

## **The Board's statement on the evaluation performed by the Remuneration Committee on the remuneration of senior management**

The Board of Securitas AB has established a Remuneration Committee, which since the Statutory Board Meeting on May 6, 2019 and for the period until the 2020 Annual General Meeting consists of Marie Ehrling, Chairman of the Committee, and Carl Douglas. One of the tasks of the Remuneration Committee is to monitor and evaluate all programs for variable remuneration to senior management, the application of the guidelines for remuneration to senior management adopted by the Annual General Meeting as well as existing compensation levels and structures in the company.

As per Article 10.3 of the Swedish Corporate Governance Code, the Board hereby submits its statement on the results of the evaluation completed by the Remuneration Committee.

The Remuneration Committee has continuously reviewed and evaluated the company's programs for variable remuneration to senior management as well as the guidelines for remuneration to senior management. The outcome of the programs for variable remuneration was presented at a meeting of the Remuneration Committee, whereby it was concluded that the programs were well suited for their purposes and that this remuneration, as well as all other remuneration to senior management during 2019, were in compliance with the guidelines for remuneration adopted by the Annual General Meeting. Taking this into account, it was also noted that the guidelines have fulfilled their intended purposes and have had the desired effects. The Committee therefore concludes that the application of the guidelines has been correct. The Committee has also reviewed and evaluated the compensation structures and levels in place within the company and has concluded that these levels are in line with market practice and are well balanced.

The Securitas Incentive Scheme was adopted for the first time by the Annual General Meeting in 2010. Every year since 2010, almost identical programs were adopted. The programs have been well received and the participants in the 2018 Incentive Scheme received their shares on 9 March, 2020. 1,247 employees shared a total of 994,128 shares (prior to the sale of certain shares to cover applicable taxes in each jurisdiction). Adjustment has been made for the employees who have left Securitas at the time of allotment. The Committee notes that Incentive Scheme shares were purchased at SEK 74 per share (2011), SEK 61 (2012), SEK 62 (2013), SEK 70 (2014), SEK 117 (2015), SEK 130 (2016), SEK 139 (2017), SEK 147 (2018) and SEK 130 (2019) and that the shares are currently trading at around SEK 118 (on 10 March, 2020). In addition, dividends have been paid either in cash or in additional shares which increases the return on investment.

Furthermore, the Annual General Meeting 2019 resolved on a long-term incentive program including the CEO, other members of the Group Management and certain other key employees ("LTI 2019/2021") which is intended to work as an alternative incentive solution to the aforementioned incentive scheme and includes approximately up to 80 employees within Securitas. The outcome of LTI 2019/2021 is based on the annual development of Securitas' earnings per share. LTI 2019/2021 is conditional upon the participant's own investment and holding periods of several years.

The Committee concludes that the outcome of the incentive programs is in line with expectations. The existing programs will be continuously monitored during 2020 and onwards.

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Stockholm in March 2020  
the Board of Directors  
SECURITAS AB (publ)