

Corporate governance report

COMPLIANCE WITH THE SWEDISH CORPORATE GOVERNANCE CODE (THE CODE)

Corporate Governance and Management 32-52

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The corporate governance report, which has been prepared in accordance with Chapter 6, Section 6 and 8 of the Swedish Annual Accounts Act, provides key information concerning compliance with the Swedish Corporate Governance Code (the Code), shareholders, the Annual General Meeting, Nomination Committee, Board of Directors and their work, including committees, remuneration and the division of responsibilities throughout the governance structure. This section also covers Securitas' system of internal control and risk management, which is the responsibility of the Board of Directors according to the Swedish Companies Act and the Swedish Corporate Governance Code. This description does not form part of the Annual Report.

In the Internal control section pertaining to risk, we have opted to widen the scope of our description and explain how enterprise risk management works in the broader perspective regardless of the type of risk, which means that our focus is not confined to risk related to internal controls over financial reporting. Fulfilling our strategies and objectives while maintaining an appropriate risk level is imperative, which is why risk management procedures span all levels of the organization.

Read more at www.securitas.com/corporate-governance

Securitas has published its principles for corporate governance in previous annual reports. A separate section on the Group website contains the Articles of Association and other key company documents.

Securitas complies with the Code principle of "comply or explain" and has two deviations to explain for 2018.

Code rule 2.4 Neither the company chair nor any other member of the Board may chair the Nomination Committee.

Comment: Investment AB Latour has appointed Carl Douglas as Chairman of the Nomination Committee. The Committee considers it important to have a representative from the major shareholders as Chairman of the Committee.

Code Rule 9.7 For share-based incentive programs, the vesting period, or the period from the commencement of an agreement to the date on which the shares are acquired, is to be no less than three years.

Comment: Securitas' share-based incentive scheme was implemented in 2010 and has been renewed annually since then. It was based on the then-existing bonus structure of the Securitas Group. In simple terms, the bonus potential was increased in exchange for a one-time salary freeze and one-third of the cash bonus outcome was to be received in shares in March of the year following the year in which the cash bonus would have been paid out, provided that the person remained employed by Securitas at such time.

Since the program replaces an immediate cash bonus payout and is not granted in addition to already existing bonus rights, the Board deems that the two-year period from the commencement of the program until the release of the shares is well motivated and reasonable in order to achieve the purpose of the program.

COMMENTS BY THE CHAIRMAN

Securitas plays an important role in ensuring the security and safety of the society at large.



Securitas is now in the middle of the journey to transform the global security industry and to become the leader in protective services. We have been a leading security services company for many years, with a strong position in the guarding business. This has created a stable platform for future growth and continued value creation – a platform based on a long-term strategic focus, stable ownership, strong management, loyal clients and a clear foundation in the form of our core values. We are also a sustainable supplier to our clients and play an important role in ensuring the security and safety of society at large.

The Board of Directors supports this strategic journey by working for Securitas' long-term development in the best interests of all our stakeholders. Together with Securitas' management, we make overall decisions on how Securitas' assets are to be used for investments, acquisitions and dividends. All our decisions are well founded and thoroughly discussed to ensure that we are moving in a direction that is in line with our strategy, always taking a long-term perspective into consideration and promoting responsible and sustainable business. Currently, the focus is on further strengthening our technology capability, consolidating the IT infrastructure, providing innovative client solutions and adding additional competencies within big data, digitization and artificial intelligence to support the strategy going forward.

Sound corporate governance is a prerequisite to achieve this. To facilitate this purposeful work, we have comprehensive systems, routines and procedures in place for monitoring targets,

internal control and risk management. In addition to formal Board meetings and committee work, the Board is committed and engaged in Securitas' operations through site visits and continuous interaction with our President and CEO Magnus Ahlqvist and Group management. We continuously evaluate the Board's composition and combined expertise and in recent years we have reinforced our know-how in important areas. Bringing new competence to the table has been beneficial in our strategic planning for the future development of Securitas.

In addition to being well on our way to becoming the leader in protective services, a few years ago we also began focusing on the next step in our strategic plan – to become the leader in intelligent security in 2020 and beyond, building on our strong foundation in delivering security services.

On behalf of the Board of Directors, I would like to express our appreciation to all Securitas employees for their commitment and good work during 2018. Special thanks to Magnus Ahlqvist for his first successful year as President and CEO.

Stockholm, March 18, 2019

A handwritten signature in black ink, reading "Marie Ehrling". The signature is fluid and cursive.

Marie Ehrling
Chairman of the Board
Securitas AB

Solid system for governance and management

Securitas' structure for governance serves to protect the long-term interests of our stakeholders, ensure value creation and encourage an entrepreneurial corporate culture. A sound corporate governance model also creates the foundation for responsible and sustainable business.

Securitas has a decentralized organizational model that promotes entrepreneurship and focuses on the approximately 1 700 branch managers who run the company's daily operations in 58 countries. The company's offerings improve when decisions are made in close proximity to clients and the employees who perform the services. Local decisions are therefore encouraged but require a solid governance and management system. To facilitate this work, Securitas has systems, routines and procedures in place for monitoring targets, internal control and risk management.

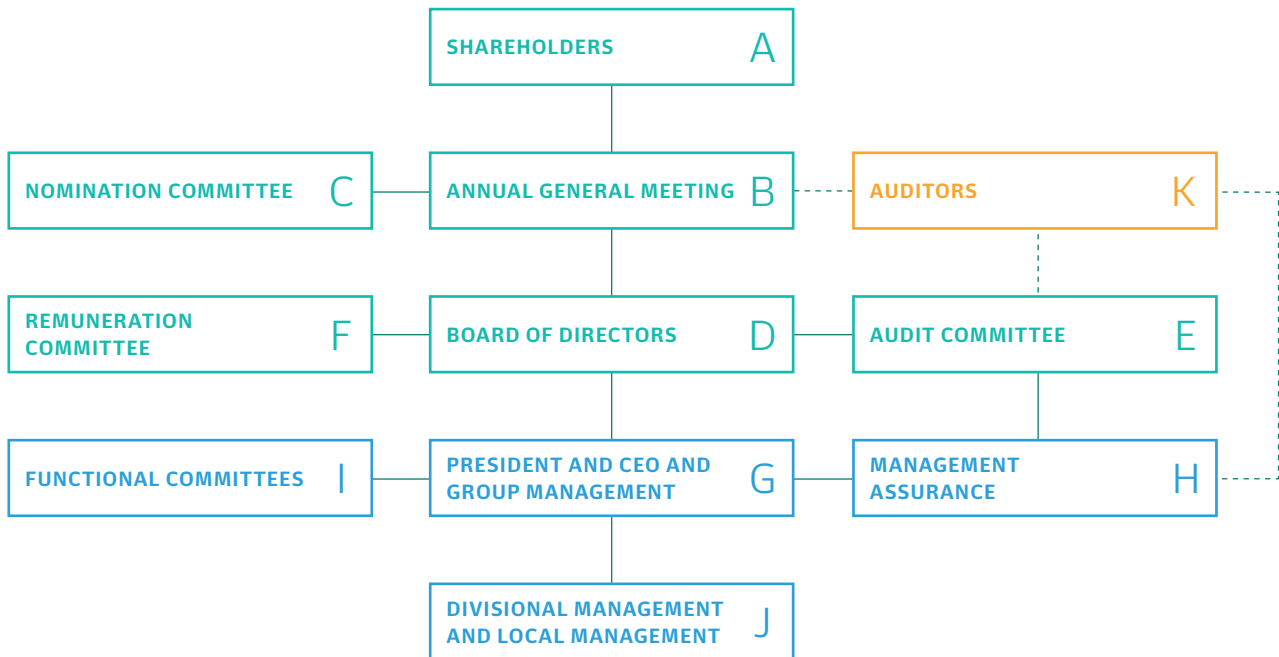
As a global company, Securitas operates in many different markets where laws, regulations, environmental requirements and social conditions may differ. Therefore, it is vital that we always act transparently and ethically. Sustainability is well integrated into Securitas' everyday work. Securitas' sustainability work is based on our fundamental values – Integrity, Vigilance and Helpfulness – and guided by our key corporate policies and principles, such as Securitas' Values and Ethics Code.

SECURITAS VALUES ARE STRONGLY LINKED to its management model – The Securitas Toolbox. A key function of the Toolbox is to convey our corporate culture and create a shared platform through our values. Securitas' Toolbox management model has a methodical structure that includes several well-defined areas or "tools" that serve as a framework at all levels, and is maintained through continuous training and discussion forums. The different areas of the model describe how Securitas' managers are to conduct themselves in various aspects and stages of the company's operations. The model also describes the approach we are expected to take with regard to the market, our clients and

employees. All Securitas employees are expected to assume responsibility for the clients and operations and for our shared values. Responsibility is clarified through the measurement and systematic evaluation of results.

As part of our decentralized management approach, we are required to set and follow up on strict financial targets by continuously measuring and monitoring the Group's performance. Financial control is not simply about implementing controls, it also functions as an incentive for those employees who are in a position to personally influence Securitas' financial results.

THE FINANCIAL FRAMEWORK AND MODEL continuously measure the Group's performance, from the branch offices through to Group level. The aim of the Group's financial reporting is to produce the most timely and accurate information possible to enable managers and employees to make the decisions necessary for achieving profitable growth in line with Securitas' strategies, and to control risks to ensure that the company's objectives are achieved. Financial reporting also forms the basis for sound internal control. The financial model makes it possible to monitor a number of key figures that can be understood by all managers. Each branch has its own statement of income, for which it is fully responsible. It also helps managers to understand the connection between risks and opportunities, and how various factors impact their areas of responsibility as well as how we can monitor and control these factors. It visualizes the direct link between income and expenses in the statement of income, capital employed in the balance sheet and the generation of free cash flow. Refer to pages 54-55 for more information.



A SHAREHOLDERS
Securitas is listed on Nasdaq Stockholm in the Large Cap segment since 1991. The shareholders influence the overall direction of the company at the top of the governance structure. Strong principal shareholders provide considerable attention and interest in our business and establish commitment to the success of the business.

On December 31, 2018, the principal shareholders in Securitas were Gustaf Douglas who, through his family and Investment AB Latour Group, held 10.9 percent (10.9) of the capital and 29.6 percent (29.6) of the votes, and Melker Schörling who, through his family and Melker Schörling AB, held 4.5 percent (5.4) of the capital and 11.0 percent (11.6) of the votes. For more detailed information about shareholders, see the table on page 163.

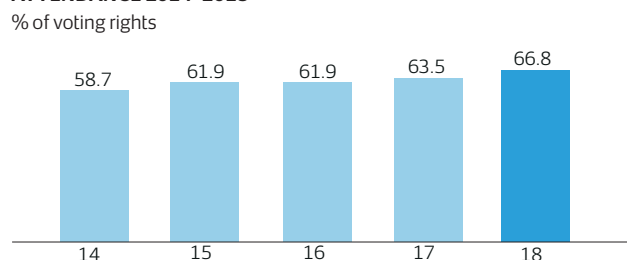
NUMBER OF SHAREHOLDERS 2014-2018

Year	No. of shareholders
2014	24 274
2015	25 734
2016	31 221
2017	33 913
2018	32 197

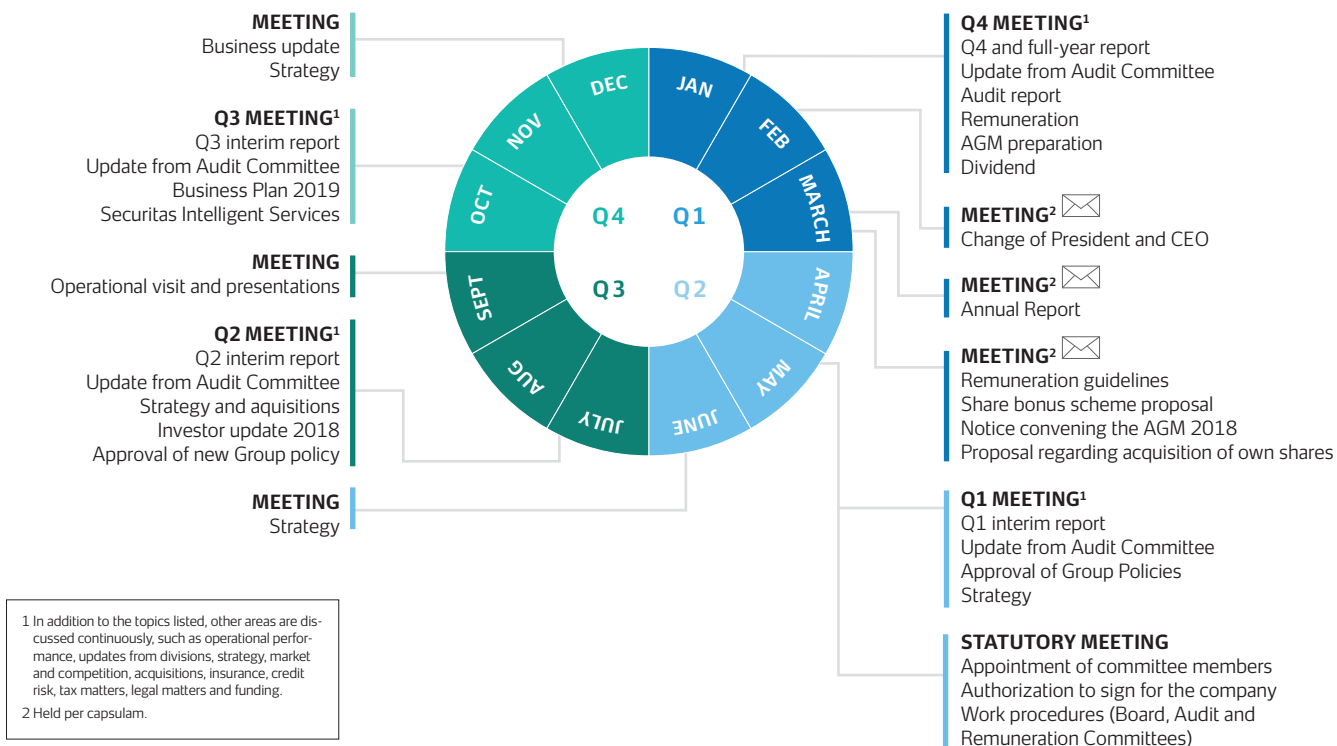
B ANNUAL GENERAL MEETING
All shareholders are able to exercise their influence at the Annual General Meeting, which is the company's highest decision-making body. The Annual General Meeting decides on changes to the Articles of Association. The Articles of Association contain no limitation on the number of votes that each shareholder may exercise at a shareholders' meeting. Each shareholder may thus vote for all shares held at the shareholders' meeting.

The Annual General Meeting of Securitas AB was held on May 2, 2018, and the minutes are available on www.securitas.com, where all resolutions passed can be found. One of the resolutions passed in 2018 was the authorization for the Board to resolve upon acquisition of the company's own shares. Shareholders representing 66.8 percent (63.5) of the votes attended either personally or by proxy. For information about election and remuneration of Board members, see the Board of Directors section (D).

ATTENDANCE 2014-2018



THE WORK OF THE BOARD OF DIRECTORS



NOMINATION COMMITTEE

The Nomination Committee is a body established by the Annual General Meeting with the task of preparing motions regarding the election of Board members, the Chairman of the Board and remuneration to Board members and Board committees.

As a basis for its motions, the Nomination Committee takes into account the complete outcome of the evaluation of the Board and its work as well as the competence needed in the future. The Nomination Committee applies rule 4.1 of the Swedish Corporate Governance Code as its diversity policy and the committee has endeavored to establish a Board composition with an equal gender distribution, characterized by diversity and breadth regarding the qualifications, experience and background of the Board members. The 2018 Annual General Meeting resolved to appoint Board members in accordance with the Nomination Committee's proposal.

At the moment, the Board of Directors consists of three women and five men, meaning that the percentage of women on the Board is 37.5 percent, which is in line with the target level stipulated by the Swedish Corporate Governance Board. It is the ambition of the Nomination Committee to continue working to create an equal gender distribution on the Board. The Committee has adopted working instructions that govern its work.

Before each Annual General Meeting, during which the election of auditors takes place, the Nomination Committee also prepares motions regarding the election of auditors and decisions about fees to auditors and other related matters, in consultation with the Board of Directors and the Audit Committee.

At the 2018 Annual General Meeting, it was decided that the principles for appointing the Nomination Committee would be

changed. The 2018 Annual General Meeting resolved that the Nomination Committee shall be composed of representatives of the five largest shareholders in terms of voting rights registered in the shareholders' register as of August 31 in the year prior to the Annual General Meeting. Refer to the AGM minutes for more information on the procedure for replacing members of the Nomination Committee who leave before its work is concluded or due to changes in the shareholder structure. The Chairman of the Board, Marie Ehrling, shall convene the first meeting of the Nomination Committee and shall also be co-opted to the Nomination Committee. Based on these principles, the Nomination Committee consists of the following members.

NOMINATION COMMITTEE PRIOR TO 2019 AGM

Elected member	Shares of votes as of August 31, 2018
Carl Douglas, Investment AB Latour, Chairman	29.58%
Mikael Ekdahl, Melker Schörling AB	10.99%
Maria Nordqvist, Lannebo Fonder	2.60%
Johan Sidenmark, AMF Försäkring och Fonder	2.52%
Jan Andersson, Swedbank Robur Fonder	1.85%
Share of votes not represented in the Nomination Committee	52.46%

The Nomination Committee is to hold meetings as often as necessary to fulfill its duties. However, the Nomination Committee is to hold at least one meeting annually. The previously elected Nomination Committee held two meetings prior to the 2018 Annual General Meeting. The current Nomination Committee held one meeting during 2018.



BOARD OF DIRECTORS

According to the Articles of Association, the Board of Directors should have between five and ten Board members elected by the Annual General Meeting,

with no more than two Deputy Directors. The Directors and Deputy Directors are elected by the Annual General Meeting for the period up to and including the first Annual General Meeting to be held in the year after the Director or Deputy Director was elected. Securitas' Board of Directors has eight members elected by the Annual General Meeting, three employee representatives and one deputy employee representative.

The Annual General Meeting re-elected Marie Ehrling as Chairman of the Board and Carl Douglas as Vice Chairman. For further information about the members of the Board of Directors including remuneration, see pages 39-41.

Responsibilities of the Board of Directors

The Board of Directors is responsible for the organization and administration of the company and the Group in accordance with the Swedish Companies Act and also appoints the President and CEO, the Audit Committee and the Remuneration Committee.

In addition, the Board of Directors determines the President and CEO's salary and other remuneration. The Board meets a minimum of six times annually.

The Board of Directors of Securitas AB has approved a number of policies that apply to governance. Examples of such policies are found on page 49.

The Board ensures the quality of financial reporting through Group policies, procedures and frameworks, clear structures with defined responsibilities and through documented delegation of

authority, which is further described in the enterprise risk management and internal control report, beginning on page 44. The Board has formed an Audit Committee (see section E) and a Remuneration Committee (see section F).

The work of the Board of Directors

The activities of the Board of Directors and the division of responsibility between the Board and Group Management are governed by formal procedures documented in a written instruction, which is adopted by the Board each year after the Annual General Meeting. According to these procedures, the Board should determine, among other things, the Group's overall strategy, corporate acquisitions and property investments above a certain level, and establish a framework for the Group's operations through the Group's business plan. The Board also plays an important role in the ongoing process of identifying and evaluating significant risks faced by the Group.

The procedures include a work instruction for the President and CEO, as well as instructions for financial reporting. The procedures also prescribe that an annual evaluation of the work of the Board of Directors should be carried out. On a yearly basis, all Board members submit their answers to a questionnaire issued by the Nomination Committee about the quality of the work in the Board. Based on this report, an evaluation is made in the Board and in the Nomination Committee.

The Board held eleven meetings in 2018, of which three were held per capsulam. The auditors participated in the Board meeting that was held in conjunction with the yearly closing of the books, in February 2018, where they presented the audit.

THE WORK OF THE AUDIT COMMITTEE



¹ Topics based on a set rolling agenda format with updates on accounting, treasury, acquisitions, risk/insurance, legal, tax, internal control, sustainability, enterprise risk management, follow-up of on site visits, audit/consultancy costs and auditor independence.

(MA) Management Assurance

E

AUDIT COMMITTEE

The Board of Directors has established and appointed an Audit Committee, which operates under the instructions for the Audit Committee and meets with Securitas' auditors at least four times per year. The Committee supports the Board's quality-control work in terms of financial reports, and its internal control over financial reporting.

Specifically, the Committee monitors the financial reporting, the effectiveness of internal control, internal audit activities and the risk management system. The Committee also stays informed about annual statutory audits. It assesses the external auditor's independence and receives information of, and approves the performance of, significant non-audit services.

The Committee presents its findings and proposals to the Board, prior to the Board's decision. The Committee met four times during 2018. The major topics discussed are listed on the previous page.

F

REMUNERATION COMMITTEE

The Board has formed a Remuneration Committee to prepare decisions related to salaries, bonuses, share-based incentive schemes and other forms of compensation for Group Management, as well as other management levels if the Board of Directors so decides. The Committee presents its proposals to the Board, for the Board's decision. The Committee held two meetings during 2018.

A share-based incentive scheme was adopted at the Annual General Meeting 2018, enabling the Group to gradually have approximately 2 500 of Securitas' top managers as shareholders. The scheme strengthens employee commitment to Securitas' future success and development for the benefit of all shareholders. In principal, the adopted incentive scheme entails that one-third of any annual bonus, earned under the performance-based cash bonus schemes, is converted into a right to receive shares, with delayed allotment and subject to continued employment in Securitas. The scope and content of the incentive scheme is unchanged compared to the share-based incentive scheme that was adopted at the Annual General Meetings in 2010 and forward.

For more information on the actual outcome of the share-based incentive scheme in 2018, see note 12 on page 102.

The guidelines for remuneration to senior management that were adopted at the Annual General Meeting 2018 primarily entailed that remuneration to senior management and their terms of employment should be competitive and comply with market conditions, to ensure that Securitas is able to attract and keep competent senior management employees. The total remuneration to Group Management should consist of a fixed basic salary, variable remuneration, pensions and other benefits.

Thus, in addition to a fixed annual salary, Group Management may also receive variable remuneration, which shall be based on the outcome in relation to financial goals within the individual area of responsibility (Group or division) and which shall be aligned with the interest of the shareholders.

The variable remuneration should amount to a maximum of 60 percent of the fixed annual salary for the President and CEO, and a maximum of 42 to 200 percent of the fixed annual salary for other

members of Group Management. The cost of the company for 2018 in terms of its obligations to pay variable remuneration to the Group Management is established to not exceed a total of MSEK 84 at maximum outcome. The complete guidelines for remuneration can be found on www.securitas.com.

Additional information on remuneration to the Board of Directors and Group Management, including the outcome, is disclosed in the Notes and comments to the consolidated financial statements 2018. See note 9 on pages 94-97.

G

PRESIDENT AND CEO AND GROUP MANAGEMENT

The President and CEO and Group Management are charged with overall responsibility for conducting the business of the Securitas Group in line with the strategy and long-term goals adopted by the Board of Directors of Securitas AB. The primary tool used by President and CEO and Group Management to measure the execution of strategies and to guide the employees and organization toward achieving its objectives is the financial framework and the financial model.

In 2018, Group Management comprised the President and CEO and 10 executives with representatives from the divisions. For further information on Group Management, see pages 42-43.

H

MANAGEMENT ASSURANCE

The Management Assurance staff function operates as the Group's internal audit function and reports to the Senior Vice President Finance with an open line of communication to the Audit Committee.

This function prepares an annual plan for its work, which is approved by the Audit Committee. The results of the function's work, which includes the execution and coordination of internal audit related activities during the year, are presented at the Audit Committee meetings. The Management Assurance Director participated in all Audit Committee meetings during 2018.

For more information on the current responsibilities of the Management Assurance function, refer to www.securitas.com.

I

FUNCTIONAL COMMITTEES

The Group has established a number of functional committees and work groups, including the functions for Finance/Tax and Assurance, Corporate Finance/Treasury and Legal/Risk and Insurance. These committees include the CFO, Senior Vice President Finance, Senior Vice President General Counsel and the appropriate functional area experts. The main purpose of these functional committees is to determine appropriate policies, communicate the policies and ensure local understanding (including training) of the policies, as well as monitoring key issues within each area of responsibility. Quarterly meetings are held with the President and CEO, at which topics that will be reported to the Audit Committee are discussed.

J

DIVISIONAL AND LOCAL MANAGEMENT

Securitas' philosophy is to work in a decentralized environment where local management is primarily responsible for monitoring and ensuring compliance by local units with the Group Policies, including any division-specific policies and guidelines. Local management is responsible for

the establishment and continued operations of a system of procedures and controls that ensures the reliability of the company's management and financial reporting information in the most economical and efficient manner possible. This includes ensuring a minimum of basic and supervisory controls in order to mitigate relevant risks. Local management reports to Group Management through divisional management on operational matters and local controllers report through divisional controllers on financial reporting matters.

K

AUDITORS

The Annual General Meeting 2018 elected PricewaterhouseCoopers AB (PwC) as the Group's audit firm, with authorized public accountant Patrik

Adolfson as auditor in charge, for a period of one year.

The auditors' work is based on an audit plan, which is agreed upon in consultation with the Audit Committee and the Board of Directors. The auditors participate in all meetings of the Audit Committee and present their findings from the annual audit at the Board meeting held in February. In addition, the auditors should inform the Audit Committee on an annual basis of any services rendered, other than audit assignments, and any auditing fees received for such services or other circumstances that might affect the evaluation of the auditors' independence. The auditors should also participate in the Annual General Meeting to present the audit report and its conclusions.

The audit is performed in compliance with the Swedish Companies Act, generally accepted auditing standards in Sweden and International Standards on Auditing (ISA).

For audit fees and reimbursement to auditors, see note 11 and 45 on page 101 and 134.

AUDITOR IN CHARGE

Patrik Adolfson, born 1973, Authorized Public Accountant, Auditor in charge, PricewaterhouseCoopers AB. Patrik Adolfson has been auditor in charge of Securitas AB since 2015. Other audit assignments: AcadeMedia AB (publ), Attendo AB (publ), Nordstjernan Investment AB, Pandox AB (publ) and Bonava AB (publ). Member of Far.



Auditor Patrik Adolfson

COMPOSITION OF THE BOARD AND ATTENDANCE IN 2018

Board member	Position			Attendance			Total fee ¹ , SEK	Independent to company (8)	Independent to shareholders (6)
	Board of Directors	Audit Committee	Remuneration Committee	Board meetings (11)	Audit Committee meetings (4)	Remuneration Committee meetings (2)			
Marie Ehrling	Chairman	-	Chairman	11	-	2	2 100 000	Yes	Yes
Carl Douglas	Vice Chairman	-	Member	11	-	2	895 000	Yes	No
Ingrid Bonde	Member	Member ³	-	11	2 ³	-	760 000	Yes	Yes
John Brandon	Member	-	-	11	-	-	580 000	Yes	Yes
Anders Böös	Member	Member	-	11	4	-	760 000	Yes	No
Fredrik Cappelén	Member	Chairman	-	10	4	-	865 000	Yes	Yes
Sofia Schörling Högberg	Member	Member	-	11	4	-	760 000	Yes	No
Dick Seger	Member	-	-	11	-	-	580 000	Yes	Yes
Susanne Bergman Israelsson ²	Member	-	-	10	-	-	0	-	-
Åse Hjelm ²	Member	-	-	9	-	-	0	-	-
Jan Prang ²	Member	-	-	11	-	-	0	-	-

¹ Total fee includes fees for committee work. In total, SEK 975 000 was paid out for committee work, of which SEK 150 000 for Remuneration Committee work and SEK 825 000 for Audit Committee work. For more details, refer to the minutes of the Annual General Meeting 2018 on Securitas' website: www.securitas.com.

² Employee representatives, appointed members of the Board of Directors at the Annual General Meeting. Deputy employee representative is Thomas Fanberg. Thomas Fanberg (b. 1961) has been Deputy Director of Securitas AB since 2008. Employee Representative, Chairman of Salaried Employees' Union local branch, Securitas Norrland.

³ Appointed member of the Audit Committee at the statutory meeting on May 2, 2018.

For comparative information about remuneration to the Board of Directors and senior management, please see note 9 on pages 94-97.

BOARD OF DIRECTORS



MARIE EHRLING

Chairman, b. 1955
 Director of Securitas AB since 2006 and Chairman since 2016
 Principal education: BSc in Economics and Business Administration
 Chairman of Telia Company AB, Vice Chairman of Axel Johnson AB and Director of Axel Johnson International
 Previously: President of Telia Sonera Sverige, Deputy CEO of SAS AB, responsible for SAS Airlines and other executive positions at SAS
 Shares in Securitas: 7 000 Series B shares



CARL DOUGLAS

Vice Chairman, b. 1965
 Deputy Director of Securitas AB since 1992, Director since 1999 and Vice Chairman since 2008
 Principal education: Bachelor of Arts, Doctor of Letters (h.c.)
 Vice Chairman of ASSA ABLOY AB, Director of Investment AB Latour
 Shares in Securitas: 12 642 600 Series A shares and 27 190 000 Series B shares¹



INGRID BONDE

Member, b. 1959
 Director of Securitas AB since 2017
 Principal education: BSc in Business and Economics
 Chairman of Hoist Finance AB, The Swedish climate policy council and Director of Loomis AB, Danske Bank AS and Swedish corporate governance board
 Previously: Director, CFO and deputy CEO of Vattenfall AB, President and CEO of AMF Pensionsförsäkringar AB, Vice President Finance of SAS AB and Director General of the Swedish Financial Supervisory Authority
 Shares in Securitas: 2 600 Series B shares



SOFIA SCHÖRLING HÖBERG

Member, b. 1978
 Director of Securitas AB since 2005
 Principal education: BSc in Economics and Business Administration
 Director of Melker Schörling AB, Hexagon AB and ASSA ABLOY AB
 Shares in Securitas: 4 500 000 Series A shares and 12 071 998 Series B shares²



DICK SEGER

Member, b. 1953
 Director of Securitas AB since 2017
 Principal education: Master of Science
 Previously: CEO, Chairman of the Board and Director of Verisure Group (previous Securitas Direct).
 Shares in Securitas: 26 Series B shares

Alf Göransson left his position as President, CEO and member of the Group Management and Board of Directors as of March 1, 2018.

¹ Private holdings and through Investment AB Latour Group.

² Private holdings and through Melker Schörling AB. In addition, related parties hold 4 800 Series B shares.

All figures refer to holdings on December 31, 2018.



JOHN BRANDON

Member, b. 1956
Director of Securitas AB since 2017
Principal education: Bachelor of Arts in History
Director of Hexagon AB
Previously: Vice President of Apple International, Vice President of Apple Americas and Asia, and President and CEO of Academic Systems.
Shares in Securitas: 10 000 Series B shares



ANDERS BÖÖS

Member, b. 1964
Director of Securitas AB since 2016
Principal education: Economic studies Upper Secondary School
Director of Investment AB Latour and Stronghold Invest AB
Previously: CEO of H&Q AB and Drott AB, Chairman of IFS AB and Cision AB, Director of Haldex AB and Niscayah AB
Shares in Securitas: 25 000 Series B shares



FREDRIK CAPPELEN

Member, b. 1957
Director of Securitas AB since 2008
Principal education: BSc in Business Administration
Chairman of Terveystalo Oy, Dometic Group AB and Transcom AB
Previously: President and Group Chief Executive of Nobia, Chairman of Dustin Group AB, Byggmax Group AB and Sanitec Oy, Vice Chairman of Munksjö AB
Shares in Securitas: 4 000 Series B shares



EMPLOYEE REPRESENTATIVES

SUSANNE BERGMAN ISRAELSSON

Member, b. 1958
Director of Securitas AB since 2004
Employee Representative, Chairman of Swedish Transport Workers' Union local branch 19, Norra Mälardalen
Shares in Securitas: 0



ÅSE HJELM

Member, b. 1962
Director of Securitas AB since 2008
Deputy Director of Securitas AB since 2007
Employee Representative, Vice Chairman of Salaried Employees' Union local branch, Norrland, Chairman of the Securitas Council for Salaried Employees
Shares in Securitas: 120 Series B shares



JAN PRANG

Member, b. 1959
Director of Securitas AB since 2008
Employee Representative, Chairman of Swedish Transport Workers' Union local branch, Securitas Göteborg
Shares in Securitas: 0



GROUP MANAGEMENT

1

MAGNUS AHLQVIST

President and CEO of Securitas AB and Divisional President,
Security Services Europe
Born: 1974
Employed: 2015
Shares in Securitas: 108 989 Series B shares¹, 200 000 share options²

2

BART ADAM

Chief Financial Officer
Born: 1965
Employed: 1999
Shares in Securitas: 37 027 Series B shares¹

3

MARTIN ALTHÉN

Chief Information Officer
Born: 1968
Employed: 2016
Shares in Securitas: 1 544 Series B shares¹

4

WILLIAM BARTHELEMY

Chief Operating Officer,
Security Services North America
Born: 1954
Employed: 1999
Shares in Securitas: 62 109 Series B shares¹

5

SANTIAGO GALAZ

Divisional President,
Security Services North America
Born: 1959
Employed: 1995
Shares in Securitas: 238 406 Series B shares¹

6

JAN LINDSTRÖM

Senior Vice President, Finance
Born: 1966
Employed: 1999
Shares in Securitas: 11 395 Series B shares¹

7

AIMÉ LYAGRE

Chief Operating Officer and Chief Technology Officer,
Security Services Europe
Born: 1959
Employed: 2004
Shares in Securitas: 26 510 Series B shares¹

8

MARC PISSENS

President Aviation
Born: 1950
Employed: 1999
Shares in Securitas: 62 022 Series B shares¹



9

LUIS POSADAS

Divisional President,
Security Services Ibero-America
Born: 1958
Employed: 1995
Shares in Securitas: 45 149 Series B shares¹

10

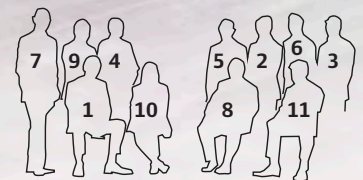
FRIDA ROSENHOLM

Senior Vice President, General Counsel
Born: 1974
Employed: 2018
Shares in Securitas: 0

11

HENRIK ZETTERBERG

Chief Operating Officer, Security Services Europe
Born: 1976
Employed: 2014
Shares in Securitas: 2 544 Series B shares¹, 45 000 share options²



Alf Göransson left his position as President, CEO and member of the Group Management and Board of Directors as of March 1, 2018. He was replaced as President and CEO by Magnus Ahlqvist. Magnus Ahlqvist holds a Master of Science in Economics and Business Administration from the Stockholm School of Economics, and a leadership exam from Harvard Business School. Previously he has held various management positions in Motorola Mobility, Sony and Sony Ericsson Mobile Communications.

Gisela Lindstrand left her position as Senior Vice President, Corporate Communications and Public Affairs as of May 15, 2018. Helena Andreas has been appointed Senior Vice President Brand, Communications and Public Relations of Securitas AB and assumed this position on February 1, 2019. She will be a member of Securitas Group Management.

Peter Karlströmer has been appointed Divisional President Security Services Europe and member of Group Management. He assumed this position on March 4, 2019. Magnus Ahlqvist left the position in connection with this.

For more information about Group Management, visit www.securitas.com/group-management

¹ The actual allocation of shares to Group Management under the Securitas share-based incentive scheme 2017 can be found on page 97, and the total potential allocation of shares to Group Management under the Securitas share-based incentive scheme 2018 can be found on page 95.

² Share options regarding acquisition of Securitas Series B shares, issued by Melker Schörling AB and Investment AB Latour.

Proactive Risk Management and Internal Control

Securitas' internal control system is designed to manage, rather than eliminate, the risk of failing to achieve business objectives. The system provides reasonable, but not absolute, assurance against material misstatement or loss, as well as compliance with the main policies.

Internal control over financial reporting is included as a part of the overall internal control of Securitas and constitutes a central part of the Group's corporate governance. The description below covers a broader perspective on how Securitas' internal control is organized, using a structure based on the COSO model, but also makes specific reference to items pertaining directly to internal control over financial reporting. On pages 48-51 we describe Securitas' enterprise risk management process (ERM), which sets the overall process for Securitas' proactive and continuous work with risk management and internal control. Securitas' insurance and claims strategy is to "act as if uninsured". Refer to page 49 for more information about insurance as a risk management tool.

CONTROL ENVIRONMENT

The key features of the control environment include: clear terms of reference for the Board and each of its committees, a clear organizational structure with documented delegation of authority documented in an approval matrix, from the Board to President and CEO and further to Group Management. It also includes the competence of employees and a series of Group policies, procedures and frameworks.

Emphasis lies on the competence and abilities of the Group's employees, with continuous training and development actively encouraged through a wide variety of training programs.

The Group has three fundamental values - Integrity, Vigilance and Helpfulness - to help its employees exercise good judgment and make decisions on a consistent basis.

Policies that apply to internal control over financial reporting are described in Securitas' Group Policies, which include the company's model for financial control (for more detailed information on the model, refer to pages 54-55), and in the Securitas Reporting

Manual, which specifically focuses on reporting matters to ensure compliance with reporting requirements and rules. This creates an environment that supports reliable and accurate reporting.

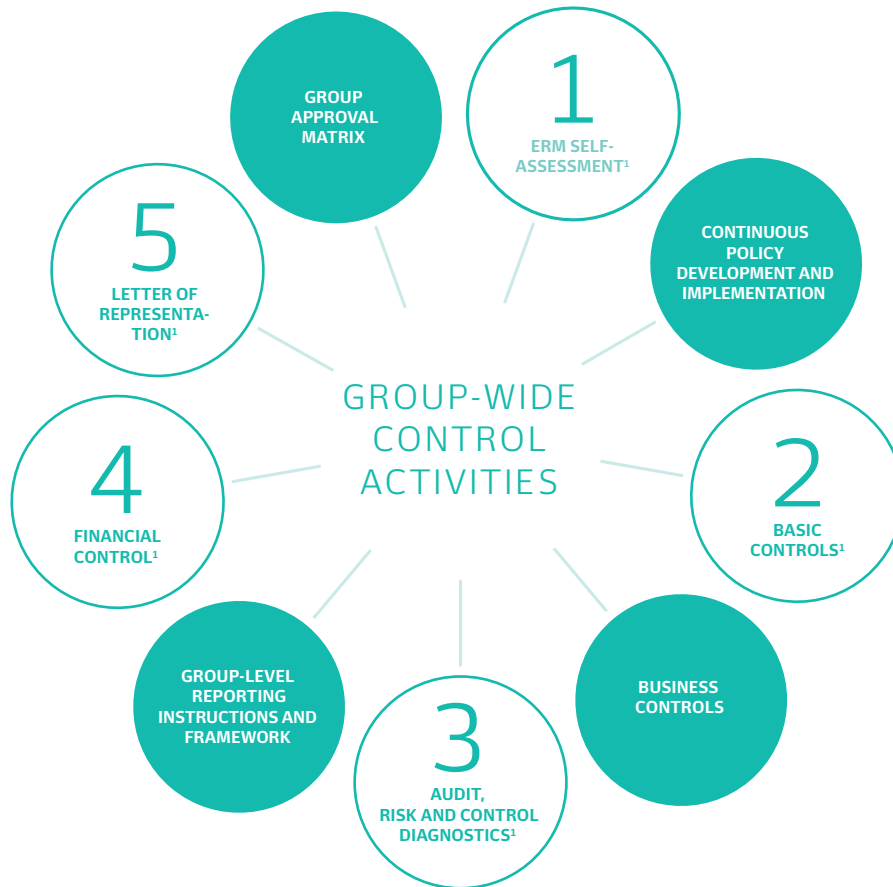
RISK ASSESSMENT

At the highest level, the Board considers where future strategic opportunities and risks lie and helps shape the corporate strategy. Balanced and focused risk management is necessary for the fulfillment of Securitas' strategies and the achievement of its corporate objectives.

Enterprise risk management (ERM) is an integral component of Securitas' operations, and risk awareness is part of the company culture. Risk assessments are conducted within the framework of the Securitas ERM process, further described on page 48-51, regardless whether the assessments pertain to operational risks or financial reporting risks. Securitas does not classify compliance risk as a separate category. Instead, it is included in the operational category. Risk assessment is a dynamic process that aims to identify and analyze risks in relation to Securitas' objectives. It serves as the basis for implementing mitigating actions after considering the controls in place (reduce, transfer/share or accept the risk in question).

GROUP-WIDE CONTROL ACTIVITIES

Internal control covers all divisions and subsidiaries in the Group. Internal control activities are established by policies and processes, which help ensure that all management directives to manage risks are executed. Controls are performed on several levels within the organization and are established based on the process concerned.



This illustration shows an overview of the key Group-wide control activities.

1 Described in further detail below.

1 ERM SELF-ASSESSMENT
Every major country throughout the Group performs an annual self-assessment, which is a part of the process to manage enterprise-wide risks. It covers key risks, including financial reporting risks, measures taken and compliance with Securitas Group Policies and Securitas Reporting Manual. The content is updated on a continuous basis to reflect the risks that Securitas is facing, which includes ensuring that risks related to the strategy and development of the technology offering are incorporated as appropriate.

The self-assessments promote control awareness and accountability and results are signed off by each country president. The answers are compiled at the divisional and Group levels to support benchmarking within and between divisions. The answers are also used as input for further audit or review procedures, or other risk management activities. Group and division create action plans and activities to follow up and support the countries. Each reporting country is responsible for acting on any deviations.

2

BASIC CONTROLS

Detailed controls in financial reporting processes such as revenue, payroll and IT, are included as one component of Securitas' overall Group-wide control framework called "basic controls". Basic controls set the minimum Group requirement regarding what needs to be in place based on risk assessment. Supplementary controls ensure full protection of the company's assets and assure accurate and reliable financial reporting tailored to the entity's company's specific conditions. These controls can include manual, application or general IT controls.

Key areas covered:

- > protection of company assets
- > completeness and timeliness of client invoicing
- > credit collection procedures
- > contract management
- > HR/payroll
- > IT (including information security)
- > business continuity planning
- > validity of payments to third parties
- > accuracy of general ledger
- > timeliness and accuracy of Group reporting compliance with local requirements

3

AUDIT, RISK AND CONTROL DIAGNOSTICS

One important audit activity is the country diagnostics.

The diagnostics comprise a work program covering IFRS compliance, as well as key controls within financial reporting processes, contract management and IT security. These reviews are usually conducted within the first year after an acquisition has been made and a follow-up is performed during the second year, provided that significant areas for improvement have been identified. The Group also performs risk and control diagnostics in functional areas which, by nature, have a high degree of inherent risk. These diagnostics aim to ensure compliance with key policies such as the Client contract policy and the Securitas' Values and Ethics Code. Securitas develops this audit and review process on a continuous basis using both internal and external resources.

4

FINANCIAL CONTROL

Control activities specifically aimed at managing risks related to financial reporting include methods and activities for securing assets, controlling the accuracy and reliability of internal and external financial reports, and ensuring compliance with defined guidelines.

Regular analyses of the financial results at the various levels of the organization using the financial model ensure that financial information maintains a high level of quality. Securitas' financial reporting is based on the following foundations:

- > Securitas Group Policies for financial planning and reporting, long-term financing and treasury, risks and insurance, communications, branding, legal issues and IT

- > Guidelines in Securitas' financial model, which create the framework for a simple and clear internal reporting method, including timely and accurate follow-up of financial key figures (Securitas Six Fingers)
- > Securitas' Reporting Manual, which provides all managers and financial staff with detailed instructions and definitions for financial reporting
- > The controller, who is responsible for continuously ensuring that the financial information provided is accurate, transparent, relevant and up to date. The controller receives continuous feedback from the Group regarding reporting quality, which is an effective tool for enhanced reporting. In addition, each division has a divisional controller with corresponding responsibilities at the divisional level.

5

LETTER OF REPRESENTATION

The Group has a representation process in which operating unit presidents and controllers sign a letter of representation in connection with the year-end report, stating their opinion on whether the internal control over financial reporting and the reporting packages give a true and fair view of the financial position.

The letter also covers the broader perspective of internal control, including compliance with Securitas Group Policies related to financial reporting.

INFORMATION AND COMMUNICATION

Securitas' channels for information and communication are constantly developed to ensure that all employees are given clear objectives and are made aware of the parameters that constitute acceptable business practices, as well as the expectations of the Board in managing risks. This provides a clear definition of the Group's purpose and goals, accountabilities and the scope of permitted activities of employees.

Systems and procedures have been implemented that support complete, accurate and timely financial reporting and provide management with the necessary reports on business performance relative to the established objectives. The Group reporting department regularly issues guidance on reporting matters and the reporting manual is available in a Group-wide database. Reporting units regularly prepare financial and management reports that are discussed at review meetings at different levels. These include an analysis of financial performance and risks for the organization to understand its responsibility with regard to internal control and its impact in relation to risks, goals and objectives.

MONITORING

Monitoring is performed at different levels and by different functions within the organization depending on whether it is related to operational or financial reporting matters. Key functions include the Board of Directors, the Audit Committee, Group Management, functional committees, Management Assurance, the Group risk organization, and local and divisional management.



Four-step process for managing enterprise risk

Securitas' process for enterprise risk management (ERM) is well integrated into in the business and seeks to identify, prioritize and manage the key risks to our operations at all levels and in all parts of the organization.



Securitas is exposed to various types of risks in its daily business. When providing security services, Securitas manages not only its own risks, but also risks on behalf of its clients. It is important to us to minimize the risk of loss occurring as it also protects our stakeholders. Securitas' risks have been classified into three main categories: **contract and acquisition risks, operational assignment risks and financial risks**. The categories are based on the natural flow of our business – entering into a contract, execution of the assignment and the financial result. Similar risk categories are also relevant for acquisitions, but are then classified as acquisition risks, operational integration risks and financial integration risks.

CONTRACT AND ACQUISITIONS RISKS

The contract risks (and acquisition risks) category includes risks related to entering into a client contract and risks related to the acquisition of a new business.

OPERATIONAL ASSIGNMENT RISKS

The operational assignment risks (and operational integration risks) category includes risks that are associated with our daily operations and the services we provide to our clients. This category also covers all risks related to the infrastructure necessary for running the business as well as sustainability risks. Examples are assignment execution risks, Securitas' Values and Ethics compliance risk and health and safety risks and operational risks, such as

IT failure, business continuity, information security and data protection, as well as employee attraction and retention.

FINANCIAL RISKS

The financial risks (and financial integration risks) category includes risks related to financial reporting, as well as financial risks related to external financing needs and currency exposure. To allow the divisions, countries and regions to focus fully on their operations, the management of certain risks such as financing and currency is centralized to the Group Treasury Centre. Other examples within this category are fraud and error risk, management estimates assumptions risk, credit and cash flow risk and regulatory reporting risk.

All the risks in these categories can impact the Group's financial performance and position if they are not managed in a structured way. Therefore, Securitas has developed its four-step process approach for managing enterprise risks.

To support the ERM work, Securitas has implemented a web-based governance, risk and compliance (GRC) system that cover all four steps in Securitas' enterprise risk management process and gathers the ERM information in one database. It is used to streamline the ERM work by structuring and automating processes and workflows, such as reports. The aim is to improve the overall quality of the ERM work and have one single point of information.

1 The process starts with risk identification and prioritization during the ERM planning process. As part of the overall annual business plan process, each level of the organization prepares an ERM business plan, which sets the focus and priorities for operational risk management within countries, divisions and the Group for the coming year. The yearly risk assessment process is coordinated by the Group risk organization. The Group function is also responsible for maintenance of the risk register, which is updated annually primarily based on the country ERM business plans, but also on other sources of input.

2 The next step in the process is to assess whether new policies need to be created or existing policies need to be updated. Securitas Group policies, which is one of the cornerstones of Securitas' ERM process, establish the framework for all policies and compliance monitoring in the Group. The Group policies are developed by management and key policies are approved by the Board of Directors. A general policy update is released after the statutory Board meeting in May every year, but specific policies are also issued or updated when necessary throughout the year. Some of the key policies adopted that are relevant for governance perspectives are Client Contract policy, Securitas' Values and Ethics Code, Communication policy, Competition law compliance policy, Privacy policy and Insider policy.

3 The third step of the process is the risk management activities. The Board of Directors has the ultimate responsibility for governance of risk management while the accountability for managing risks and for implementing and maintaining control systems in accordance with Group policies is clearly assigned to management at Group, divisional and local level. Specifically, divisional management are responsible for all aspects of the operations in their divisions, including operational risk management and risk minimization as well as creating risk awareness throughout the division. Operating unit managers and country risk managers are responsible for ensuring that risk management is part of the local corporate culture at all levels within a country.

4 The identified risks and adopted policies set the structure for the forth step of the process - Risk-based monitoring. Key risks are monitored through self-assessments, audits, risk and control diagnostics (described on page 45-46), legal reviews, sustainability reviews and/or are subject to other monitoring activities throughout the year. Monitoring permeates all levels throughout the organization and is performed by different functions depending on whether it is related to operational or financial reporting matters.

More information on each step of the process is to be found on www.securitas.com

INSURANCE AS A RISK MANAGEMENT TOOL

STRATEGY

Securitas' insurance and claims strategy is to "act as if uninsured." This means that while external insurance is used to protect the balance sheet and minimize fluctuations in earnings, our day-to-day task is to perform our assignment as if we do not have any insurance in place.

One important part of our risk management work involves taking a proactive approach to contracts and assignment instructions to prevent claims from occurring. From a risk management perspective, it is important that the contract clearly defines the assignment to be performed by Securitas and that our employees' assignment instructions mirror the contract.

IMPORTANCE OF ACTIVE CLAIMS MANAGEMENT

Another significant part of Securitas' risk management work involves active claims management, as well as ongoing claims analysis of frequent and large losses with the aim of identifying the underlying driving forces. The claims are analyzed to find out if there are certain types of services, contracts, regions and so forth that cause insurance claims. As the Group's external insur-

ance premiums are partly determined by the historic loss record, a favorable loss record will contribute to lower premiums and a lower cost of risk.

PROCUREMENT STRATEGY

Insurance programs are procured with the objective of creating a balanced and cost-efficient protection against negative financial impact. Securitas seeks to achieve economies of scale through coordinated insurance programs and the optimal utilization of the Group's insurance captives. The strategy is to cover the more frequent claims arising in Securitas' own books. Using insurance captives gives the Group an opportunity to handle part of the claims process internally and provides Group Management with an option to establish some independence from the cyclical nature of commercial insurance markets.

BENEFITS FOR OUR CLIENTS

An important advantage of our Global insurance programs is that our clients can be confident that Securitas' high-quality insurance cover is consistent in all markets.

SECURITAS KEY RISKS

Securitas' risk register contains about 50 risks. Out of the 50 risks, 14 are selected as top risks that will be subjected to monitoring activities during the year. Out of these, seven risks are currently

considered key Group risks and have been assigned primary focus during the year. For information on our key risks and how they are managed, refer to the table below.

	Client contract risk	Securitas' Values and Ethics compliance risk	Information security risk
<p>INPUT AND RISK IDENTIFICATION</p> <p>1</p>	<p>Risk that unreasonable obligations and risks are undertaken in the contract, resulting in unbalanced terms for the type of assignment in question, such as excessive liability, unrealistic service levels or unfavorable pricing mechanisms.</p>	<p>Risk of non-compliance with Securitas' Values and Ethics Code (the Code) can ultimately result in reputational damage, lost revenues, penalties, fines, difficulties in recruiting, etc.</p>	<p>Risk of failing to protect the confidentiality, integrity and/or availability of data and data processing, which may result in operational losses, reputational damage, third-party liabilities and/or regulatory fines.</p>
<p>POLICY DEVELOPMENT</p> <p>2</p>	<p>The Group has formal policies and guidelines for defining the approval process and authorization levels for new contracts as well as how to manage existing contracts. All relevant employees receive training in these policies. In addition, operations are protected by a customized Securitas insurance program, should unforeseen events occur. Read more about Securitas' insurance and claims strategy on the previous page.</p>	<p>The Code is one of the key corporate policies that ensures the company upholds and promotes the highest ethical business standards. Securitas' basic requirement is to act within the framework of laws and international conventions, such as the United Nations Universal Declaration of Human Rights. In addition to the Code, the Group has adopted several policies as a complement to the Values and Ethics Code, such as an anti-corruption policy, emission policy, supplier and subcontracting policy, and competition law policy.</p>	<p>The Group's information security policy sets forth Group Management's ambition, expectations and directions for information security across the Securitas Group as a further level of detail to supplement the information security strategy established by the Board of Directors.</p>
<p>RISK MANAGEMENT ACTIVITIES</p> <p>3</p>	<p>To manage contract risks in a structured way in the operations, we use a business risk evaluation model known as the Scale, which is part of Securitas' management model, "The Toolbox". The model evaluates the assignment, risk, contract terms and financial aspects. All employees involved in the contract management process receive training in the model.</p>	<p>All our employees are trained in the Code. In addition, we also have training requirements for the policies related to the Code, such as the anti-corruption policy, competition law policy, and supplier and subcontractor policy.</p>	<p>Information security risk management will remain a focus area over the next few years as the cyber security threat landscape evolves. In 2018, Securitas created a leadership role at Group level to lead the further definition and rigorous implementation of the Group's information security risk management system. A Securitas-wide awareness program concerning information security was launched and additional dedicated resources have been mobilized to support further policy implementation.</p>
<p>RISK-BASED MONITORING</p> <p>4</p>	<p>Since contract risk is a key risk, Securitas monitors this through reviews (called diagnostics) to test the effectiveness of controls in the contract management process. Contract risk is also monitored through the ERM self-assessments and business plan process.</p>	<p>The risk is monitored through sustainability reviews, audits, the ERM self-assessments and business plan process. The Group has a Sustainability Steering Committee, which establishes the principles for Securitas' sustainability work and closely follows up cases of alleged non-compliance with the Code, reported through Securitas Integrity Line or other reporting channels.</p>	<p>The implementation of the information security policy and strengthening of relevant capabilities in this domain are monitored using different sources of assurance, such as reviews, audits, ERM self-assessments as well as local country monitoring activities.</p>

Assignment execution risk	Compliance (regulatory and other) risk	Business continuity risk including IT failure risk	Price risk
Risk that agreed contractual requirements are not met, which in turn could adversely impact the contract portfolio churn rate, growth, client relations and reputation.	Risk that regulatory and other requirements are not met or that Securitas does not meet the compliance expectations in the market or among our clients or investors. This could result in lower quality, higher costs, loss of income, delay, penalties, fines or reputational damage.	Risk that key business processes cannot operate following an incident. Includes the risk of disruptions in the IT infrastructure which could cause significant disruption to the operations.	Risk of not being able to manage prices/wages in a desired manner, for example wage increases not reflected properly in client contracts which could lead to deteriorated margins.
The Group policy requires local human resources policies covering the areas of hiring employees, retaining employees, development and training, and compliance with relevant laws and regulations. Proper recruitment procedures and the training and supervision of security officers are important for mitigating the risk.	Risks related to compliance with laws and regulations are managed at all levels in the organization, by all employees. The guiding policy is Securitas' Values and Ethics Code, but risks are further governed in separate policies relating to specific topics/ areas.	The Group's business continuity policy requires all entities to have a written contingency plan based on the classification of key processes. The plan should also cover key IT systems and be linked to controls of IT disruptions, including disaster recovery plans. The plan should cover all relevant areas, including regular updates and testing.	Part of the Group financial reporting procedures, reporting of price/wage KPIs at Group level is mandatory as part of the monthly and quarterly reporting package.
Local procedures for security services include a process for written site instructions ensuring they are defined, up to date, known and understood.	It is mandatory that local processes include procedures to ensure compliance with relevant laws and regulations, that there is an assigned responsibility for recurring reviews and that action plans are in place for addressing any issues identified. The GDPR project has also been a key focus during the year to ensure implementation by May 25, 2018.	During the last couple of years, Securitas has carried out a Group project focusing on business continuity planning with workshops in selected countries throughout the Group to share methodologies for creating, testing and maintaining business continuity plans for critical business processes and IT systems.	The processes include measurement, communication, training and support for employees involved in the pricing of our services, at the inception of a contract and for price adjustments.
The risk is monitored through the ERM self-assessments and business plan process as well as through local branch audits.	The review procedures in the Group are designed to identify any changes in regulatory requirements that may affect Securitas' activities and to take the appropriate actions.	The risk is monitored through the ERM self-assessments and business plan process as well as through a specific "BCP project" carried out by the Group.	Price/wage increases are monitored and followed up on a monthly basis and are part of the monthly reporting package at Group level.

Stockholm, March 18, 2019

Marie Ehrling
Chairman

Carl Douglas
Vice Chairman

Ingrid Bonde
Director

John Brandon
Director

Anders Böös
Director

Fredrik Cappelen
Director

Sofia Schörling Högberg
Director

Dick Seger
Director

Susanne Bergman Israelsson
Director
Employee Representative

Åse Hjelm
Director
Employee Representative

Jan Prang
Director
Employee Representative

Magnus Ahlqvist
President and Chief Executive Officer

AUDITOR'S REPORT ON THE CORPORATE GOVERNANCE STATEMENT

(translation of the Swedish original)

To the general meeting of the shareholders in
Securitas AB, corporate identity number 556302-7241

Engagement and responsibility

It is the Board of Directors who is responsible for the corporate governance statement for the year 2018 (on pages 32-52) and that it has been prepared in accordance with the Annual Accounts Act.

The scope of the audit

Our examination has been conducted in accordance with FAR's auditing standard RevU 16 The auditor's examination of the corporate governance statement. This means that our examination of the corporate governance

statement is different and substantially less in scope than an audit conducted in accordance with International Standards on Auditing and generally accepted auditing standards in Sweden. We believe that the examination has provided us with sufficient basis for our opinions.

Opinions

A corporate governance statement has been prepared. Disclosures in accordance with chapter 6 section 6 the second paragraph points 2-6 the Annual Accounts Act and chapter 7 section 31 the second paragraph the same law are consistent with the annual accounts and the consolidated accounts and are in accordance with the Annual Accounts Act.

Stockholm, March 18, 2019
PricewaterhouseCoopers AB

Patrik Adolfson
Authorized Public Accountant
Auditor in charge

Madeleine Endre
Authorized Public Accountant

