance

Committee for a full description of the respective committee's responsibilities.

\*\* Committee Chairperson

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Committee and Members	Principal Functions*	Number of Meetings
NOMINATING AND GOVERNANCE:	Reviews the size and composition of our Board to ensure a balance of appropriate skills and characteristics	3
Austin Brockenbrough, III**	Develops criteria for director nominees	
Richard L. Morrill	Recruits new directors, considers director nominees recommended by shareholders and others and recommends nominees for election as directors, all in accordance with the director selection criteria	
R. Gregory Williams	Makes recommendations regarding term of office and classification and approves compensation of directors, including the compensation of our Chairman and any Vice Chairman	
	Reviews our Code of Conduct, Governance Guidelines and other governance matters, and makes sure policies are properly communicated and consistently enforced	
	Makes recommendations regarding composition of our Board committees	
	Recommends actions to increase our Board's effectiveness	
	Oversees the evaluation of our Board and management	

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\* We recommend that shareholders review the charters for our Audit Committee, Executive Compensation Committee, Investment Policy and Related Person Transactions Committee and Nominating and Governance Committee for a full description of the respective committee's responsibilities.

\*\* Committee Chairperson

Table of Contents**COMPENSATION OF DIRECTORS**

## Director Compensation Table

The following table presents information relating to total compensation of our directors, other than the Chief Executive Officer, for the fiscal year ended December 31, 2010.

Name	Fees Earned or Paid in Cash	Stock Awards (1)	Option Awards	Change in Pension Value and Non-qualified Deferred Compensation Earnings	All Other Compensation	Total
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Austin Brockenbrough, III	44,152	19,954	-0-	-0-	-0-	64,106
Donald T. Cowles	47,188	19,954	-0-	-0-	-0-	67,142
John D. Gottwald(2)	35,672	18,229 (3)	-0-	95,035 (4)	-0-	148,936
William M. Gottwald	31,152	19,954	-0-	-0-	-0-	51,106
Richard L. Morrill	50,234	19,954	-0-	-0-	-0-	70,188
George A. Newbill	35,027	19,954	-0-	-0-	-0-	54,981
Norman A. Scher(5)	187,775	-0-	-0-	3,897 (6)	11,276 (7)	202,948
Thomas G. Slater, Jr.(8)	7,513	4,987	-0-	-0-	-0-	12,500
R. Gregory Williams	55,409	19,954	-0-	-0-	-0-	75,363

(1) As part of his 2010 annual retainer, each non-employee director received quarterly grants of Tredegar common stock under the Tredegar Corporation Amended and Restated 2004 Equity Incentive Plan (or the 2004 Plan). Each non-employee director received a number of shares of Tredegar common stock equal as nearly as possible to but not to exceed \$5,000, based on the closing price of Tredegar common stock as reported on the New York Stock Exchange composite tape on March 31, 2010, June 30, 2010, September 30, 2010 and December 31, 2010, the dates of grant. Based on this calculation, each non-employee director received 292 shares of Tredegar common stock on March 31, 2010 (except Mr. John Gottwald, who received 191 shares of Tredegar common stock on March 31, 2010, representing a pro rated number of shares from February 1, 2010 until March 31, 2010), 306 shares of Tredegar common stock on June 30, 2010, 263 shares of Tredegar common stock on September 30, 2010, and 257 shares of Tredegar common stock on December 31, 2010. The amounts set forth above represent the grant date fair value computed in accordance with FASB Accounting Standards Codification™ Topic 718, Compensation – Stock Compensation for the shares of Tredegar common stock awarded to each non-employee director identified above under the terms of the 2004 Plan during the fiscal year ended December 31, 2010, based on the closing price of Tredegar common stock as reported on the New York Stock Exchange composite tape on the respective dates of grant noted above. There were no unvested stock awards or option awards as of December 31, 2010, except for Mr. John Gottwald, whose outstanding awards are described in footnote (3) below.

(2) The amounts reflected in this table include compensation paid to Mr. Gottwald for his service as a non-employee director only (February 1, 2010 through December 31, 2010). For compensation paid to Mr. Gottwald for his service as an employee prior to his retirement on January 31, 2010, see Summary Compensation table on page 45 of this proxy statement.



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- (3) Mr. Gottwald had the following stock awards and stock options outstanding on December 31, 2010:

Grant Type	Number of Shares
Non-Qualified Stock Options	200,000
Restricted Stock Award	18,000
Performance Units	22,000*

\*Performance Units are an unfunded promise to deliver shares of Tredegar common stock in the future upon the achievement of both performance and service conditions. These Performance Units were tied to 2010 consolidated economic profit added from manufacturing operations goals; the performance criteria for 2010 were satisfied; therefore, the shares were earned by Mr. Gottwald on March 31, 2011 as he continued to provide services to Tredegar in his role as a director.

- (4) The actuarial present value of Mr. Gottwald's benefit under the Tredegar Corporation Retirement Benefit Restoration Plan (or the Restoration Plan) increased by \$44,952 and his benefit under the Tredegar Corporation Retirement Income Plan (or the Pension Plan) increased by \$50,083. These amounts represent the change in actuarial present value in the above plans from December 31, 2009 to December 31, 2010.

- (5) In consideration of Mr. Scher's service to Tredegar as an employee during 2010, Mr. Scher was paid a salary of \$187,775. Mr. Scher does not receive any additional compensation for his services as a director.

- (6) The actuarial present value of Mr. Scher's benefit under the Restoration Plan increased by \$5,473 and his benefit under the Pension Plan decreased by \$1,576. These amounts represent the change in actuarial present value in the above plans from December 31, 2009 to December 31, 2010. The actuarial present value in these plans was increased by \$48,731 in cash payments that Mr. Scher received from the Pension Plan. Mr. Scher was required to commence his benefit under the Pension Plan in November, 2007.

Benefit accruals and the benefit available under the Restoration Plan were frozen as of December 31, 2005.

- (7) This amount includes matching contributions under the Tredegar Corporation Retirement Savings Plan of \$7,816, and contributions and dividends under the Savings Plan Benefit Restoration Plan of \$3,460.

- (8) Mr. Slater resigned from our Board effective March 2, 2010; he has been nominated for election to the Board at the annual meeting.

#### Compensation of Directors

Our Nominating and Governance Committee (or the Governance Committee) determines and approves director compensation, including retainers as well as salaries and other compensation for directors who are employees of Tredegar (except for a director who is also our Chief Executive Officer, whose compensation is determined solely by our Executive Compensation Committee). Under its charter, our Governance Committee may delegate these responsibilities to a subcommittee of the Committee created and approved by our Governance Committee. Any such subcommittee must be composed entirely of independent directors and operate under a written charter.

For 2010, non-employee directors and committee members received the following annual retainers, payable in equal quarterly installments in arrears, for their service on Tredegar's Board:

Non-Employee Director	\$50,000
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Chairman of the Board	\$20,000
Audit Committee Chairperson	\$14,000
Non-Chair Member of the Audit Committee	\$7,500
Executive Compensation Committee Chairperson	\$9,000
Non-Chair Member of the Executive Compensation Committee	\$5,000
Nominating and Governance Committee Chairperson	\$6,000
Non-Chair Member of the Nominating and Governance Committee	\$3,000
Executive Committee Chairperson	\$9,000
Member of the Executive Committee	\$4,500
Member of the Investment Policy and Related Person Transactions Committee	\$625

The retainer for non-employee directors was paid \$30,000 in cash and \$20,000 in the form of a stock award. The stock award was determined based on the closing price of Tredegar common stock as reported on the New York Stock Exchange composite tape on the date of grant.

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Retainers for our Chairman of the Board and committee chairpersons commenced after our Board elected members to these positions.

Under our Governance Guidelines, the Governance Committee has the authority to retain independent advisors, including compensation consultants. In 2010, the Governance Committee engaged Pearl Meyer & Partners (or Pearl Meyer) as its outside advisor for non-employee director compensation. Pearl Meyer reported directly to the Governance Committee, and the scope of its work was directed by the Governance Committee. At the Governance Committee's direction, Pearl Meyer performed a market study of non-employee director compensation. The Pearl Meyer study indicated that the current compensation for our non-employee directors was below the median 25th percentile when measured against Tredegar's industry peer group. For more information on this peer group, including the names of the companies included in the peer group, see "Compensation Discussion and Analysis – Pro Process and Procedure for Determining Compensation of Executive Officers" beginning on page 29 of this proxy statement. The Governance Committee concluded that, in light of the market study and non-employee director compensation having not been changed since 2007, and to ensure that Tredegar is able to continue to attract and retain high quality directors, it was appropriate to increase non-employee director compensation.

Effective January 1, 2011, the Governance Committee increased compensation payable to our non-employee directors. After the increase, the compensation paid to our non-employee directors remains below the median 50th percentile when measured against Tredegar's industry peer group. This increase resulted in an average total compensation for non-employee directors of \$80,400, compared to \$60,063 in 2010. The increase results in the following annual retainers, payable in equal quarterly installments in arrears, being paid to non-employee directors and committee members for their service on our Board:

Non-Employee Director	\$68,000
Chairman of the Board	\$30,000
Audit Committee Chairperson	\$16,000
Non-Chair Member of the Audit Committee	\$9,500
Executive Compensation Committee Chairperson	\$11,000
Non-Chair Member of the Executive Compensation Committee	\$7,000
Nominating and Governance Committee Chairperson	\$7,500
Non-Chair Member of the Nominating and Governance Committee	\$4,500
Executive Committee Chairperson	\$9,000
Non-Chair Member of the Executive Committee	\$4,500
Member of the Investment Policy and Related Person Transactions Committee	\$625

The retainer for non-employee directors is paid \$34,000 in cash and \$34,000 in the form of a stock award. The stock award is determined based on the closing price of Tredegar common stock as reported on the New York Stock Exchange composite tape on the date of grant.

#### Outside Director Stock Ownership Guidelines

Under Tredegar's Outside Director Stock Ownership Guidelines, which our Board adopted on March 1, 2006, all of our non-employee directors are to achieve ownership of Tredegar common stock in an amount equal to at least three times that director's base annual cash retainer. Directors have three years from the later of the adoption of the Guidelines or their election to the Board to satisfy 50% of the requirement and six years to satisfy the full requirement. All of our current directors have satisfied their stock ownership requirement.

#### Tredegar Corporation Amended and Restated 2004 Equity Incentive Plan

For 2010, our Board approved quarterly stock awards of shares of Tredegar common stock to each non-employee director under the 2004 Plan. Each quarterly stock award became fully vested and transferable immediately upon the date of grant. For a further discussion of the 2004 Plan, see “Compensation of Executive Officers — Tredegar Corporation Amended and Restated 2004 Equity Incentive Plan” on page 50 of this proxy statement.

**BOARD MEETINGS, MEETINGS OF NON-MANAGEMENT DIRECTORS  
AND BOARD COMMITTEES**

Our Board held six meetings in 2010. Each director attended all six Board meetings. Each director attended all meetings held in 2010 of Board committees of which the director was a member.

The non-management directors of our Board meet regularly in private session. Our Board has determined that our Chairman of the Board should chair all meetings of non-management directors, as provided in our Governance Guidelines. During these meetings, the chairperson has the power to lead the meeting, set the agenda and determine the information to be provided, but all non-management directors are encouraged to and do suggest topics for discussion and identify materials and other information for review. In addition, our independent directors also meet regularly in private session. The chairperson of our Nominating and Governance Committee chairs the meetings of independent directors, as provided in our Governance Guidelines.

Shareholders and other interested persons may contact the non-management directors or the independent directors (in each case, individually or as a group) or the chairman (individually) in writing through one of the means described under “Voting Instructions — How do I communicate with the Board of Directors?” on page 5 of this proxy statement.

**Executive Compensation Committee Matters**

As noted above, our Executive Compensation Committee currently consists of Messrs. Richard L. Morrill (Chairman), Donald T. Cowles and George A. Newbill. The principal functions of our Executive Compensation Committee are more fully described under “Board Committees – Executive Compensation” on page 14 of this proxy statement and “Compensation Discussion and Analysis” beginning on page 28 of this proxy statement and in the Executive Compensation Committee Charter, which is available on our website. See “Voting Information — Where can I find Tredegar’s corporate governance materials?” on page 6 of this proxy statement.

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All of the members of our Executive Compensation Committee are “non-employee directors” (within the meaning of Rule 16b-3 of the Securities Exchange Act of 1934 (or the Exchange Act)), “outside directors” (within the meaning of Section 162(m) of the Internal Revenue Code), and “independent directors” (within the meaning of the current New York Stock Exchange listing standards and Tredegar’s Governance Guidelines). No Executive Compensation Committee member is a current or former employee of Tredegar or any of our subsidiaries.

### Executive Compensation Committee Interlocks and Insider Participation

No member of our Executive Compensation Committee was at any time an officer or employee of Tredegar, or is related to any other member of our Executive Compensation Committee, any other member of our Board or any executive officer of Tredegar.

### Audit Committee Matters

As noted above, our Audit Committee currently consists of Messrs. Donald T. Cowles (Chairman), Austin Brockenbrough, III, and R. Gregory Williams. The principal functions of our Audit Committee are more fully described under “Board Committees – Audit” on page 13 of this proxy statement and “Report of the Audit Committee” beginning on page 60 of this proxy statement and in the Audit Committee Charter, which is available on our website. See “Voting Information — Where can I find Tredegar’s corporate governance materials?” on page 6 of this proxy statement.

Upon the recommendation of our Nominating and Governance Committee, our Board has determined that each member of our Audit Committee is independent of management and free of any relationships that, in the opinion of our Board, would interfere with the exercise of independent judgment and is independent, as that term is defined under the enhanced independence standards for audit committee members in the Exchange Act and rules thereunder, as incorporated into the listing standards of the New York Stock Exchange and in accordance with the Audit Committee Charter and our Governance Guidelines.

Our Board has determined that Mr. R. Gregory Williams is an “audit committee financial expert,” as that term is defined in the rules promulgated by the SEC under the Sarbanes-Oxley Act of 2002. Our Board has further determined that each of the members of our Audit Committee is financially literate and that, as required by the New York Stock Exchange listing standards, at least one member of the Committee has accounting or related financial management expertise, as such terms are interpreted by our Board in its business judgment.

Our Audit Committee has adopted procedures for pre-approving certain audit and permissible non-audit services provided by our independent registered public accounting firm. These procedures include reviewing a budget for audit and permissible non-audit services. The budget includes a description of, and a budgeted amount for, particular categories of audit and permissible non-audit services that are recurring in nature and therefore anticipated at the time the budget is submitted. Audit Committee approval is required to exceed the budget amount for a particular category of audit and permissible non-audit services and to engage the independent registered public accounting firm for any audit and permissible non-audit services not included in the budget. For both types of pre-approval, our Audit Committee considers whether such services are consistent with the SEC rules on auditor independence. Our Audit Committee may delegate pre-approval authority to the Chairperson of our Audit Committee. Our Audit Committee periodically monitors the services rendered and actual fees paid to the independent registered public accounting firm to ensure that such services are within the parameters approved by our Audit Committee.

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### Investment Policy and Related Person Transactions Committee Matters

As noted above, our Investment Policy and Related Person Transactions Committee currently consists of Messrs. Austin Brockenbrough, III (Chairman), Donald T. Cowles and Richard L. Morrill. The functions of our Investment Policy and Related Person Transactions Committee include administering our Investment Conflict of Interest Policy, reviewing and approving co-investment requests by directors, officers and employees, and, as delegated by the Audit Committee, reviewing and approving, if appropriate, related person transactions. Our Investment Policy and Related Person Transactions Committee's principal functions are more fully described under "Board Committees – Investment Policy and Related Person Transactions" on page 14 of this proxy statement and in the Investment Policy and Related Person Transactions Committee Charter, which is available on our website. See "Voting Information — Where can I find Tredegar's corporate governance materials?" on page 6 of this proxy statement.

All members of our Investment Policy and Related Person Transactions Committee are independent as defined under the general independence standards of the New York Stock Exchange listing standards and our Governance Guidelines.

### Nominating and Governance Committee Matters

As noted above, our Nominating and Governance Committee currently consists of Messrs. Austin Brockenbrough, III (Chairman), Richard L. Morrill and R. Gregory Williams. The functions of our Nominating and Governance Committee include identifying, recruiting and recommending director candidates for nomination by our Board and determining and approving director compensation (except for a director who is also our Chief Executive Officer, whose compensation is determined solely by our Executive Compensation Committee). Our Nominating and Governance Committee's principal functions are more fully described under "Board Committees – Nominating and Governance" on page 15 of this proxy statement and in the Nominating and Governance Committee Charter, which is available on our website. See "Voting Information — Where can I find Tredegar's corporate governance materials?" on page 6 of this proxy statement.

All members of our Nominating and Governance Committee are independent, as defined under the general independence standards of the New York Stock Exchange listing standards and our Governance Guidelines.

## CORPORATE GOVERNANCE

### Board of Directors

Our Board is currently composed of nine directors, five of whom our Board has determined are independent under the corporate governance listing standards of the New York Stock Exchange and our Governance Guidelines (as noted above, the Board intends to amend our amended and restated Bylaws to increase the number of directors to ten, effectively immediately prior to the annual meeting; see "Tredegar's Board of Directors" beginning on page 8 of this proxy statement. The primary mission of our Board is to represent and protect the interests of our shareholders by overseeing management and acting in the best interests of Tredegar and our shareholders.

As provided in our Governance Guidelines, our Board has an independent, non-management Chairman whose duties and responsibilities are separate and distinct from those of our Chief Executive Officer. We believe that the separation of the Chairman and Chief Executive roles is appropriate and in the best interests of Tredegar and our shareholders at this time. We believe the separation of the Chairman and the Chief Executive Officer roles, together with our Board, which is comprised of a majority of independent directors, and our Audit Committee, Executive Compensation Committee, Investment Policy and Related Person Transactions Committee and Nominating and Governance Committee, which are comprised entirely of independent directors, helps provide effective oversight of

management, and facilitates the relationship between our Board and management in overseeing and managing the material risks facing Tredegar. This system of checks and balances helps ensure that key decisions made by our management team, including the Chief Executive Officer, are reviewed and subject to oversight.

#### Risk Management

Management is responsible for the day-to-day management of the risks we face, while our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

Management regularly reports to our Board on operating and other risks. Management has also established an enterprise risk management committee that reports on its activities to our Board annually.

While our Board is ultimately responsible for risk oversight at Tredegar, various Board committees assist our Board in fulfilling its oversight responsibilities in certain areas of risk. The Audit Committee assists the Board in discharging its oversight responsibilities relating to the accounting, reporting and financial practices of Tredegar and its subsidiaries, and also assists the Board in overseeing our internal auditing function. The Audit Committee is responsible for discussing with management Tredegar's major financial risk exposures and the steps management has taken to monitor and control such exposures, including

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Tredegear's risk assessment and risk management policies. The Nominating and Governance Committee oversees risks associated with our Governance Guidelines, including compliance with listing standards for independent directors. The Executive Compensation Committee oversees risks associated with our compensation programs. During 2010, management prepared an analysis of Tredegear's compensation policies and procedures for the Executive Compensation Committee to assist it in determining whether risks and rewards were properly balanced under Tredegear's compensation programs. See "Compensation Discussion and Analysis – Risk Analysis of Executive Compensation Program" on page 44 of this proxy statement. The Investment Policy and Related Person Transactions Committee oversees risks associated with co-investments by any employee, officer, director or consultant of Tredegear or any of our subsidiaries in investment opportunities in non-marketable securities under consideration by Tredegear, and related person transactions.

## Code of Conduct

Our Code of Conduct applies to our officers, employees and directors, including our Chief Executive Officer, our Chief Financial Officer and our Principal Accounting Officer and Controller. We have always conducted our business in accordance with the highest standards of conduct. Full compliance with the letter and spirit of the laws applicable to our businesses is fundamental to us. Equally important are honesty, integrity and fairness in our business operations and in our dealings with others. Diligently applying these standards makes good business sense and allows us to earn the trust and respect of our shareholders, employees, customers, suppliers, regulators and the communities in which we operate. We have provided employees, customers and suppliers with a number of avenues for the reporting of ethics violations or similar concerns, including an anonymous telephone hotline provided by a third-party vendor. Our Code of Conduct reflects the foregoing principles. Our Code of Conduct is available on our website. See "Voting Information — Where can I find Tredegear's corporate governance materials?" on page 6 of this proxy statement.

## Governance Guidelines

Our Board has also adopted a set of Governance Guidelines that reflect our governance principles and our long-standing commitment to maintaining high corporate governance standards. Our Governance Guidelines are available on our website. See "Voting Information — Where can I find Tredegear's corporate governance materials?" on page 6 of this proxy statement.

Our Nominating and Governance Committee is responsible for periodically reviewing the Governance Guidelines and the Code of Conduct, and for considering and, as necessary, making recommendations on governance issues that should be addressed by our Board.

## Director Attendance at Annual Meeting of Shareholders

Our policy is that directors attend the annual meeting of shareholders. All of our directors attended the 2010 annual meeting.

## Director Continuing Education

We support the attendance of our directors at director education programs sponsored by third parties. Typically, director education programs focus on issues and current trends affecting directors of publicly-held companies. We reimburse our directors for tuition and expenses associated with attending these programs. In addition, we sponsor internal educational programs for our Board on topics developed in consultation with our directors.





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**CERTAIN RELATIONSHIPS AND RELATED TRANSACTIONS**

Messrs. John D. Gottwald, a director, and William M. Gottwald, a director and a Vice Chairman of the Board, are brothers. In addition, Mr. Thomas G. Slater, Jr., is married to Mr. John D. Gottwald's sister-in-law and is a partner of the law firm of Hunton & Williams LLP, which provides legal services to us on a variety of matters. Messrs. John D. Gottwald and William M. Gottwald (or the Gottwalds), together with members of their immediate families, may be deemed to be a "group" for purposes of Section 13(d)(3) of the Exchange Act, although there is no agreement between them with respect to the acquisition, retention, disposition or voting of Tredegar common stock. In addition, because members of the Gottwalds are directors and among our largest shareholders, they may be considered to be "control persons" of Tredegar and have the ability to control the recommendations of our Board.

Our Audit Committee is primarily responsible for reviewing and approving, if appropriate, related person transactions. Our Audit Committee operates under a written charter, the relevant provisions of which require the Committee, to the extent not otherwise delegated to another committee comprised solely of independent directors, to review related person transactions for potential conflicts of interest situations. Effective as of March 2, 2010, the Audit Committee delegated to the Investment Policy and Related Person Transactions Committee, which is comprised solely of independent directors, the responsibility to review and approve, if appropriate, all related person transactions. The Investment Policy and Related Person Transactions Committee reviews each related person transaction on a case-by-case basis and approves only those related person transactions that it determines in good faith to be in the best interests of Tredegar.

For purposes of this policy:

- "Related person" means any:
  - director or executive officer of Tredegar;
  - employee of Tredegar or any of our subsidiaries;
  - nominee for director;
- immediate family member(s) of directors, executive officers, employees or nominees for director; or
  - a beneficial owner of more than 5% of Tredegar's voting securities.
- "Related person transaction" means a transaction in which Tredegar or any of our subsidiaries is, or is proposed to be, a participant and the amount involved exceeds \$120,000, and in which a related person has, had or may have a direct or indirect interest.
- "Immediate family member" means any child, stepchild, parent, stepparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law or sister-in-law, and any person (other than a tenant or employee) sharing the household of any director, nominee for director, executive officer, employee or beneficial owner of more than 5% of Tredegar's voting securities.
- "Transaction" means any financial contract, arrangement or relationship (including any indebtedness or guarantee of indebtedness) or any series of similar contracts, arrangements or relationships.



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In addition, pursuant to our Investment Conflict of Interest Policy, our Investment Policy and Related Person Transactions Committee is responsible for approving any transactions by our employees, officers or directors involving investments in non-marketable securities in which we are also invested.

**STOCK OWNERSHIP**

Below is information on the beneficial ownership of Tredegar common stock as of February 1, 2011 by each director, each person nominated for election to the Board, and each executive officer named in the Summary Compensation Table beginning on page 45 of this proxy statement. The table also shows the beneficial ownership of all directors, nominees and executive officers of Tredegar as a group as of February 1, 2011.

## Security Ownership of Management

	Number of Shares with Sole Voting and Investment Power		Number of Shares with Shared Voting and Investment Power	Total Number of Shares	Percent of Class(a)	
	Outstanding	Options				
Directors, Nominees and Certain Executive Officers (b)						
Austin Brockenbrough, III	44,428	-	6,080	50,508	(c)	
Donald T. Cowles	6,928	-	3,000	9,928		
Duncan A. Crowdis	31,060	52,500	-	83,560		
George C. Freeman, III	-	-	-	-		
John D. Gottwald	2,207,938	200,000	1,024,482	3,232,420	(d)	10.05 %
William M. Gottwald	11,144	-	1,021,509	1,032,653	(e)	3.23 %
A. Brent King	12,511	20,000	-	32,511		
Monica Moretti	8,094	18,300	-	26,394		
Richard L. Morrill	10,628	-	-	10,628		
George A. Newbill	3,213	-	-	3,213		
Kevin A. O'Leary	5,644	13,000	-	18,644		
Norman A. Scher	100,689	-	-	100,689		
Thomas G. Slater, Jr.	7,802	-	3,200	11,002	(f)	
Nancy M. Taylor	91,933	90,000	30	181,963		
R. Gregory Williams	10,228	-	2,000	12,228	(g)	
All directors, nominees and executive officers as a group (17)(h)(i)	2,384,155	424,100	2,060,301	4,868,556		15.00 %

(a) Unless a specific percentage is noted in this column, each person owns less than 1% of the outstanding shares of Tredegar common stock.

(b) Some of the shares may be considered to be beneficially owned by more than one person or group listed and are included in the table for each.

(c) Austin Brockenbrough, III, disclaims beneficial ownership of 6,080 shares of Tredegar common stock.



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- (d) John D. Gottwald disclaims beneficial ownership of 191,118 shares of Tredegar common stock. See also Notes (a) and (b) to the “Security Ownership of Certain Beneficial Owners” table that follows.
- (e) William M. Gottwald disclaims beneficial ownership of 175,971 shares of Tredegar common stock. See also Notes (a) and (b) to the “Security Ownership of Certain Beneficial Owners” table that follows.
- (f) Thomas G. Slater, Jr., disclaims beneficial ownership of 3,200 shares of Tredegar common stock.
- (g) R. Gregory Williams disclaims beneficial ownership of 2,000 shares of Tredegar common stock.
- (h) The directors and executive officers have sole voting and investment power over their shares, except for those listed under the heading “Number of Shares with Shared Voting and Investment Power,” which are held by or jointly with spouses, by children or in partnerships or trusts. Any shares of Tredegar common stock held under our benefit plans for any director or executive officer are included in the number of shares over which that person has sole voting or investment power. Shares held by the trustees of those plans for other employees are not included.

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(i) Two directors, Messrs. John D. Gottwald and William M. Gottwald, share voting and investment power for 13,506 shares of Tredegar common stock. This overlap in beneficial ownership has been eliminated in calculating the total number of shares and the percentage of class owned by directors, nominees and management as a group.

The table below lists any person (including any “group” as defined in Section 13(d)(3) of the Exchange Act) known to us who beneficially owned more than 5% of the shares of Tredegar common stock as of February 1, 2011.

## Security Ownership of Certain Beneficial Owners

Names and Addresses of Beneficial Owners	Number of Shares of Common Stock		Percent of Class	
John D. Gottwald and William M. Gottwald(a) 9030 Stony Point Parkway Richmond, VA 23235	5,097,104	(b)	15.85	%
GAMCO Investors, Inc. One Corporate Center Rye, NY 10580-1435	2,996,033	(c)	9.37	%
Dimensional Fund Advisors LP Palisades West, Building One 6300 Bee Cave Road Austin, TX 78746	2,856,364	(d)	8.93	%
Floyd D. Gottwald, Jr. c/o Albemarle Corporation 330 South Fourth Street Richmond, VA 23219	2,824,409		8.83	%
JPMorgan Chase Bank, N.A., as Trustee for the Tredegar Corporation Retirement Savings Plan 9300 Ward Parkway Kansas City, MO 64114	1,897,417		5.93	%
BlackRock, Inc. 40 East 52nd Street New York, NY 10022	1,860,801	(e)	5.82	%
The London Company 1801 Bayberry Court, Suite 301 Richmond, VA 23226	1,716,331	(f)	5.37	%

(a) Messrs. John D. Gottwald and William M. Gottwald, together with members of their immediate families, may be deemed to be a “group” for purposes of Section 13(d)(3) of the Exchange Act, although there is no agreement between them with respect to the acquisition, retention, disposition or voting of Tredegar common stock.

(b) Messrs. John D. Gottwald and William M. Gottwald, individually or together, have sole voting and investment power over all of the shares of Tredegar common stock disclosed except for 2,890,196 shares held by their respective wives and children, and in trusts, some of which might be deemed to be beneficially owned by the Gottwalds under the rules and regulations of the SEC, but as to which the Gottwalds disclaim beneficial ownership.

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- (c) Based solely on the information contained in Amendment No. 4 to the Schedule 13D filed with the SEC on March 2, 2011.
- (d) Based solely on the information contained in Amendment No. 6 to the Schedule 13G filed with the SEC on February 11, 2011.
- (e) Based solely on the information contained in Amendment No. 1 to the Schedule 13G filed with the SEC on February 9, 2011.
- (f) Based solely on the information contained in the Schedule 13G filed with the SEC on June 14, 2010.

**COMPENSATION DISCUSSION AND ANALYSIS**

Summary of 2010 Executive Compensation Decisions

Tredegars executive compensation philosophy and strategy aims to provide targeted compensation opportunities for base salaries, annual cash incentives and long-term equity incentives near the market 50th percentile in order to attract and retain talent while using a balance of fixed and variable pay programs to align actual compensation earned with company performance.

For the year ended December 31, 2010, Tredegars results from manufacturing operations were strong. The Film Products Division produced outstanding financial results in 2010 compared to 2009, with volume increasing 7% despite a relatively weak global economic recovery, operating profit increasing 8.6% to \$69.9 million and economic profit added (EPA) increasing \$5.5 million to \$10.9 million. The Aluminum Extrusions Division management team performed quite well during 2010 in the face of a continued severe recession in two of the Aluminum Extrusion Division's key markets, U.S. nonresidential construction and U.S. residential housing. By anticipating the continued recession in its key markets and focusing on reducing costs, managing working capital and maintaining employee morale in a challenging operating environment, the Aluminum Extrusions Division returned to positive free cash flow (defined as cash flows from operating activities less capital expenditures, which measure is not calculated or presented in accordance with GAAP) in 2010 and improved its EPA by \$1.6 million. For our named executive officers, these results translated into the following executive pay for 2010:

- Short-Term Incentives — Payouts under the 2010 short-term cash incentive plan (2010 Cash Incentive Plan), which is based on EPA results, were at maximum for Corporate executive officers (200% of target), at maximum for Film Products Division executive officers (200% of target) and between target and maximum for Aluminum Extrusions Division executive officers (176% of target). For the purposes of calculating EPA under the 2010 Cash Incentive Plan for Corporate executive officers, Tredegars results from manufacturing operations and Tredegars EPA excluded the financial results of Bright View Technologies Corporation, which was acquired by Tredegars on February 1, 2010, and Falling Springs, LLC, a mitigation banking business principally started by Tredegars in 2010. The Executive Compensation Committee (or the Committee for purposes of this discussion) determined that it was appropriate to exclude these results from the EPA calculation in 2010 because Bright View Technologies Corporation and Falling Springs, LLC were in their first year of operation as acquired and start-up businesses, respectively. Results from these businesses will be included in Tredegars 2011 Cash Incentive Plan.
- Long-Term Incentives — Performance stock units contingent on 2010 EPA performance were earned by the executive officers. For the purpose of calculating EPA for these performance stock units, the EPA results of Bright View Technologies Corporation and Falling Springs, LLC were excluded as newly acquired and start-up businesses, respectively, as discussed above with respect to short-term incentives.



During 2010, two important changes to the executive leadership team occurred, and, as a result, the Committee took the following actions:

- Effective January 31, 2010, Mr. Gottwald retired as Tredegar's President and Chief Executive Officer, and Ms. Taylor was appointed to serve as Tredegar's President and Chief Executive Officer. The Committee set Ms. Taylor's base salary at \$700,000. In addition, we entered into a five-year, fixed-term severance agreement with Ms. Taylor.

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- Effective January 31, 2010, Ms. Moretti was appointed to serve as the President of Tredegar Film Products Corporation; the Committee approved a base salary increase from \$256,872 to \$340,000 for Ms. Moretti to recognize her expanded role and responsibilities.

### Compensation Philosophy

We have two primary operating businesses — our Film Products Division and our Aluminum Extrusions Division. Both businesses operate in highly competitive industries that require outstanding customer service and manufacturing efficiency. To lead and manage these businesses, we require high-caliber executive talent with strong vision and operational skills.

The objectives of our executive compensation plans are to attract, motivate and retain highly qualified executive officers. To accomplish these objectives, we rely on a pay strategy that emphasizes performance-based compensation through annual and long-term incentives. We believe that this pay strategy aligns with our business strategy of generating strong operating results and shareholder value creation while controlling fixed costs. In this manner, we believe that our executive compensation program supports and reinforces our business objectives and creates a strong link between pay and performance.

Allocations between short-term and long-term compensation opportunities and between cash and equity awards take into account market data, but may vary over time and among executives. This variance is desirable to maintain alignment between executive rewards and business priorities and is necessary to reflect both company-specific and individual factors relevant to pay decisions. Greater detail regarding these company-specific and individual factors is included in this discussion.

### Process and Procedure for Determining Compensation of Executive Officers

The primary role of the Committee is to develop and oversee the implementation of our philosophy with respect to the compensation of our executive officers, including the named executive officers. The Committee has the overall responsibility to evaluate the performance of and determine the compensation of our Chief Executive Officer and approve the compensation structure for our other executive officers. Our Chief Executive Officer makes specific recommendations to the Committee regarding the compensation of the other executive officers based on the compensation structure approved by the Committee. After review and discussion, the Committee gives its final approval. The Committee reports regularly to our Board on matters relating to the Committee's actions.

Under its charter, the Committee has the authority to engage compensation consultants to assist the Committee in fulfilling its responsibilities. In 2010, the Committee engaged Pearl Meyer & Partners (or Pearl Meyer) as its outside advisor for executive compensation. Pearl Meyer reports directly to the Committee, and the scope of its work is directed by the Committee. Upon the Committee's request, in 2009, Pearl Meyer updated a competitive market study of executive compensation levels for our named executive officers that was previously conducted by Pearl Meyer in 2008. The study included the following:

- the development of a peer group for compensation comparisons;
- the identification of relevant published compensation survey data;
- the collection and analysis of compensation levels for similar positions in similar companies;
- a comparison of Tredegar's pay levels and pay mix relative to market practices; and



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- a comparison of Tredegar's performance relative to peer company performance.

For 2010, the Committee, based on a confirmatory review performed by Tredegar's human resources department, used the 2009 data to inform its decisions regarding executive compensation adjustments made in 2010. In support of the Committee, Tredegar's human resources department reviewed the external market pay data for 2010 using the same peer group and processes described above and confirmed that the market pay data in the 2009 Pearl Meyer market study relied upon by the Committee did not change materially in 2010.

The competitive market study updated by Pearl Meyer in 2009 was based on the pay data and executive compensation practices at the following 13 companies, which were chosen because they operate in industries similar to those in which Tredegar operates, and, at the time they were selected, had similar annual revenues, market capitalization and profitability (collectively referred to as the peer group).

Company Name	2009 Revenues (\$ in millions)	2009 Market Cap (\$ in millions)	2009 EBIT Margin(1)	
Silgan Holdings Inc	\$ 3,067	\$ 2,213	9.8	%
AptarGroup Inc	\$ 1,842	\$ 2,415	11.2	%
Mueller Industries	\$ 1,547	\$ 935	4.0	%
Griffon Corp	\$ 1,294	\$ 752	2.8	%
Spartech Corp	\$ 1,023	\$ 261	1.7	%
Century Aluminum Co	\$ 899	\$ 1,498	-12.6	%
Polymer Group Inc	\$ 883	\$ 279	7.8	%
AEP Industries Inc	\$ 801	\$ 153	1.9	%
Buckeye Technologies Inc	\$ 757	\$ 390	9.5	%
Myers Industries Inc	\$ 702	\$ 321	6.0	%
Constar International Inc	\$ 638	(2 )	1.5	%
Neenah Paper Inc	\$ 574	\$ 205	5.7	%
Rogers Corp	\$ 292	\$ 477	-0.9	%
Median Statistics	\$ 883	\$ 434	4.0	%
Tredegar Corp	\$ 657	\$ 536	6.7	%

Data from S&P's Research Insight

(1) EBIT Margin is defined as earnings before interest and taxes divided by revenue.

(2) Constar International Inc. was not publicly traded as of December 31, 2009; consequently, no market capitalization data was available.

The same peer group was used for pay and performance comparisons. Published compensation survey data was used in addition to peer group data to arrive at a "market consensus" pay level for each executive officer. The peer group and published compensation survey data (collectively referred to as market data or levels) were weighted equally in calculating the market consensus pay level for each executive officer.

In determining the compensation of our Chief Executive Officer and approving the compensation structure for our other executive officers, the Committee considers our performance, individual executive performance, recommendations from the Chief Executive Officer (for all positions other than the Chief Executive Officer position), and peer group and published compensation survey data. The Committee also reviews tally sheets prepared by

management showing all elements of compensation and total compensation payable to each named executive officer. This ensures that the Committee has a total compensation perspective when making decisions regarding specific elements of the compensation program and allows for internal equity comparisons among the named executive officers. Both the external market pay data and the internal pay history help guide the Committee's decision-making, but no precise formulas or percentiles are applied to all of the named executive officers in all situations.

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## Executive Officer Compensation Program

The core elements of the compensation program for our executive officers are described below:

Element	Description	Objective
Base salary	Fixed cash compensation	Reflects competitive market compensation, individual performance, experience and level of responsibility
Bonus	Discretionary cash bonus	In unusual operating and/or market conditions or circumstances, rewards exemplary service to Tredegar
Annual incentives	Short-term variable compensation via an annual cash incentive plan (for 2010, the 2010 Cash Incentive Plan)	Rewards achievement of financial performance goals and individual performance objectives
Long-term incentives	<p>Long-term variable compensation via the Amended and Restated 2004 Equity Incentive Plan (the 2004 Plan), in the form of:</p> <ul style="list-style-type: none"> <li>· Stock Options</li> <li>· Performance Stock Units</li> <li>· Restricted Stock</li> </ul>	<p>Rewards achievement of long-term performance goals and shareholder value creation</p> <p>Rewards achievement of long-term performance goals and shareholder value creation</p> <p>Rewards achievement of long-term performance goals and shareholder value creation; promotes retention of executive officers</p>
Defined Contribution Plans	401(k) Plan, Insurance and Savings Plan Benefit Restoration Plan	Provides competitive benefits and savings opportunities for retirement
Defined Benefit Plans(1)	Retirement Income Plan (the Pension Plan) and Supplemental Retirement Benefit Restoration Plan (the Restoration Plan)	Provides retirement security

(1) Effective January 1, 2007, we closed the Pension Plan to new employees and froze the pay for active employees used to compute benefits as of December 31, 2007. Subject to the terms of the Pension Plan, participants will, however, continue to earn benefit credit for each year of service after 2007. Ms. Taylor and Mr. Crowdis are the only named executive officers who participate in the Pension Plan as active employees. Mr. Gottwald participated in the Pension Plan as an active employee prior to his retirement effective as of January 31, 2010. Effective

December 31, 2005, no new employee may participate in the Restoration Plan and benefit accruals were stopped for any participant in the Restoration Plan who was not entitled to receive a benefit payment as of December 31, 2005. Mr. Gottwald, who retired effective as of January 31, 2010, was the only named executive officer who participated in the Restoration Plan.

#### Elements of 2010 Compensation

##### Base Salaries

General. We seek to provide our executive officers with base salaries that are targeted within competitive market levels and that reflect the executive's skills and abilities, experience, responsibility, internal equity, performance and potential. The Committee believes setting base salaries at this level allows us to attract, motivate and retain highly qualified executive officers while maintaining an appropriate cost structure.

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2010 Base Salary Determinations. For 2010, the base salary and related adjustments for each named executive officer were as follows:

Named Executive Officer	Base Salary at January 1, 2010	Promotions Effective January 31, 2010	Merit-Based Salary Adjustment During 2010	Base Salary at December 31, 2010
John D. Gottwald	\$540,000	—	—	—
Nancy M. Taylor	\$400,008	\$700,000	—	\$700,000
Kevin A. O’Leary	\$310,000	—	—	\$310,000
Monica Moretti	\$256,872	\$340,000	—	\$340,000
A. Brent King	\$288,000	—	\$296,640	\$296,640
Duncan A. Crowdis	\$280,020	—	\$287,021	\$287,021

Mr. Gottwald retired as Tredegar’s President and Chief Executive Officer effective as of January 31, 2010. Ms. Taylor was promoted to serve as Tredegar’s President and Chief Executive Officer effective as of January 31, 2010. The Committee set Ms. Taylor’s base salary at \$700,000. Mr. Gottwald’s base salary had historically been below market levels for chief executive officers in the peer group. Beginning in 2007, the Committee increased Mr. Gottwald’s base salary to bring it more in line with market pay levels. However, at his retirement on January 31, 2010, Mr. Gottwald’s base salary remained below market, and the Committee determined that it was appropriate to provide Ms. Taylor with a market competitive base salary. Ms. Taylor’s base salary represents 97% of the 50th percentile market level base salary of \$725,000 (based on 2009 market data, which we do not believe materially changed in 2010).

Ms. Moretti was promoted to the position of President of Tredegar Film Products Corporation effective as of January 31, 2010. In addition, she was appointed Vice President of Tredegar effective May 18, 2010. Ms. Moretti received a promotional base salary increase in 2010 to recognize her expanded role and responsibilities. The amount of Ms. Moretti’s base salary increase was recommended by the Chief Executive Officer and approved by the Committee after considering all relevant factors, including the expansion of her role, responsibilities and accountability, her performance and contribution to Tredegar, our financial condition, internal equity and the market median base salary for comparable positions at companies in the peer group (based on 2009 market data, which we do not believe materially changed in 2010).

Messrs. King and Crowdis received merit-based adjustments to base salary in 2010. In both cases, the amount of the base salary increase was recommended by the Chief Executive Officer and approved by the Committee after considering all relevant factors, including individual performance and contribution to Tredegar, our financial condition, internal equity and the market median base salary for comparable positions at companies in the peer group (based on 2009 market data, which we do not believe materially changed in 2010). Mr. O’Leary did not receive a merit-based adjustment in 2010 as he had received a promotional base salary increase in December, 2009 when he was appointed to serve as Tredegar’s Vice President, Chief Financial Officer and Treasurer.



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The study that Pearl Meyer updated in 2009 provided the following comparison of base salary relative to market data for each named executive officer identified below:

Named Executive Officer	2010 Tredegear Base Salary	2009 Market Base Salary (@ 50th Percentile)(1)	Tredegear Base Salary v. Market(2)	
John D. Gottwald (3)	\$ 540,000	\$ 725,000	75	%
Nancy M. Taylor	\$ 700,000	\$ 725,000	97	%
Kevin A. O’Leary	\$ 310,000	\$ 337,000	92	%
Monica Moretti	\$ 340,000	\$ 356,000	96	%
A. Brent King	\$ 296,640	\$ 306,000	97	%
Duncan A. Crowdis	\$ 287,021	\$ 270,000	106	%

(1) Market base salary information from the study updated by Pearl Meyer in 2009. Based on the review performed by Tredegear’s human resources department, the Committee determined in 2010 that it was not necessary to update the 2009 market data because the Committee believes that the market data did not materially change in 2010.

(2) Calculated by dividing 2010 Tredegear Base Salary by 2009 Market Base Salary. Based on advice from Pearl Meyer, we consider salaries to be aligned with our targeted market position as long as actual salaries are within plus or minus 10% of the specified market level (i.e., between 90% and 110% of the 50th percentile).

(3) Mr. Gottwald retired as Tredegear’s President and Chief Executive Officer effective as of January 31, 2010.

#### Bonuses

In times of unusual market conditions or other unusual circumstances affecting Tredegear, we may, from time to time, provide our executive officers with discretionary cash bonuses, which are intended to reward exemplary service to Tredegear. For 2010, no discretionary bonuses were awarded to our executive officers.

#### Annual Incentives

General. Annual cash incentive opportunities serve to link executive rewards to our financial performance and the achievement of individual objectives. Each year, we establish business plans for the forthcoming year that include financial, strategic and other goals for each of our operating businesses, including the Film Products Division, the Aluminum Extrusions Division and the company in general. These business plans are reviewed by the Board. Annual incentive goals for the executive officers are set based on the approved business plans.

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2010 Cash Incentive Plan. For 2010, each named executive officer had the following award opportunities as a percentage of base salary under the 2010 Cash Incentive Plan:

Named Executive Officer(1)	Threshold Bonus %		Target Bonus %		Maximum Bonus %	
Nancy M. Taylor (following promotion to President and Chief Executive Officer of Tredegar)	37.5	%	75	%	150	%
Nancy M. Taylor (prior to promotion to President and Chief Executive Officer of Tredegar)	32.5	%	65	%	130	%
Kevin A. O'Leary	25	%	50	%	100	%
Monica Moretti (following promotion to President of Tredegar Film Products Corporation)	27.5	%	55	%	110	%
Monica Moretti (prior to promotion to President of Tredegar Film Products Corporation)	20	%	40	%	80	%
A. Brent King	25	%	50	%	100	%
Duncan A. Crowdis	22.5	%	45	%	90	%

(1) Mr. Gottwald retired as Tredegar's President and Chief Executive Officer effective as of January 31, 2010 and did not participate in the 2010 Cash Incentive Plan.

The study that Pearl Meyer updated in 2009 provided the following comparison of Tredegar's annual incentive target opportunities (as a percentage of base salary) relative to market data for each named executive officer identified below:

Named Executive Officer	Tredegar Target		Market Target	
Nancy M. Taylor (following promotion to President and Chief Executive Officer of Tredegar)	75	%	87	%
Nancy M. Taylor (prior to promotion to President and Chief Executive Officer of Tredegar)	65	%	65	%
Kevin A. O'Leary	50	%	55	%
Monica Moretti (following promotion to President of Tredegar Film Products Corporation)	55	%	57	%
Monica Moretti (prior to promotion to President of Tredegar Film Products Corporation)	40	%		(1)
A. Brent King	50	%	54	%
Duncan A. Crowdis	45	%	50	%

(1) Market data for this position was not obtained.

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As in prior years, the 2010 Cash Incentive Plan measured performance using a combination of financial performance and individual goals and objectives. However, consistent with our executive compensation philosophy that compensation be tied to our performance, the financial performance threshold must be achieved before any incentives can be earned. The following table sets forth the weightings applied to these categories in 2010 for each named executive officer identified below:

Named Executive Officer	2010 Cash Incentive Plan Weightings					
	Corporate		Division		Individual	
Nancy M. Taylor (following promotion to President and Chief Executive Officer of Tredegar)	50	%	0	%	50	%
Nancy M. Taylor (prior to promotion to President and Chief Executive Officer of Tredegar)	0	%	70	%	30	%
Kevin A. O'Leary	50	%	0	%	50	%
Monica Moretti (following promotion to President of Tredegar Film Products Corporation)	0	%	70	%	30	%
Monica Moretti (prior to promotion to President of Tredegar Film Products Corporation)	0	%	50	%	50	%(1)
A. Brent King	50	%	0	%	50	%
Duncan A. Crowdis	0	%	50	%	50	%

(1) For Ms. Moretti, 40% was attributable to objectives related to the Film Products Division management team goals and 10% was attributable to individual performance.

For 2010, the Committee approved the use of EPA to measure the financial performance of our manufacturing operations. The Committee believes that EPA is an effective and appropriate performance measure for incentive compensation at Tredegar because it reflects both income statement performance and capital discipline.

For each of the named executive officers, other than Ms. Moretti and Mr. Crowdis, EPA from manufacturing operations was measured based on our consolidated results; for Ms. Moretti, EPA was measured based on the performance of the Film Products Division, which Ms. Moretti leads; for Mr. Crowdis, EPA was measured based on the performance of the Aluminum Extrusions Division, which Mr. Crowdis leads. The Committee believes that measuring EPA on a Division basis for Ms. Moretti and Mr. Crowdis and on a consolidated basis for the other named executive officers appropriately aligns incentive opportunities with each named executive officer's scope of responsibility and accountability.

When setting the financial performance goals for the 2010 Cash Incentive Plan, the Committee reviewed and approved the performance targets for the 2010 Cash Incentive Plan based upon the likelihood of achievement, with the threshold set at 80-90% likelihood of achievement, the target set at 50% likelihood of achievement and the maximum set at 10-20% likelihood of achievement.

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The EPA goals used for the 2010 Cash Incentive Plan were as follows:

	2010 EPA Targets (\$ in Thousands)		
	Threshold	Target	Maximum
Film Products Division EPA	\$ 1,000	\$4,500	\$8,000
Aluminum Extrusions Division EPA	\$(13,500 )	\$(11,000 )	\$(6,500 )
Consolidated Corporate EPA	\$(20,663 )	\$(15,121 )	\$(8,038 )

For purposes of the 2010 Cash Incentive Plan, the following definitions applied to the financial performance measures:

- EPA excludes from earnings unusual items and losses associated with plant shutdowns, asset impairments and restructurings, gains or losses from the sale of assets, investment write-downs and write-ups, gains and losses from non-manufacturing operations, stock option charges under FASB Accounting Standards Codification™ Topic 718, Compensation – Stock Compensation, pension income or expense for the Retirement Income Plan and other special items that may be recognized or accrued under U.S. generally accepted accounting principles. The accounting principles used in determining EPA are applied on a consistent basis with the immediately prior year, with exceptions approved by our Chief Executive Officer and Chief Financial Officer. For the purpose of calculating EPA in 2010, EPA excluded the following items:
- discretionary bonuses since amounts are unpredictable, uncontrollable at the management level and possibly significant;
- income or expense relating to restricted stock, performance-based stock or stock unit awards since amounts are dependent on forecasts of future profits and, therefore, subject to significant volatility, which is further exacerbated by related complex accounting standards; and
- EPA, as defined above, from our subsidiaries, Bright View Technologies Corporation and Falling Springs, LLC; EPA from these organizations was excluded in 2010 because Bright View Technologies Corporation was acquired by Tredegar during 2010 and Falling Springs, LLC is a start-up business of Tredegar.

We also use this definition of EPA for the purpose of determining performance unit awards, which are discussed below under “Long-Term Incentives.”

In addition to these financial performance goals, the Committee included individual performance goals in determining an executive officer’s incentive payments under the 2010 Cash Incentive Plan. Individual performance categories for our Chief Executive Officer included: (1) the development, implementation and execution of strategies at both corporate and operating company levels, (2) company financial and operational results, including EPA and working capital targets, and cost reduction and productivity goals, (3) improving safety and quality metrics at the operating company levels, and (4) succession planning and management development. With respect to the other executive officers, individual performance metrics were drawn from the following categories: budgets, compliance objectives, successor development objectives, risk management objectives, strategic investment objectives, operating profit, cost reductions, development of strategic plans, process improvement, and organizational effectiveness. Specific measurements are assigned to each individual performance objective early in the year for which the performance will be measured and results are determined based on the assessment of the degree of accomplishment of each objective. The Committee does not apply a precise formula in linking individual results to incentive payment amounts, but rather uses these accomplishments, or lack of accomplishments, to determine the incentive amount applicable to the individual component of the formula, up to 100% of the weighting for the individual component.



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For 2010, Film Products Division EPA was \$11,742 (\$ in thousands), and, therefore, in excess of Film Products' maximum EPA goal. Consolidated EPA for Corporate in 2010 was \$(5,186) (\$ in thousands), and, therefore, in excess of Corporate's maximum consolidated EPA goal. Aluminum Extrusions Division EPA was \$(7,584) (\$ in thousands), between target and maximum levels. With respect to the Aluminum Extrusions Division, payments in excess of the target level were determined based on a straight line interpolation of EPA between the target and maximum levels. The Committee approved the following incentive payments for each named executive officer identified below:

Named Executive Officer(1)	Percent of Base Salary		Dollar Value of Annual Incentive
Nancy M. Taylor(2)	137	%	\$ 957,709
Kevin A. O'Leary	100	%	\$ 310,000
Monica Moretti (3)	103	%	\$ 349,673
A. Brent King	100	%	\$ 296,640
Duncan A. Crowdis	75	%	\$ 215,818

- 
- (1) Mr. Gottwald retired as Tredegar's President and Chief Executive Officer effective as of January 31, 2010 and did not participate in the 2010 Cash Incentive Plan.
- (2) Ms. Taylor received \$43,334 in her capacity as Executive Vice President and President, Tredegar Film Products Corporation (one month), and \$914,375 in her capacity as President and Chief Executive Officer (11 months),
- (3) Ms. Moretti received \$17,125 in her capacity as General Manager, Consumer Care, Tredegar Film Products Corporation (one month), and \$332,548 in her capacity as President, Tredegar Film Products Corporation (11 months).

In the case of Ms. Moretti and Messrs. O'Leary, King and Crowdis, these amounts were determined based on the incentive formula for financial performance and the Chief Executive Officer's assessment of Ms. Moretti's and Messrs. O'Leary's, King's and Crowdis' performance relative to their individual goals and objectives. In the case of Ms. Taylor, the amount was determined based on the incentive formula for financial performance and the Board's assessment of Ms. Taylor's performance relative to her individual goals and objectives. The Committee reviewed and confirmed Tredegar's performance results before approving payouts under the 2010 Cash Incentive Plan.

#### Long-Term Incentives

Long-term incentives, primarily equity-based awards, are an important element of our compensation program. The 2004 Plan allows for the granting of stock options, restricted stock, stock appreciation rights and other equity awards based on Tredegar common stock, as well as performance-based long-term incentive cash awards. We believe long-term incentives, such as those permitted by the 2004 Plan, promote our success by focusing employee efforts on achieving those performance goals that lead to long-term growth of shareholder value.

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The 2004 Plan reserved 2,000,000 shares for use by the Committee in providing equity-based long-term incentive awards to executive officers, employees and other individuals providing valuable services to Tredegar or our subsidiaries. In addition, to recognize the different economic impact of certain option awards and non-option awards, no more than an aggregate of 1,000,000 shares may be granted under the 2004 Plan in the form of non-option awards (e.g., shares issued as stock awards or in settlement of stock units).

In 2008, in consultation with Pearl Meyer, the Committee reviewed and considered various forms and methods of providing long-term incentive compensation opportunities to the named executive officers. After considering factors such as pay and performance alignment, shareholder alignment, retention goals, accounting cost, share usage, shareholder dilution, the ratio of short-term and long-term compensation, tax implications, peer group practices, and market trends, the Committee approved the use of performance stock units (or Performance Units) and stock options under our 2004 Plan. Performance Units are an unfunded promise to deliver shares of common stock in the future upon achievement of both performance and service conditions.

In 2009, Pearl Meyer recommended and the Committee approved a modification to the annual equity grant mix to include 25% in the form of service-based restricted stock with three-year cliff vesting, 50% in the form of stock options and 25% in the form of Performance Units. The inclusion of service-based restricted stock was intended to further balance the performance and retention objectives of the long-term incentive program and to create additional stock ownership opportunities for executives to further align their interests with shareholders.

In 2010, after consulting with Pearl Meyer, the Committee determined that the annual equity grant mix would be the same as in 2009.

The specific number of restricted shares, stock options and Performance Units is generally based on converting a competitive annual equity grant value into an appropriate number of shares for each form of equity being awarded. For conversion purposes, restricted stock is valued using the stock price at the time the conversion is performed, stock options are valued using the Black-Scholes Option Pricing Model, and Performance Units are valued by applying a discount to the stock price at the time the conversion is performed to account for the additional risk inherent in the performance-based vesting structure. For 2010, the Performance Units were valued at 80% of the stock price (a discount of 20%). However, grant levels are then adjusted up or down based on a variety of factors including but not limited to our performance, the executive's performance, internal equity, the resulting annual grant rate and share availability under the 2004 Plan.

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2010 Performance Units. Based upon the considerations described above, in 2010 the Committee approved the following Performance Unit grants to each named executive officer identified below:

Named Executive Officer(1)	Performance Measure	Grant Date	Award	Maximum Fair Value as of Grant Date(2)
Nancy M. Taylor	2011 Consolidated EPA from Operations	2/18/10	25,000	\$420,250
Kevin A. O'Leary	2011 Consolidated EPA from Operations	2/18/10	4,750	\$79,848
Monica Moretti	2011 Consolidated EPA from Operations	2/18/10	4,750	\$79,848
A. Brent King	2011 Consolidated EPA from Operations	2/18/10	4,750	\$79,848
Duncan A. Crowdis	2011 Consolidated EPA from Operations	2/18/10	4,200	\$70,602

(1) Mr. Gottwald retired as Tredegar's President and Chief Executive Officer effective as of January 31, 2010 and did not receive any new long-term incentive grants or awards in 2010.

(2) Under FASB Accounting Standards Codification™ Topic 718, Compensation – Stock Compensation, it was assumed that, based upon the information available as of the date of grant, the Performance Units will not vest at any payout level. The maximum grant date fair values included in the table above represent the values of the Performance Units if the Performance Units were to vest under the maximum performance thresholds.

Each of the named executive officers identified above received a grant of Performance Units tied to 2011 consolidated EPA from manufacturing operations goals; if the performance criteria for the 2011 consolidated EPA from manufacturing operations goals are satisfied, which would require a minimum amount of improvement in 2011 consolidated EPA from manufacturing operations over 2010 consolidated EPA from manufacturing operations, the Performance Units earned will vest and be settled in shares of Tredegar common stock on March 31, 2012. The Committee believes that this design effectively balances the performance and retention objectives of the long-term incentive program.

2009 Performance Units. In 2009, the Committee awarded Performance Units based on the achievement of the 2010 consolidated EPA from manufacturing operations target. For the 2009 Performance Units, the EPA target was an improvement of at least \$5 million in 2010 in Tredegar's consolidated EPA from manufacturing operations over actual 2009 EPA from manufacturing operations. Tredegar's consolidated EPA from manufacturing operations in 2010 improved by \$8.5 million over actual 2009 consolidated EPA from manufacturing operations. As a result, the executive officers listed below earned all of the Performance Units contingent upon 2010 EPA performance and the Performance Units earned vested and were settled in shares of Tredegar common stock on March 31, 2011.

Named Executive Officer	Performance Measure	Grant Date	Award
John D. Gottwald(1)	2010 Consolidated EPA from Operations	2/18/09	22,000
Nancy M. Taylor(2)	2010 Consolidated EPA from Operations	2/18/09	7,850
Kevin A. O'Leary(3)		2/18/09	3,000



	2010 Consolidated EPA from Operations		
Monica Moretti (4)	2010 Consolidated EPA from Operations	2/18/09	2,100
A. Brent King	2010 Consolidated EPA from Operations	2/18/09	4,200
Duncan A. Crowdis	2010 Consolidated EPA from Operations	2/18/09	4,150

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- (1) Mr. Gottwald retired as Tredegar's President and Chief Executive Officer effective as of January 31, 2010 and continues to provide services to Tredegar as a member of our Board.
- (2) In 2009, Ms. Taylor served as Tredegar's Executive Vice President and as President of Tredegar Film Products Corporation.
- (3) Mr. O'Leary was not an executive officer on February 18, 2009, the grant date for the 2009 Performance Units. He received 2009 Performance Units as Vice President, Global Finance, Tredegar Film Products Corporation.

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(4) Ms. Moretti was not an executive officer on February 18, 2009, the grant date for the 2009 Performance Units. She received 2009 Performance Units as Vice President and General Manager, Consumer Care, Tredegar Film Products Corporation.

Stock Options. During 2010, the Committee also approved the following non-qualified stock option grants to each named executive officer identified below:

Named Executive Officer(1)	Grant Date	Award	Grant Date Fair Value of Award
Nancy M. Taylor	2/18/10	100,000	\$ 747,000
Kevin A. O'Leary	2/18/10	20,000	\$ 149,400
Monica Moretti	2/18/10	20,000	\$ 149,400
A. Brent King	2/18/10	20,000	\$ 149,400
Duncan A. Crowdis	2/18/10	20,000	\$ 149,400

(1) Mr. Gottwald retired as Tredegar's President and Chief Executive Officer effective as of January 31, 2010 and did not receive any stock options in 2010.

These stock options vest two years from the date of grant, provided the named executive officer is employed by or provides services to Tredegar on the vesting date, and have a seven-year term. The Committee approves stock option awards only following receipt of advice that we are not in possession of material non-public information. Furthermore, we do not time or plan to time our release of material non-public information for the purpose of affecting the value of executive compensation.

Restricted Stock. During 2010, the Committee also approved the following service-based restricted stock grants to each named executive officer identified below:

Named Executive Officer(1)	Grant Date	Award	Grant Date Fair Value of Award
Nancy M. Taylor	2/18/10	20,000	\$ 342,600
Kevin A. O'Leary	2/18/10	4,000	\$ 68,520
Monica Moretti	2/18/10	4,000	\$ 68,520
A. Brent King	2/18/10	4,000	\$ 68,520
Duncan A. Crowdis	2/18/10	3,500	\$ 59,955

(1) Mr. Gottwald retired as Tredegar's President and Chief Executive Officer effective as of January 31, 2010 and did not receive any restricted stock in 2010.

The shares of restricted stock vest and become nonforfeitable three years from the date of grant. Upon the issuance of the shares on the date of grant, the named executive officer listed above will be entitled to vote the shares and will be entitled to receive, free of all restrictions, ordinary cash dividends.

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## Total Compensation

Based on the Pearl Meyer study that was updated in 2009, a comparison is provided below of Tredegar's 2010 total compensation relative to 2009 market data for each named executive officer identified below. Based on the confirmatory market pay review conducted by Tredegar's human resources department, the Committee does not believe the 2009 market data materially changed in 2010. For purposes of the following table, total compensation includes base salary as of December 31, 2010, actual payouts under the 2010 Cash Incentive Plan and the grant date fair value of 2010 long-term incentives. The total compensation received by our named executive officers exceeded the market median total compensation as a result of the payments to such executive officers under the 2010 Cash Incentive Plan exceeding the target payouts for each such executive officer due to the strong performance in 2010 against Tredegar's EPA from manufacturing operations goals. The payouts for Ms. Taylor, Ms. Moretti and Messrs. O'Leary and King were at the maximum level and for Mr. Crowdis between the target and maximum levels. The payouts under the 2010 Cash Incentive Plan reflect the strong EPA from manufacturing operations performance results produced by Tredegar.

Named Executive Officer	2010 Tredegar Total Compensation	2009 Market Total Compensation (@ 50th Percentile)	Tredegar Total Compensation v. Market(1)	
Nancy M. Taylor	\$ 2,722,309	\$ 2,341,000	116	%
Kevin A. O'Leary	\$ 837,920	\$ 801,000	105	%
Monica Moretti	\$ 882,471	\$ 853,000	103	%
A. Brent King	\$ 809,040	\$ 743,000	109	%
Duncan A. Crowdis	\$ 709,771	\$ 540,000	131	%

(1) Calculated by dividing 2010 Tredegar Total Compensation by 2009 Market Total Compensation.

## Other Benefits for Chief Executive Officer and Executive Officers

In addition to the cash and equity compensation discussed above, we provide our Chief Executive Officer and other named executives with the same benefits package available to all of our salaried employees. When setting and determining annual compensation, the Committee reviews and considers all elements of compensation, including the benefits listed below:

- health and dental insurance (portion of costs);
- basic life insurance;
- long-term disability insurance;
- Savings Plan and Savings Plan Benefit Restoration Plan (401(k) plan); and
- Tredegar Corporation Retirement Income Plan (defined benefit pension plan) (the Pension Plan).

We have also historically provided to a limited number of key executives, including Messrs. Gottwald and Scher (each of whom is our former Chief Executive Officer and currently a director), a supplemental executive retirement program known as the Tredegar Corporation Retirement Benefit Restoration Plan (the Restoration Plan). See "Pension Benefits"

beginning on page 52 of this proxy statement for additional information. Effective December 31, 2005, however, we terminated further participation in the Restoration Plan and froze benefit accruals for existing participants as part of our efforts to maintain an appropriate cost structure.

We do not provide executives with additional benefits or perquisites, such as:

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- company cars or vehicle allowances;
- personal use of corporate assets; and
- company-funded deferred compensation programs.

We do not believe that these types of benefits are currently needed to attract, motivate and retain highly qualified executive officers.

Agreements with Executive Officers

As has been our practice, we do not currently have employment agreements with any of our executive officers. Effective January 31, 2010, we entered into a severance agreement with Ms. Taylor in connection with her promotion to serve as Tredegar's President and Chief Executive Officer. We believed that it was appropriate to provide reasonable employment protection to Ms. Taylor during her transition to her new position at Tredegar given the difficulty of attracting and retaining high quality leaders, as well as her long tenure with Tredegar, which gives her a unique company perspective, and the significant contributions she had made and was expected to continue to make to Tredegar. Ms. Taylor's severance agreement:

- has a five-year term that does not automatically renew;
- generally limits the payment to Ms. Taylor upon her resignation with good reason or termination without cause to two times the sum of her base salary and target bonus under the annual cash incentive plan (prorated in the event of her resignation not involving a change in control of Tredegar);
  - includes a "double trigger" in the event of a change in control of Tredegar; and
  - does not provide for tax gross-ups.

The Committee believes that the terms of the severance agreement with Ms. Taylor are reasonable and are consistent with evolving market norms for such agreements.

Corporate Tax and Accounting Considerations

The Internal Revenue Code disallows corporate tax deductions for executive compensation in excess of \$1 million for our Chief Executive Officer or our next four most highly-compensated officers. Internal Revenue Code Section 162(m) allows certain exemptions to the deduction cap, including pay programs that depend on formulas and, therefore, are "performance-based."

The Committee considers the deductibility of compensation when reviewing and approving pay levels and pay programs, but reserves the right to award compensation that is not deductible under Section 162(m) if it is determined to be in the best interests of Tredegar and our shareholders. In 2010, Ms. Taylor's compensation exceeded the maximum deductible compensation under Section 162(m). No other named executive officer received compensation in excess of \$1 million.

As noted above, we attempt to operate in a manner that maintains an appropriate cost structure. As part of our efforts, we regularly review the accounting treatment of different forms of compensation, including the forms of awards available under the 2004 Plan, to determine which forms of awards, if any, (1) serve to motivate appropriately our executive officers to enhance shareholder value and (2) enable us to operate within an appropriate cost structure.



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Risk Analysis of Executive Compensation Program

In 2010, the Committee asked management to undertake a risk assessment of Tredegar's compensation programs and asked Pearl Meyer to review the assessment with regard to our executive compensation program. The findings of the assessment were that our compensation programs do not incentivize our employees to take risks that are reasonably likely to have a material adverse effect on Tredegar. The Committee reviewed the findings of the assessment and concluded that our compensation programs are designed with the appropriate balance of risk and reward in relation to Tredegar's overall business strategy. In its discussions, the Committee considered the attributes of our programs, including:

- the balance between annual and longer-term performance opportunities;
- we target executive compensation that is aligned with a well-defined industry peer group;
- our short-term and long-term compensation programs are based on EPA from manufacturing operations goals, which measure both income statement performance and capital discipline;
- placement of a significant portion of our executive compensation "at risk" and dependent upon achieving specific corporate and individual performance goals;
  - stock ownership requirements that align executives' interests with those of our shareholders;
  - we do not have employment contracts with our executives;
- we do not have any severance agreements with our executives, other than Ms. Taylor, whose agreement has a five-year term that does not automatically renew and does not contain an excise tax gross-up;
- our long-term incentive equity awards and grants are comprised of multiple forms (stock options, Performance Units and restricted stock) and all equity awards and grants vest over multiple years; and
  - we cap each executive's short-term incentive opportunities at two times his or her target bonus.

**EXECUTIVE COMPENSATION COMMITTEE REPORT**

The Executive Compensation Committee has the overall responsibility of evaluating the performance and determining the compensation of the Chief Executive Officer and approving the compensation structure for Tredegar's other executive officers. In fulfilling its responsibilities, the Executive Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis section of this proxy statement with management. Based on such review and discussion, the Committee recommended to the Board that the Compensation Discussion and Analysis section be included in this proxy statement.

Executive Compensation Committee:

Richard L. Morrill, Chairman  
Donald T. Cowles  
George A. Newbill

February 10, 2011





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This table shows information with respect to the total compensation of each individual who served as our Chief Executive Officer during the fiscal year ended December 31, 2010, our Chief Financial Officer and our three other highest compensated executive officers (collectively, our named executive officers) for their services to Tredegar for the fiscal years ended December 31, 2010, 2009 and 2008.

Summary Compensation Table

Name and Principal Position	Year	Salary(\$)	Bonus(\$)	Stock Awards(\$)	Option Awards(\$)	Non-Equity Incentive Plan Compensation(\$)	Change in Pension Value and Non-qualified Deferred Compensation(\$)	All Other Compensation(\$)	Total(\$)
Nancy M. Taylor President and Chief Executive Officer(4)	2010	675,000	-0-	342,600	747,000	957,709	67,882 (5)	37,706(8)	2,827,897
	2009	367,508	-0-	116,874	282,375	477,760	79,939 (6)	23,880	1,348,336
	2008	314,333	75,000	-0-	181,800	-0-	36,295 (7)	20,499	627,927
John D. Gottwald President and Chief Executive Officer(9)	2010	45,000	-0-	-0-	-0-	-0-	-0-	6,290 (8)	51,290
	2009	466,875	-0-	326,160	753,000	891,495	165,192(6)	32,146	2,788,318
	2008	510,000	-0-	-0-	606,000	294,700	153,450(10) 56,562 (7) 29,499 (11)	32,394	1,529,155
Kevin A. O'Leary Vice President, Chief Financial Officer and Treasurer(12)	2010	310,000	-0-	68,520	149,400	310,000	-0- (14)	15,980(8)	853,900
	2009	221,973	30,000(13)	-0-	49,210	165,389	-0- (14)	11,082	477,654
	2008	53,754	20,000(13)	-0-	30,900	-0-	-0- (14)	93,842(15)	198,496
Monica A. Moretti Vice President, and President, Film Products (16)	2010	314,878	-0-	68,520	149,400	349,673	-0- (14)	17,257(8)	899,728
	2009	294,480	-0-	68,520	149,400	296,640	-0- (14)	16,324(8)	825,364
	2008	288,000	-0-	45,300	-0-	274,967	-0- (14)	11,472	619,739
A. Brent King Vice President General Counsel and Secretary(17)	2010	58,000	-0-	63,270	110,200	-0-	-0- (14)	1,440	232,910
	2009	284,598	-0-	59,955	149,400	215,818	52,594 (5)	15,403(8)	777,768
	2008	261,507	56,000	60,702	146,835	-0-	56,306 (6)	16,664	598,014

President, Aluminum Extrusions	2008	242,593	-0-	-0-	98,280	76,405	48,596	(7)	23,400	489,274
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(1) Represents the grant date fair value computed in accordance with FASB Accounting Standards Codification™ Topic 718, Compensation – Stock Compensation. Stock Awards include Performance Units and restricted stock awards. In the case of the Performance Units, the above amounts assume that the Performance Units will not vest at any payout level based upon the information available at the date of grant. Performance Units usually vest over a two-year period only if Tredegar meets certain operating thresholds over the vesting period. If it were probable at the grant date that shares related to the Performance Units would vest, the total maximum value of the stock award for each of our named executive officers would be as follows:

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Named Executive Officer	2010	2009	2008
Nancy M. Taylor	\$ 762,850	\$ 256,604	\$ 185,760
John D. Gottwald	-0-	717,760	619,200
Kevin A. O'Leary	148,368	53,400	34,650
Monica Moretti	148,368		
A. Brent King	148,368	120,060	63,270
Duncan A. Crowdis	130,557	134,572	108,360

For purposes of calculating these amounts, we have used the same assumptions used for financial reporting purposes under GAAP. For a description of the assumptions we used, see Note 1 to our financial statements, which is included in our Annual Reports on Form 10-K for the fiscal years ended December 31, 2010, 2009 and 2008, and are incorporated by reference into this proxy statement.

(2) Represents the grant date fair value computed in accordance with FASB Accounting Standards Codification™ Topic 718, Compensation – Stock Compensation. For purposes of calculating these amounts, we have used the same assumptions used for financial reporting purposes under GAAP. For a description of the assumptions we used, see Note 1 to our financial statements, which is included in our Annual Reports on Form 10-K for the fiscal years ended December 31, 2010, 2009 and 2008, and are incorporated by reference into this proxy statement. The actual value a named executive officer may receive depends on market prices, and there can be no assurance that the amounts reflected in the Option Awards column will actually be realized. No gain to a named executive officer is possible without an appreciation in stock value.

(3) Represents cash awards to the named executive officers under Tredegar's annual cash incentive plans for 2010, 2009 and 2008.

(4) Ms. Taylor was elected President and Chief Executive Officer upon Mr. John Gottwald's retirement on January 31, 2010. Prior to her election as President and Chief Executive Officer, Ms. Taylor served as Executive Vice President and as President of Tredegar Film Products Corporation.

(5) This amount represents the change in actuarial present value in the Pension Plan from December 31, 2009 to December 31, 2010.

(6) This amount represents the change in actuarial present value in the Pension Plan from December 31, 2008 to December 31, 2009.

(7) This amount represents the change in actuarial present value in the Pension Plan from December 31, 2007 to December 31, 2008.

(8) These amounts include the following:

Name	Matching Contributions under the Tredegar Corporation Retirement Savings Plan(\$)	Matching Contributions under the Tredegar Corporation Savings Plan Benefit Restoration Plan(\$)	Dividends on Shares in the Tredegar Corporation Savings Plan Benefit Restoration	Dividends on Shares of Restricted Stock(\$)	Total(\$)

			Plan(\$)		
Nancy M. Taylor	12,250	21,500	524	3,432	37,706
John D. Gottwald	2,250	-0-	1,160	2,880	6,290
Kevin A. O'Leary	12,250	3,250	-0-	480	15,980
Monica Moretti	12,250	4,216	39	752	17,257
A. Brent King	11,885	2,839	-0-	1,600	16,324
Duncan A. Crowdis	11,786	2,444	217	956	15,403

- (9) Mr. Gottwald retired as President and Chief Executive Officer of Tredegar on January 31, 2010.
- (10) This amount represents the change in actuarial present value of Mr. Gottwald's benefit under the Restoration Plan from December 31, 2008 to December 31, 2009.
- (11) This amount represents the change in actuarial present value of Mr. Gottwald's benefit under the Restoration Plan from December 31, 2007 to December 31, 2008.
- (12) Mr. O'Leary was hired on October 1, 2008 as Director, Global Finance, of Tredegar Film Products Corporation. Effective December 11, 2009 Mr. O'Leary was named Vice President, Chief Financial Officer and Treasurer of Tredegar Corporation.
- (13) Mr. O'Leary was given a signing bonus that was paid in two installments.
- (14) Mr. O'Leary, Ms. Moretti and Mr. King are not eligible to participate in the Pension Plan.
- (15) In addition to All Other Compensation paid in 2008, Mr. O'Leary received a housing and moving expenses relocation reimbursement of \$91,692 when he was hired in 2008. This amount was inadvertently omitted for the 2008 reporting year.
- (16) Ms. Moretti was hired on March 24, 2008 as Vice President and General Manager of Tredegar Film Products Corporation. She replaced Ms. Taylor as President of Tredegar Film Products Corporation on January 31, 2010.

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(17) Mr. King was hired as Vice President, General Counsel and Secretary on October 20, 2008.

Severance Agreement

Effective January 31, 2010, we entered into a Severance Agreement (or the Agreement) with Ms. Taylor.

If Ms. Taylor is terminated without cause (as defined in the Agreement) or resigns with good reason (as defined in the Agreement) during the 90-day period before a change in control (as defined in the Agreement) or before the second anniversary of a change in control, she will be entitled to a payment equal to two times her base salary plus two times her target bonus (as defined in the Agreement). If Ms. Taylor is terminated without cause or resigns with good reason at other times, she will be entitled to a payment equal to two times her base salary plus a pro rata amount of her target bonus.

Upon a termination without cause or resignation with good reason, outstanding options will become exercisable and remain exercisable for the terms set forth in the relevant option agreement, outstanding restricted stock awards will be vested, and outstanding stock units will be vested and settled with a cash payment. However, outstanding options, restricted stock and stock units that vest based on the attainment of performance objectives will remain outstanding and will vest or become exercisable only to the extent that the performance objectives are achieved.

If Ms. Taylor is terminated without cause or resigns with good reason, she also will be entitled to reimbursement of premiums paid for continued health plan coverage under COBRA for up to 18 months of coverage.

In addition, under the terms of the Agreement and in consideration of the payments set forth in the Agreement, Ms. Taylor covenants not to compete with Tredegar for a two-year period after her termination or resignation, subject to limited exceptions, as a principal, agent, employee, employer, consultant, or otherwise, or in any other individual or representative capacity, directly or indirectly, or to render any services for a competitor (as defined in the Agreement) that are substantially similar to or the same as those Ms. Taylor provided to Tredegar.

The Agreement has an initial term that ends on January 30, 2015. However, if a change in control occurs during the term of the Agreement, the term of the Agreement will end on the later of January 30, 2015 or the day before the second anniversary of the change in control.

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## Grants of Plan-Based Awards

The following table presents information regarding grants of plan-based awards to the named executive officers during the fiscal year ended December 31, 2010.

Name(1)	Grant Date	Estimated Future Payouts Under Non-Equity Incentive Plan Awards(2)			Estimated Future Payouts Under Incentive Plan Awards	All Other Stock Awards: Number of Shares or Units (#)	All Other Option Awards: Number of Securities Underlying Options (#)(3)	Exercise or Base Price of Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$)
		Threshold (\$)	Target (\$)	Maximum (\$)					
Nancy M. Taylor		251,459	502,917	1,005,834					
	2/18/2010				25,000 (4)			-0- (4)	
	2/18/2010					20,000 (5)		342,600	
	2/18/2010					100,000	17.13	747,000	
Kevin A. O'Leary		77,500	155,000	310,000					
	2/18/2010				4,750 (4)			-0- (4)	
	2/18/2010					4,000 (5)		68,520	
	2/18/2010					20,000	17.13	149,400	
Monica Moretti		89,989	179,979	359,958					
	2/18/2010				4,750 (4)			-0- (4)	
	2/18/2010					4,000 (5)		68,520	
	2/18/2010					20,000	17.13	149,400	
A. Brent King		74,160	148,320	296,640					
	2/18/2010				4,750 (4)			-0- (4)	
	2/18/2010					4,000 (5)		68,520	
	2/18/2010					20,000	17.13	149,400	
Duncan A. Crowdis		64,580	129,159	258,319					
	2/18/2010				4,200 (4)			-0- (4)	
	2/18/2010					3,500 (5)		59,955	
	2/18/2010					20,000	17.13	149,400	

(1) Mr. Gottwald retired as Tredegar's President and Chief Executive Officer effective as of January 31, 2010 and did not receive any grants of plan-based awards during the fiscal year ended December 31, 2010.

(2) Represents the annual incentive opportunities under the 2010 Cash Incentive Plan. The actual amount paid to each named executive officer under the 2010 Cash Incentive Plan is included under "Summary

Compensation Table – Non-Equity Incentive Plan Compensation” above.

- (3) Represents options granted to each named executive officer under the 2004 Plan.
- (4) Represents Performance Units granted in 2010. Under FASB Accounting Standards Codification™ Topic 718, Compensation – Stock Compensation, it was assumed at the date of grant that the Performance Units will not vest at any payout level based upon the information available. See “Compensation Discussion and Analysis – Long-Term Incentives – 2010 Performance Units” beginning on page 39 of this proxy statement for additional information, including the vesting criteria associated with the Performance Units.
- (5) Represents restricted stock awards granted in 2010.

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Tredegear Corporation Amended and Restated 2004 Equity Incentive Plan

Tredegear Corporation has the 2004 Plan, which our shareholders approved. The purposes of the 2004 Plan are to assist in recruiting and retaining the services of individuals with high ability and initiative, provide greater incentives for employees and other individuals who provide valuable services to us and our subsidiaries and associate the interests of those persons with those of Tredegear and our shareholders.

2010 Grants

During 2010, we made grants of Performance Units under the 2004 Plan to the named executive officers. Performance Units are an unfunded promise to deliver shares of common stock in the future upon achievement of both performance and service conditions. We also made grants of non-qualified stock options under the 2004 Plan to the named executive officers. These option grants had two-year vesting and a seven-year term. We also made restricted stock awards under the 2004 Plan to the named executive officers. These restricted stock awards vest three years from the date of award as long as the named executive officer continues as an employee on the vesting date.

For a further discussion of the Performance Units, restricted stock and stock options granted to the named executive officers in 2010, see “Compensation Discussion and Analysis — Elements of Compensation — Long-Term Incentives” beginning on page 38 of this proxy statement.

2010 Cash Incentive Plan

For 2010, we adopted the 2010 Cash Incentive Plan, which is an annual incentive compensation plan for 2010 (payable in early 2011) for executive officers and certain other key employees of Tredegear and our subsidiaries. For a further discussion of the 2010 Cash Incentive Plan, see “Compensation Discussion and Analysis — Elements of 2010 Compensation — Base Salaries and Annual Incentives — Annual Incentives” beginning on page 34 of this proxy statement.



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## Outstanding Equity Awards At Fiscal Year-End

The following table presents information regarding the number and value of stock option awards and stock awards for the named executive officers outstanding as of the fiscal year ended December 31, 2010.

Name(1)	Option Awards				Stock Awards				
	Number of Securities Underlying Unexercised Options (#)	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price(2) (\$)	Option Expiration Date	Number of Shares or Units of Stock that Have Not Vested (# )	Market Value of Shares or Units of Stock That Have Not Vested (\$)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Rights That Have Not Vested (# )	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Rights That Have Not Vested (\$)	
	Exercisable	Unexercisable							
Nancy M. Taylor	22,500	-0-	15.11	3/7/2013	6,450 (5)	125,001	7,850 (7)	152,133	
	30,000	-0-	15.80	2/21/2015	20,000 (6)	387,600	25,000 (8)	484,500	
	-0-	37,500 (3)	18.12	2/18/2016					
	-0-	100,000 (4)	17.13	2/18/2017					
Kevin A. O'Leary	6,000	-0-	14.06	11/17/2015	4,000 (6)	77,520	3,000 (7)	58,140	
	-0-	7,000 (3)	18.12	2/18/2016			4,750 (8)	92,055	
	-0-	20,000 (4)	17.13	2/18/2017					
Monica Moretti	8,500	-0-	16.76	3/24/2015	1,700 (5)	32,946	2,100 (7)	40,698	
	-0-	9,800 (3)	18.12	2/18/2016	4,000 (6)	77,520	4,750 (8)	92,055	
	-0-	20,000 (4)	17.13	2/18/2017					
A. Brent King	20,000	-0-	14.06	11/17/2015	4,500 (9)	87,210	4,200 (7)	81,396	
	-0-	20,000 (4)	17.13	2/18/2017	2,500 (5)	48,450	4,750 (8)	92,055	
					4,000 (6)	77,520			
Duncan A. Crowdis	15,000	-0-	15.11	3/7/2013	3,350 (5)	64,923	4,150 (7)	80,427	
	18,000	-0-	15.80	2/21/2015	3,500 (6)	67,830	4,200 (8)	81,396	
	-0-	19,500 (3)	18.12	2/18/2016					
	-0-	20,000 (4)	17.13	2/18/2017					

(1) Mr. Gottwald retired as Tredegar's President and Chief Executive Officer effective as of January 31, 2010. For information on stock option awards and stock awards held by Mr. Gottwald as of the fiscal year ended December 31,

2010, see “Compensation of Directors – Director Compensation Table” on page 16 of this proxy statement.

- (2) In accordance with the stock option plans under which the shares indicated in the table were granted, the per share exercise price for the stock options was not less than the fair market value of the shares of Tredegar common stock on the date of the grant of the option, as determined by the closing price as reported on the New York Stock Exchange composite tape on that date.
- (3) The stock options became exercisable on February 18, 2011.
- (4) The stock options become exercisable on February 18, 2012.
- (5) The shares of restricted Tredegar common stock will vest on February 18, 2012.
- (6) The shares of restricted Tredegar common stock will vest on February 18, 2013.

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(7) These Performance Units were tied to 2010 consolidated EPA from manufacturing operations goals; the performance criteria for 2010 were satisfied; therefore, the shares were earned by the named executive officer on March 31, 2011.

(8) These Performance Units are tied to 2011 consolidated EPA from manufacturing operations goals; if the performance criteria for 2011 are satisfied, the shares will be earned by the named executive officer and will vest on March 31, 2012.

(9) The shares of restricted Tredegar common stock will vest on November 17, 2011.

## Option Exercises and Stock Vested

None of the named executive officers exercised stock options and no vesting of stock (including restricted stock, Performance Units or other similar instruments) occurred during the fiscal year ended December 31, 2010.

## Pension Benefits

The following table presents information as of December 31, 2010 concerning each of our defined benefit plans that provide for payments or other benefits to the named executive officers at, following or in connection with retirement. Ms. Moretti and Messrs. O'Leary and King are not eligible to participate in the Pension Plan.

Name	Plan Name	Number of Years Credited Service (# )	Present Value of Accumulated Benefit (1) (\$)
Nancy M. Taylor	Pension Plan	19	440,672
Duncan A. Crowdis	Pension Plan	11.92	289,065 (2)

(1) For purposes of computing the actuarial present value of the accrued benefit payable to the named executive officers, we have used the following assumptions:

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	12/31/2008	12/31/2009	12/31/2010
Discount Rate	6.50%	5.75% (Pension Plan) 5.50% (Restoration Plan)	5.45% (Pension Plan) 5.05% (Restoration Plan)
Mortality Table	RP-2000 Combined Healthy Mortality Table, projected with Scale AA to 2008		
Retirement Age	Age 60, or current age, if older		
Preretirement Decrements	None		
Payment Option	Single life annuity with five years of benefits guaranteed		

(2) The Present Value of Mr. Crowdis' Accumulated Benefit is based solely upon the benefit amount payable under the Pension Plan. It excludes his benefit under his prior plans in Canada because neither Tredegar nor the Pension Plan has a liability for that amount.

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## Pension Plan

The Tredegar Corporation Retirement Income Plan (or the Pension Plan) is a defined benefit pension plan applicable generally to salaried, full-time employees who are not covered by a collective bargaining agreement. Of the named executive officers, only Ms. Taylor and Mr. Crowdis participate in the Pension Plan.

The Pension Plan assumes a normal retirement age of 65 and does not impose a vested service requirement as a condition to paying benefits to a participant who retires upon reaching that age. In most other cases involving a separation of service from Tredegar before age 65, a participant must have accrued at least five years of pension vesting service, as defined in the Pension Plan, in order to be entitled to receive any benefits under the Pension Plan. The Pension Plan, however, allows participants who reach the age of 55 and have accrued at least ten years of pension vesting service to elect early retirement. As of December 31, 2010, our named executives had accrued the following number of pension vesting service years under the Pension Plan for their service through December 31, 2010:

Name	Vesting Years
Nancy M. Taylor	19
Duncan A. Crowdis	12

A participant who retires at age 65 or later, with certain exceptions, is entitled to a monthly benefit paid as a single life annuity with five years of guaranteed payments. The monthly payment equals 1/12th of the sum of:

- 1.1% of his or her final average pay (which is calculated and frozen as of December 31, 2007 and determined by averaging the participant's base salary plus 50% of incentive bonuses for his or her three consecutive highest paid years in the ten-year period preceding January 1, 2008) multiplied by the number of years of pension benefit service he or she has accrued; and
- 0.4% of his or her final average pay in excess of the participant's 2007 social security covered compensation, multiplied by his or her years of pension benefit service.

For a participant who retires prior to age 65, the amount of his or her retirement benefit is reduced by 7/12 of 1% for each calendar month, up to a maximum of 60 months, the benefit is started prior to age 60.

Unless he or she elects otherwise, a participant in the Pension Plan who is married as of the date he or she is eligible to begin receiving payments under the Pension Plan will receive his or her payments as a qualified joint and survivor annuity, which is the actuarial equivalent of the single life annuity with five years guaranteed. This form of annuity provides a reduced monthly retirement benefit payable to the participant for life followed by monthly payments to his or her spouse in an amount equal to 50% of the amount the participant received during life. Under the contingent annuity option of the Pension Plan, an unmarried participant may also elect to receive reduced monthly payments for life followed by monthly payments to a named contingent annuity in an amount equal to 100%, 75% or 50% of the amount payable to the participant during his or her lifetime.

In accordance with the provision in the Pension Plan allowing us to amend, modify or terminate it at any time, effective January 1, 2007, we closed the Pension Plan to new participants and froze the pay and covered compensation used to compute benefits for existing participants as of December 31, 2007. Existing participants in the Pension Plan will, however, continue to earn benefit credit for each year of service after 2007, subject to the terms of the Pension Plan.

Mr. Gottwald, who retired as President and Chief Executive Officer effective January 31, 2010, participated in the Pension Plan. Mr. Gottwald, who was 55 at the time of his retirement and who had accrued 32 years of pension vesting service, elected the 100% joint and survivor annuity payment option. Effective February 1, 2010, he began receiving a monthly benefit of \$4,994 until his death. Upon his death, 100% of this amount will be paid to his beneficiary for as long as his beneficiary lives.

#### Retirement Benefit Restoration Plan

The Internal Revenue Code limits (a) the annual retirement benefit that may be paid under a tax qualified pension plan, such as the Pension Plan, and (b) the earnings that may be used in computing a benefit. The maximum benefit and earnings limitations are adjusted each year to reflect changes in the cost

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of living. For 2010, the maximum benefit limitation was \$189,504 (based on a five-year certain and life annuity payable at age 65) and the earnings limitation was \$245,000.

Because of these limitations, we adopted the Tredegar Corporation Retirement Benefit Restoration Plan (or the Restoration Plan) to restore those benefits that cannot be paid under the Pension Plan due to the Internal Revenue Code maximum benefit limitation, the earnings limitation, or both. The Executive Compensation Committee has discretion over which highly-compensated employees can participate in the Restoration Plan. The Executive Compensation Committee can amend, modify or terminate the Restoration Plan at any time and is entitled to revoke or rescind an executive's designation as a participant in the Restoration Plan. In accordance with that provision, effective December 31, 2005, we closed the Restoration Plan to new participants and froze benefit accruals for existing participants.

Mr. Gottwald, who retired as President and Chief Executive Officer effective January 31, 2010, was the only named executive officer who participated in the Restoration Plan. For a discussion of the benefits to which he is entitled under the Restoration Plan following his retirement see "Restoration Plan" on page 57 of this proxy statement.

#### Nonqualified Deferred Compensation

The following table presents information concerning the Savings Plan Benefit Restoration Plan for Employees of Tredegar Corporation (or the SPBR Plan), which is a defined contribution plan that provides for the deferral of compensation of the named executive officers on a basis that is not tax qualified.

Name	Registrant Contributions in Last FY(1) (\$)	Aggregate Earnings in Last FY (\$)	Aggregate Withdrawals/ Distributions (\$)	Aggregate Balance at Last FYE(2) (\$)
Nancy M. Taylor	22,024	13,014	-0-	84,555
John D. Gottwald	-0-	-0-	220,903	-0-
Kevin A. O'Leary	3,250	55	-0-	3,305
Monica Moretti	4,256	1,010	-0-	9,450
A. Brent King	2,839	51	-0-	2,890
Duncan A. Crowdis	2,661	4,957	-0-	29,332

(1) These amounts represent the sum of the amounts included in Note (8) to the Summary Compensation Table on page 47 of this proxy statement under the columns "Matching Contributions under the Tredegar Corporation Savings Plan Benefit Restoration Plan" and "Dividends on Shares in the Tredegar Corporation Savings Plan Benefit Restoration Plan."

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(2) These amounts include the following amounts that were previously reported as compensation in the Summary Compensation Table of our 2010 proxy statement:

Name	Matching Contributions under the Tredegar Corporation Savings Plan Benefit Restoration Plan(\$)	Dividends on Shares in the Tredegar Corporation Savings Plan Benefit Restoration Plan(\$)	Total(\$)
Nancy M. Taylor	21,500	524	22,024
John D. Gottwald	-0-	1,160	1,160
Kevin A. O'Leary	3,250	-0-	3,250
Monica Moretti	4,216	39	4,255
A. Brent King	2,839	-0-	2,839
Duncan A. Crowdis	2,444	217	2,661

Because of Internal Revenue Code limitations on the matching contributions we are entitled to make on behalf of highly-compensated employees to Tredegar's Savings Plan, we adopted the SPBR Plan under which we credit the matching contribution we would have been able to make to the Savings Plan, but for the Internal Revenue Code limitations, to an account representing the employee's interest in the SPBR Plan for each payroll period. Every employee who qualifies as highly-compensated becomes a member of the SPBR Plan as of the date his or her contributions to the Savings Plan are limited by IRS regulations.

Our contributions to the SPBR Plan are converted to phantom shares of Tredegar common stock based on the fair market value at the end of the month in which the contributions are credited. Contributions to the SPBR Plan either match those that could not be made to the Savings Plan because of Internal Revenue Code limitations or are dividends on shares of stock already credited to the participant.

The value of an account at any given time is based upon the fair market value of Tredegar common stock. The fair market value of Tredegar common stock was \$18.18 on December 31, 2008, \$15.82 on December 31, 2009 and \$19.38 on December 31, 2010. We reserve the right to terminate or amend the SPBR Plan at any time.

A participant in the SPBR Plan becomes 100% vested in his or her benefit under the Plan if he or she works at least one hour on or after January 1, 2008.

If a participant retires at age 65, dies or separates from employment due to death or a disability, he or she receives a distribution of the total value of his or her benefit under the SPBR Plan on the last day of the month following distribution of benefits under the Savings Plan, subject to Internal Revenue Code Section 409A. A participant who otherwise separates from service receives the value of his or her vested benefit in the SPBR Plan as of the last day of the month during which he or she receives the distribution of his or her vested benefit in the Savings Plan, subject to Internal Revenue Code Section 409A.



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## Other Potential Payments Upon Termination or a Change in Control

## Equity Incentive Plans

Grants Under the Amended and Restated 2004 Equity Incentive Plan. Under the 2004 Plan, stock options, shares of restricted Tredegar common stock and Performance Units granted vest immediately upon the named executive officer's death, termination of employment due to disability, a change of control of Tredegar, or retirement (except in the case of the Performance Units and provided that the named executive officer has reached 65 years of age).

The 2004 Plan generally provides that a change in control occurs if (1) a person (or a group of persons) becomes the owner of 50% or more of our voting securities, (2) there is a substantial change in the composition of our Board, (3) there is a business combination in which our shareholders own 80% or less of the surviving entity or (4) our shareholders approve a liquidation or dissolution of Tredegar or the sale of all or substantially all of Tredegar's assets.

The table included below assumes a change in control occurred on December 31, 2010 and provides the value that each named executive officer could have realized from the equity awards he or she held as of December 31, 2010, based on the closing price of shares of Tredegar common stock on the New York Stock Exchange composite tape on that date, which was \$19.38.

Name	Equity Awards (#)	Exercise Price(\$/Sh)	Value upon Change of Control(\$)
Nancy M. Taylor	22,500	15.11	96,075
	30,000	15.80	107,500
	37,500	18.12	47,250
	7,850	-0-	152,133
	6,450	-0-	125,001
	100,000	17.13	225,000
	25,000	-0-	484,500
	20,000	-0-	387,600
Kevin A. O'Leary	6,000	14.06	31,920
	7,000	18.12	8,820
	3,000	-0-	58,140
	20,000	17.13	45,000
	4,750	-0-	92,055
	4,000	-0-	77,520
Monica Moretti	8,500	16.76	22,270
	9,800	18.12	12,348
	2,100	-0-	40,698
	1,700	-0-	32,946
	20,000	17.13	45,000
	4,750	-0-	92,055
A. Brent King	4,000	-0-	77,520
	20,000	14.06	106,400
	4,500	-0-	87,210
	2,500	-0-	48,450
	4,200	-0-	81,396
	20,000	17.13	45,000

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	4,750	-0-	92,055
	4,000	-0-	77,520
	15,000	15.11	64,050
	18,000	15.80	64,440
	19,500	18.12	24,570
Duncan A. Crowdis	4,150	-0-	80,427
	3,350	-0-	64,923
	20,000	17.13	45,000
	4,200	-0-	81,396
	3,500	-0-	67,830

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## Severance Agreement

As discussed on page 47 of this proxy statement, Tredegar entered into a severance agreement (or the Agreement) with Ms. Taylor in 2010. If Ms. Taylor is terminated without cause (as defined in the Agreement) or resigns with good reason (as defined in the Agreement) during the 90-day period before a change in control (as defined in the Agreement) or before the second anniversary of a change in control, she will be entitled to a payment equal to two times her base salary plus two times her target bonus (as defined in the Agreement). If Ms. Taylor is terminated without cause or resigns with good reason at other times, she will be entitled to a payment equal to two times her base salary plus a pro rata amount of her target bonus. As of December 31, 2010, she would have been entitled to the following payments under the Agreement:

If termination without cause or resignation with good reason occurred on December 31, 2010		
Payment Based on Annual Salary and Bonus	\$	1,902,917
Acceleration of Unvested Stock Awards, Performance Units and Stock Options(1)		1,625,059
Continuation of Medical, Dental and Vision Coverage under Tredegar's Health Plans(2)		13,119
If termination or resignation with good reason occurred on December 31, 2010, within 90 days before, or before the second anniversary of, a Control Change Date		
Payment Based on Annual Salary and Bonus	\$	2,405,834
Acceleration of Unvested Stock Awards, Performance Units and Stock Options(1)		1,625,059
Continuation of Medical, Dental and Vision Coverage under Tredegar's Health Plans(2)		13,119

- (1) The effect of accelerating any unvested restricted stock award and unvested stock performance unit awards at December 31, 2010 is based on the number of each such award multiplied by the closing price of Tredegar common stock at December 31, 2010. The effect of accelerating any unvested stock option at December 31, 2010 is based on the difference between the closing price of Tredegar common stock at December 31, 2010 and the respective option's exercise price.
- (2) Tredegar has agreed to reimburse Ms. Taylor for the cost of such coverage until the earlier of (a) the date that Ms. Taylor or her qualified beneficiary is no longer entitled to continue coverage under COBRA or (b) the end of the eighteenth month of such coverage.

## Restoration Plan

Our Executive Compensation Committee amended the Restoration Plan as of December 31, 2005. As of that date, no new employees may participate in the plan and benefit accruals were stopped for any participant in the Restoration Plan who was not entitled to receive a benefit payment as of December 31, 2005. Mr. Gottwald was the only named executive officer who is a participant in the Restoration Plan.

Mr. Gottwald retired effective January 31, 2010, and upon retirement, he was entitled to a monthly benefit under the Restoration Plan equivalent to the difference between the monthly benefit he would have received under the Pension Plan but for the application of the limitations set forth in Internal Revenue Code Sections 415 and 401(a)(17) and the monthly benefit to which he is actually entitled under the Pension Plan.



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Payments under the Restoration Plan begin in accordance with Internal Revenue Code Section 409A (in Mr. Gottwald's case, six months after his retirement). The first payment of \$32,038 under the Restoration Plan was made on August 1, 2010, which included all postponed benefits as a result of Internal Revenue Code Section 409A. Mr. Gottwald is receiving a monthly benefit in the form of a 50% qualified joint and survivor annuity of \$4,577 under the Restoration Plan.

SPBR Plan

**Retirement.** In the event a named executive officer retires from Tredegar, he or she will be entitled to receive the total value of his or her interest in the SPBR Plan as of the last business day of the month in which his or her benefit under the Savings Plan is distributed, subject to Internal Revenue Code Section 409A.

**Termination.** If the named executive officer's employment with us ends due to termination, he or she will be entitled to receive the value of his or her vested benefit in the SPBR Plan as of the last business day of the month in which he or she receives his or her vested benefit under the Savings Plan, subject to Internal Revenue Code Section 409A.

**Disability.** If the named executive officer separates from service due to a disability, he or she will be entitled to receive the total value of his or her interest in the SPBR Plan as of the last business day of the month in which his or her benefit under the Savings Plan is distributed, subject to Internal Revenue Code Section 409A.

**Death.** If the named executive officer dies while employed by us, his or her beneficiary will be entitled to receive the total value of his or her interest in the SPBR Plan as of the last business day of the month in which the named executive officer's benefit under the Savings Plan is distributed, subject to Internal Revenue Code Section 409A.

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The table included below provides information with respect to the benefits we would have had to pay to the named executive officers assuming any of the events described above had occurred on December 31, 2010.

Name	Payment on Retirement(\$)(1)	Payment on Termination(\$)(1)	Payment on Death(\$)(1)
Nancy M. Taylor	55,502	55,502	55,502
Kevin A. O'Leary	-0-	-0-	-0-
Monica Moretti	-0-	-0-	-0-
A. Brent King	-0-	-0-	-0-
Duncan A. Crowdis	25,021	25,021	25,021

(1) Under the terms of the SPBR Plan, in the event that any of these events occurred on December 31, 2010, the earliest payment date would be January 28, 2011 and the amount payable would be based on the closing price of Tredegar common stock on the New York Stock Exchange composite tape on January 28, 2011, the date of payment. In addition, the SPBR Plan provides that payment for a portion of the shares of Tredegar common stock held in a participant's account would be withheld for six months and the payment would be based on the closing price of Tredegar common stock on the New York Stock Exchange composite tape on the date of payment. The amounts set forth above assume that the total payment was made on December 31, 2010 based on the closing price of Tredegar common stock on the New York Stock Exchange composite tape on that date, which was \$19.38.

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**PROPOSAL 2:**

**NON-BINDING ADVISORY VOTE ON EXECUTIVE COMPENSATION**

In accordance with a recently adopted amendment to the Exchange Act and as required by the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), Tredegar is providing its shareholders with the opportunity to cast a non-binding advisory vote on compensation paid by Tredegar to our named executive officers. This non-binding advisory vote, which is commonly referred to as a “say-on-pay” vote, provides shareholders with the opportunity to express their views on the compensation paid by Tredegar to our named executive officers. This vote is not intended to address any specific item of compensation, but rather the overall compensation paid by Tredegar to our named executive officers as described in “Compensation Discussion and Analysis” beginning on page 28 of this proxy statement, the accompanying compensation tables, and the related narrative disclosure.

As described in detail in our “Compensation Discussion and Analysis” beginning on page 28 of this proxy statement, our compensation programs are designed so that our executives are incentivized to achieve specific company performance goals and personal objectives that will build shareholder value over the long term without encouraging undue or unreasonable risk taking. The Executive Compensation Committee reviews our executive compensation programs annually to ensure they align executive compensation with the interests of our shareholders.

As described in the Compensation Discussion and Analysis section, Tredegar achieved strong financial performance from its manufacturing operations in 2010 and believes that our named executive officers played an important role in helping us achieve these results. Our Board recommends that shareholders vote in favor of the following resolution:

“RESOLVED, that the compensation of Tredegar’s named executive officers as disclosed in the Proxy Statement for the 2011 Annual Meeting of Shareholders pursuant to the rules of the Securities and Exchange Commission, including the Compensation Discussion and Analysis, the accompanying compensation tables and the related narrative disclosure is hereby approved.”

Although this vote is advisory and is not binding, the Board and the Executive Compensation Committee, which is comprised solely of independent directors, expect to take into account the outcome of the vote when considering future executive compensation decisions.

Our Board recommends that you vote “FOR,” on a non-binding advisory basis, the resolution approving the compensation of Tredegar’s named executive officers as disclosed in this proxy statement pursuant to the rules of the SEC, including the Compensation Discussion and Analysis, the accompanying compensation tables and the related narrative disclosure.

**PROPOSAL 3:**

**NON-BINDING ADVISORY VOTE ON THE FREQUENCY OF  
THE VOTE ON EXECUTIVE COMPENSATION**

Under an additional recently adopted amendment to the Exchange Act and as required by Dodd-Frank, Tredegar is providing shareholders with a non-binding advisory vote on the frequency with which Tredegar should provide its shareholders the non-binding advisory vote on executive compensation provided in Proposal 2 above. This non-binding advisory vote is commonly referred to as a “frequency” or “say-when-on-pay” vote.

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Shareholders are able to choose among four options: holding the say-on-pay vote every one, two or three years, or abstaining. Shareholders will not be voting to approve or disapprove the Board's recommendation.

The Board believes that the optimal interval for conducting the say-on-pay vote is every three years. Shareholders who have concerns about executive compensation during the interval between say-on-pay votes are welcome to bring their specific concerns to the attention of the Board and the Executive Compensation Committee through one of the means described under "Voting Instructions — How do I communicate with the Board of Directors?" on page 5 of this proxy statement.

Although this vote is advisory and is not binding, the Board and the Executive Compensation Committee will take into account the outcome of the vote when considering the frequency of future advisory votes on executive compensation.

Our Board recommends that you vote for the option of holding future non-binding advisory votes on executive compensation "EVERY THREE YEARS."

## **REPORT OF THE AUDIT COMMITTEE**

The Audit Committee assists the Board in fulfilling its oversight responsibilities relating to the accounting, reporting and financial practices of Tredegar by monitoring the quality and integrity of the financial statements, the financial reporting processes and the systems of internal accounting and financial controls of Tredegar. The Audit Committee operates under a written charter that has been adopted by Tredegar's Board and is available on Tredegar's website ([www.tredegar.com](http://www.tredegar.com)) by selecting "Corporate Governance" under "About Tredegar." Management is responsible for the preparation of Tredegar's financial statements, for establishing and maintaining an adequate system of internal control over financial reporting, and for assessing the effectiveness of Tredegar's internal control over financial reporting. PricewaterhouseCoopers LLP (or PwC), Tredegar's independent registered public accounting firm, is responsible for performing an independent audit of those financial statements and Tredegar's internal control over financial reporting.

The Audit Committee has met and held discussions with management and PwC regarding Tredegar's audited 2010 consolidated financial statements. Management represented to the Audit Committee that Tredegar's consolidated financial statements were prepared in accordance with generally accepted accounting principles, and the Audit Committee has reviewed and discussed the consolidated financial statements with management and PwC.

The Audit Committee has discussed with PwC the matters required to be discussed under Public Company Accounting Oversight Board (or PCAOB) Standards, including those required to be discussed by Statement on Auditing Standards No. 61, as amended, as adopted by the PCAOB in Rule 3200T. In addition, the Audit Committee has received the written disclosures and the letter from PwC relating to the independence of that firm as required by the applicable requirements of the PCAOB and has discussed with PwC that firm's independence from Tredegar.



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In reliance upon the Audit Committee's discussions with management and PwC, and the Audit Committee's review of the representations of management and the report of PwC to the Audit Committee, the Audit Committee recommended that the Board include the audited consolidated financial statements in Tredegar's Annual Report on Form 10-K for the year ended December 31, 2010 to be filed with the Securities and Exchange Commission.

Audit Committee:

Donald T. Cowles, Chairman  
Austin Brockenbrough, III  
R. Gregory Williams

March 2, 2011

**AUDIT FEES**

The following table lists fees our independent registered public accounting firm, PwC, billed to us for services rendered in fiscal years 2009 and 2010.

	2009	2010
Audit Fees	\$ 1,086,810	\$ 1,119,401
Audit-Related Fees	-0-	-0-
Tax Fees	24,657	15,470
All Other Fees	3,000	3,000
Total Fees	\$ 1,114,467	\$ 1,137,871

Audit Fees include fees PwC billed for services it performed to comply with the standards of the PCAOB, including the recurring audit of our consolidated financial statements and of our internal control over financial reporting. This category also includes fees for audits PwC provided in connection with statutory filings or services that generally only the principal auditor reasonably can provide and assistance with and review of documents filed with the SEC.

Audit-Related Fees include fees associated with audit services not required by statute or regulation.

Tax Fees primarily include fees associated with tax audits and tax compliance, tax consulting, and preparation of tax returns for expatriate employees, as well as domestic and international tax planning and assistance.

All Other Fees include software licensing for online accounting research.

Our Audit Committee has concluded that the provision of the non-audit services listed above as "All Other Fees" is compatible with maintaining the auditor's independence.

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**PROPOSAL 4:  
RATIFICATION OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM**

Our Audit Committee has appointed PwC as our independent registered public accounting firm for the fiscal year ending December 31, 2011, and has further directed that management submit such appointment of PwC for ratification by the shareholders at the annual meeting. We expect representatives of PwC to be present at the meeting, and they will have an opportunity to make a statement if they so desire and will be available to respond to appropriate questions.

Shareholder ratification of our Audit Committee's appointment of PwC as our independent registered public accounting firm is not required by our Bylaws or otherwise. If our shareholders fail to ratify the appointment, our Audit Committee will take such failure into consideration in future years. If our shareholders ratify the appointment, our Audit Committee, in its discretion, may direct the appointment of a different independent registered public accounting firm at any time during the year if it is determined that such a change would be in the best interests of Tredegar.

Our Board recommends that you vote "FOR" the ratification of the appointment of PricewaterhouseCoopers LLP as Tredegar's independent registered public accounting firm for the fiscal year ending December 31, 2011.

**DIRECTOR NOMINATING PROCESS AND  
SHAREHOLDER PROPOSALS**

Nominating and Governance Committee Process for Identifying and Evaluating Director Candidates

Our Nominating and Governance Committee evaluates all director candidates in accordance with the director qualification standards described in the Governance Guidelines, which require that a majority of our Board must be independent directors under the general independence standards of the New York Stock Exchange listing standards and under our Governance Guidelines. Our Nominating and Governance Committee evaluates all candidates' qualifications to serve as members of our Board based on the skills and characteristics of individual Board members as well as the composition of our Board as a whole. In addition, our Nominating and Governance Committee will evaluate a candidate's independence, diversity, age, skills and experience in the context of our Board's needs. Our Nominating and

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Governance Committee does not assign specific weights to particular criteria and no particular criteria are necessarily applicable to all prospective nominees and directors other than having the highest standards of business and professional conduct.

While we have no formal policy on diversity, we believe our Board should exhibit a diversity of backgrounds and expertise. Our Nominating and Governance Committee considers diversity in the context of the Board as a whole and takes into account the personal characteristics (e.g., age, gender, skill, etc.) and experience (e.g., industry, professional, public service, etc.) of current and prospective directors to facilitate Board deliberations that reflect a broad range of perspectives. The Nominating and Governance Committee takes into account diversity considerations in determining Tredegar's nominees for directors and planning for director succession and believes that, as a group, the current directors and nominees bring a diverse range of perspectives to the Board's deliberations.

### Director Candidate Recommendations and Nominations by Shareholders

Our Nominating and Governance Committee's Charter provides that our Nominating and Governance Committee will consider director candidate recommendations by our shareholders. Shareholders should submit any such recommendations to our Nominating and Governance Committee through one of the methods described under "Voting Information — How do I communicate with the Board of Directors?" on page 5 of this proxy statement. There are no differences in the manner in which our Nominating and Governance Committee evaluates director candidates based on whether shareholders recommend the candidates.

In addition to candidate recommendations, any shareholder of record entitled to vote for the election of directors at the applicable meeting of shareholders may nominate persons for election to the Board so long as that shareholder complies with the requirements set forth in the applicable provisions of our amended and restated Bylaws and summarized in "Shareholders' Proposals" below.

Our Nominating and Governance Committee did not receive any recommendations of director candidates from any shareholder or group of shareholders during 2010, nor were there any shareholder nominations of any person for election as a director.

### Shareholders' Proposals

The regulations of the SEC require any shareholder wishing to make a proposal to be acted upon at the 2012 annual meeting of shareholders to present the proposal to Tredegar at our principal office in Richmond, Virginia, no later than December 15, 2011. We will consider written proposals received by our Corporate Secretary by that date for inclusion in our proxy statement in accordance with regulations governing the solicitation of proxies.

Article I, Section 10 of our amended and restated Bylaws also requires any shareholder wishing to make a proposal to be acted on at an annual meeting to give written notice to our Corporate Secretary not later than 120 days before the anniversary date of Tredegar's annual meeting in the immediately preceding year. The notice must contain:

- a brief description of the business to be brought before the annual meeting (including the specific proposal to be presented) and the reasons for addressing it at the annual meeting,
- the name, record address, and class and number of shares beneficially owned by the shareholder proposing such business,
  - any material interest of the shareholder or any other person in such business,

- a description (including the names of any counterparties) of any agreement, arrangement or understanding that has been entered into by or on behalf of the shareholder as of the notice date to mitigate loss, manage risk or benefit from share price changes of, or increase or decrease the voting power with respect to, Tredegar common stock,
- a description (including the names of any counterparties) of any agreement, arrangement or understanding between the shareholder and any other person in connection with the proposal, and
- an agreement that the shareholder will notify Tredegar in writing of any changes to the information provided.

In addition, Article II, Section 5 of our amended and restated Bylaws allows any shareholder entitled to vote in the election of directors generally to nominate one or more persons for election as directors at a meeting only if written notice of such shareholder's intent to make such nomination or nominations has been given, either by personal delivery or by United States mail, postage prepaid, to our Corporate Secretary not later than:

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- 120 days before the anniversary date of Tredegar's annual meeting in the immediately preceding year, or
- with respect to an election to be held at a special meeting of shareholders for the election of directors, the close of business on the seventh day following the date on which notice of a special meeting of shareholders is first given to shareholders.

Each notice shall set forth:

- As to the shareholder giving the notice:
  - the name and address of the shareholder who intends to make the nomination and of the person or persons to be nominated,
  - a representation that the shareholder is a holder of record of Tredegar common stock entitled to vote at such meeting and intends to appear in person or by proxy at the meeting to nominate the person or persons specified in the notice,
  - a description of all arrangements or understandings between the shareholder and each nominee and any other person or persons (naming such person or persons) under which the nomination or nominations are to be made by the shareholder,
  - a description (including the names of any counterparties) of any agreement, arrangement or understanding that has been entered into by or on behalf of the shareholder as of the notice date with the intent to mitigate loss, manage risk or benefit from share price changes of, or increase or decrease the voting power with respect to, Tredegar common stock,
  - a description (including the names of any counterparties) of any agreement, arrangement or understanding between the shareholder and any other person in connection with the nomination, and
  - an agreement that the shareholder will notify Tredegar in writing of any changes to the information provided.
    - As to each person whom the shareholder proposes to nominate for election as a director:
      - the name and address of the person or persons to be nominated,
  - such other information regarding each nominee proposed by such shareholder as would be required to be included in a proxy statement filed under the SEC's proxy rules, had the nominee been nominated, or intended to be nominated, by the Board, and
    - the consent of each nominee to serve as a director if so elected.

Because the 2011 annual meeting is being held on May 24, 2011, our Corporate Secretary must receive notice of a shareholder proposal to be acted on at the 2012 annual meeting not later than the close of business on January 25, 2012. These requirements are separate from the requirements of the SEC that a shareholder must meet to have a proposal included in our proxy statement.

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The amended and restated Bylaws are available on our website at [www.tredegar.com](http://www.tredegar.com) and on the SEC's website at [www.sec.gov](http://www.sec.gov). We will also furnish any shareholder a copy of our amended and restated Bylaws without charge upon written request to our Corporate Secretary. See "Voting Instructions — How do I communicate with the Board of Directors?" on page 5 of this proxy statement.

**SECTION 16(a) BENEFICIAL OWNERSHIP REPORTING COMPLIANCE**

Based solely on our review of the copies of the forms prescribed by Section 16(a) of the Exchange Act we received, or written representations from certain reporting persons that no Forms 5 were required for those persons, we believe that all of our Section 16 reporting persons complied with the filing requirements of Section 16(a) as of December 31, 2010.

**BENEFICIAL OWNERS**

Institutions that hold shares in street name for two or more beneficial owners with the same address are permitted to deliver a single proxy statement and annual report to that address. Any such beneficial owner may request a separate copy of this proxy statement or the 2010 Annual Report on Form 10-K by contacting our Corporate Secretary in writing at 1100 Boulders Parkway, Richmond, Virginia, 23225 or by telephone at 1-804-330-1144. Beneficial owners with the same address who receive more than one proxy statement and 2010 Annual Report on Form 10-K may request delivery of a single proxy statement and 2010 Annual Report on Form 10-K by contacting our Corporate Secretary as provided in the preceding sentence.

**OTHER MATTERS**

Our Board is not aware of any matters to be presented for action at the annual meeting of shareholders other than as described in this proxy statement. However, if any other matters are properly raised at the annual meeting or in any adjournment of the annual meeting, the person or persons voting the proxies will vote them in accordance with their best judgment.

By Order of the Board of Directors

A. Brent King  
Vice President, General Counsel and Secretary

Tredegear Corporation

2011 Annual Meeting of Shareholders

Tuesday, May 24, 2011, at 9:00 am, Eastern Daylight Time

Jepson Alumni Center of the University of Richmond

Richmond, Virginia

Control Number:

To:

Your Tredegear Corporation proxy statement and annual report are now available online and you may also vote your shares for the 2011 Annual Shareholder Meeting.

To view the proxy statement and annual report, please visit: [www.tredegear.com](http://www.tredegear.com) and click on "2010 Annual Report" and "2011 Proxy Statement" under Highlights.

To cast your vote, please visit [www.investorvote.com/TG](http://www.investorvote.com/TG) and follow the on-screen instructions. You will be prompted to enter your Control Number provided above to access this voting site. Note that votes submitted through this site must be received by 1:00 a.m. CDT on May 24, 2011.

Thank you for viewing the 2011 Tredegear Corporation Annual Meeting Materials and for submitting your very important vote.

**REMEMBER, YOUR VOTE IS IMPORTANT, PLEASE VOTE.**

Please note: Registered shareholders may unsubscribe to email notifications at any time by changing their elections at Investor Centre by simply clicking on "eDelivery Options" and updating their accounts.

Questions? For additional assistance regarding your account please visit [www.computershare.com/ContactUs](http://www.computershare.com/ContactUs) where you will find useful FAQs, phone numbers and our secure online contact form.

Please do not reply to this email. This mailbox is not monitored and you will not receive a response.

IMPORTANT  
ANNUAL  
MEETING  
INFORMATION

Electronic Voting Instructions

You can vote by Internet or telephone!  
Available 24 hours a day, 7 days a week!

Instead of mailing your proxy, you may choose one of the two voting methods outlined below to vote your proxy.

VALIDATION DETAILS ARE LOCATED BELOW  
IN THE TITLE BAR.

Proxies submitted by the Internet or telephone must be received by 1:00 a.m. Central Time on May 24, 2011.

Vote by Internet

- Log on to the Internet and go to [www.investorvote.com/TG](http://www.investorvote.com/TG)
- Follow the steps outlined on the secured website.

Vote by telephone

- Call toll free 1-800-652-VOTE (8683) within the USA, US territories & Canada any time on a touch tone telephone. There is NO CHARGE to you for the call
- Follow the instructions provided by the recorded message.

Using a black ink pen, mark your votes with an X as shown in this example. Please do not write outside the designated areas.x

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Annual Meeting Proxy Card

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IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

A Proposals — The Board recommends a vote FOR all nominees in Proposal 1, FOR Proposals 2 and 4 and a vote for THREE YEARS for Proposal 3.

1. Election of Directors:

	For	Withhold
01 - George C. Freeman, III	..	..



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02 - George A. Newbill

.. ..

03 - Thomas G. Slater, Jr.

.. ..

04 - R. Gregory Williams

.. ..

	For	Against	Abstain	
2. Advisory Vote on Named Executive Officer Compensation	..	..	..	
	1 Yr	2 Yrs	3 Yrs	Abstain
3. Frequency of Advisory Vote on Named Executive Officer Compensation		..	..	..
	For	Against	Abstain	
4. Ratification of the appointment of PricewaterhouseCoopers LLP as independent registered public accounting firm for Tredegar for the fiscal year ending December 31, 2011	o	o	o	

**B Non-Voting Items**

Change of Address — Please print new address below.

Comments — Please print your comments below.

**C Authorized Signatures — This section must be completed for your vote to be counted. — Date and Sign Below**

Please sign exactly as name(s) appears hereon. Joint owners should each sign. When signing as attorney, executor, administrator, corporate officer, trustee, guardian, or custodian, please give full title.

Date (mm/dd/yyyy) — Please print date below.  
 Signature 1 — Please keep signature within the box.

Signature 2 — Please keep signature within the box.

/            /

**YOUR VOTE IS IMPORTANT**

REGARDLESS OF WHETHER YOU PLAN TO ATTEND THE ANNUAL MEETING OF SHAREHOLDERS, YOU CAN BE SURE YOUR SHARES ARE REPRESENTED AT THE MEETING BY PROMPTLY (i) COMPLETING, SIGNING, DATING AND RETURNING YOUR VOTING INSTRUCTION CARD IN THE ENCLOSED ENVELOPE OR (ii) VOTING VIA THE INTERNET OR BY TELEPHONE PER THE INSTRUCTIONS ON THE REVERSE SIDE.

IF YOU HAVE NOT VOTED VIA THE INTERNET OR TELEPHONE, FOLD ALONG THE PERFORATION, DETACH AND RETURN THE BOTTOM PORTION IN THE ENCLOSED ENVELOPE.

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Proxy/Voting Instruction Form — TREDEGAR CORPORATION

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**PROXY FOR ANNUAL MEETING OF SHAREHOLDERS**

This proxy is solicited on behalf of the Board of Directors for the Annual Meeting to be held on May 24, 2011

As a recordholder of the common stock of Tredegar Corporation (“Tredegar”), the undersigned hereby appoints A. Brent King, Kevin A. O’Leary and Larry J. Scott, or any of them, with full power of substitution in each, proxies (and if the undersigned is a proxy, substitute proxies) to vote all shares of common stock of Tredegar that the undersigned is entitled to vote at the Annual Meeting of Shareholders to be held on May 24, 2011, and at any and all adjournments and postponements of the Annual Meeting.

When properly executed, this proxy will be voted in the manner directed herein by the undersigned shareholder. If no direction is made, this proxy will be voted FOR all nominees in Proposal 1, FOR Proposal 2, THREE YEARS on Proposal 3 and FOR Proposal 4 and according to the discretion of the proxy holders on any other matters that may properly come before the Annual Meeting and at any and all adjournments and postponements thereof.

**IMPORTANT NOTICE TO PARTICIPANTS IN THE RETIREMENT SAVINGS PLAN**

As a participant in the Tredegar Corporation Retirement Savings Plan (the “Plan”), a notice and proxy statement regarding the Tredegar 2011 Annual Meeting is enclosed and a copy of Tredegar’s annual report has been provided to you. You may instruct Wilmington Trust Retirement & Institutional Services (the “Trustee”) how to vote your proportionate shares of Tredegar common stock held by the Trustee in connection with the 2011 Annual Meeting of Shareholders. If you wish to instruct the Trustee how to vote your shares, complete, sign and date this form and send it to Computershare Investor Services in the enclosed postage-paid envelope so it is received by May 18, 2011 or vote your shares via the Internet or by telephone per the instructions on the reverse side. If no instructions are received by the Trustee, the Trustee will vote your Retirement Savings Plan shares FOR Proposals 1, 2 and 4 and THREE YEARS on Proposal 3 as contained in the proxy statement and as shown on the reverse side.

PLEASE COMPLETE, SIGN, DATE AND RETURN PROMPTLY USING THE ENCLOSED ENVELOPE.  
(CONTINUED AND TO BE SIGNED ON REVERSE SIDE.)

