



# Press Release

March 27, 2020

## Annual General Meeting of Shareholders in Securitas AB

**The shareholders of Securitas AB, reg. no 556302-7241, are hereby invited to attend the Annual General Meeting ("AGM") to be held at 16.00 CEST on Thursday May 7, 2020 at Courtyard Marriott Hotel, Rålambshovsleden 50, Stockholm. Further information regarding the process of entry will be made available on the company website [www.securitas.com/agm2020](http://www.securitas.com/agm2020).**

### A. Notice of attendance

Shareholders who wish to attend the AGM must:

- (i) be recorded in the share register maintained by Euroclear Sweden AB on Thursday April 30, 2020; and
- (ii) notify Securitas AB of their intent to participate in the AGM at the address: Securitas AB, "AGM", c/o Euroclear Sweden AB, P.O. Box 191, SE-101 23 Stockholm, Sweden, by telephone +46 10 470 31 30 or via the company website [www.securitas.com/agm2020](http://www.securitas.com/agm2020), by Thursday April 30, 2020, at the latest. On giving notice of attendance, the shareholder shall state name, personal or corporate identity number or equivalent, address and telephone number. A proxy form is available on the company website [www.securitas.com/agm2020](http://www.securitas.com/agm2020) and will be sent by mail to shareholders informing the company of their address and their wish to receive a copy of the proxy form. Proxy holders and representatives of legal persons shall submit papers of authorization prior to the AGM. As confirmation of the notification, Securitas AB will send an entry card to be presented at registration for the AGM.

In order to participate in the proceedings of the AGM, owners with nominee-registered shares must request their bank or broker to have their shares temporarily owner-registered with Euroclear Sweden AB. Such registration must be made as of Thursday April 30, 2020 and the banker or broker should therefore be notified in due time before said date.

### Information regarding the Coronavirus (COVID-19) outbreak

In order to reduce the risk of spreading the coronavirus and to safeguard the well-being of Securitas' shareholders and employees, the Board of Directors has decided to introduce a number of precautionary measures.

Securitas is your intelligent protective services partner. We base our protective services on customer-specific needs through different combinations of on-site, mobile and remote guarding, electronic security, fire and safety and corporate risk management. Everywhere from homes to airports, our 370 000 employees are making your world a safer place.

Such measures include that planned speeches will be reduced to a minimum and that no food or refreshments will be served following the AGM. The CEO's speech will be posted on the company website after the AGM. Further, participation at the AGM by non-shareholders will be limited.

In light of the recent government instructions Securitas would like to encourage all shareholders to carefully consider whether to attend the meeting in person, but instead use its right to appoint a proxy holder who can vote on their behalf. Securitas also encourages such solution for anyone displaying symptoms of illness, who has recently visited an area with widespread infection, or who is considered to be part of a risk group.

Securitas is carefully monitoring the development and if necessary, the Board of Directors may decide on further precautionary measures. If the situation so requires, the Board of Directors may further decide, within the applicable rules, to adjust matters on the agenda as well as the board's proposals. Any updated information will be disclosed and made available on the company website [www.securitas.com/agm2020](http://www.securitas.com/agm2020).

## **B. Agenda**

### Proposal for Agenda

1. Opening of the Meeting.
2. Election of Chairman of the Meeting.
3. Preparation and approval of the voting list.
4. Approval of the agenda.
5. Election of one or two person(s) to approve the minutes.
6. Determination of compliance with the rules of convocation.
7. The President's report.
8. Presentation of
  - a. the Annual Report and the Auditor's Report and the Consolidated Financial Statements and the Group Auditor's Report,
  - b. the statement by the auditor on the compliance with the guidelines for remuneration to senior management applicable since the last AGM, and
  - c. the Board's proposal for appropriation of the company's profit and the Board's motivated statement thereon.
9. Resolutions regarding
  - a. adoption of the Statement of Income and the Balance Sheet and the Consolidated Statement of Income and the Consolidated Balance Sheet as per 31 December 2019,
  - b. appropriation of the company's profit according to the adopted Balance Sheet,
  - c. record date for dividend, and
  - d. discharge of the Board of Directors and the President from liability for the financial year 2019.
10. Determination of the number of Board members.

11. Determination of fees to Board members and auditors.
12. Election of Board members.
13. Election of auditors.
14. Determination of guidelines for remuneration to senior management.
15. Resolution regarding a proposal for authorization of the Board to resolve on acquisition and transfer of the company's own shares.
16. Resolutions regarding the implementation of an incentive scheme, including hedging measures by way of a share swap agreement.
17. Resolution regarding the implementation of a long-term incentive program (LTI 2020/2022).
18. Closing of the Meeting.

#### **Election of Chairman of the Meeting (item 2 on the agenda)**

The Nomination Committee ahead of the AGM 2020 has consisted of Carl Douglas (Investment AB Latour, etc.), Mikael Ekdahl (Melker Schörling AB), Maria Nordqvist (Lannebo Fonder), Jan Andersson (Swedbank Robur Fonder) and Adam Gerge (Didner och Gerge Fonder), and has proposed that Marie Ehrling, Chairman of the Board, is elected Chairman of the AGM 2020.

#### **Proposal for Dividend (items 9 (b) and (c) on the agenda)**

The Board proposes that a dividend of SEK 4.80 per share be declared. As record date for the dividend, the Board proposes May 11, 2020. If the AGM so resolves, the dividend is expected to be distributed by Euroclear Sweden AB starting May 14, 2020. The Board has presented a motivated statement pursuant to Chapter 18, Section 4 of the Swedish Companies Act. The statement is available at the company and on the company's website [www.securitas.com/agm2020](http://www.securitas.com/agm2020). If the situation so requires, the Board of Directors may further decide, within the applicable rules, to adjust matters on the agenda as well as the board's proposals.

#### **Proposals for Election of Board Members and Auditors and Resolution regarding Fees to the Board Members and the Auditors (items 10-13 on the agenda)**

At the AGM 2020, the Nomination Committee will, in connection with the election of Board members and auditors and the resolutions regarding fees to the Board members and the auditors, present and motivate the below proposals and also report on its activities. In connection with the notice, the reasoned statement of the Nomination Committee will be held available at the company website, [www.securitas.com/agm2020](http://www.securitas.com/agm2020).

The Nomination Committee has proposed the following:

The number of Board members shall be eight, with no deputy members. The Nomination Committee proposes re-election of the Board members Ingrid Bonde, John Brandon, Anders Böös,



Fredrik Cappelen, Carl Douglas, Marie Ehrling, Sofia Schörling Högberg and Dick Seger. Marie Ehrling is proposed to be re-elected as Chairman of the Board.

Information about the proposed Board members is available on the company website [www.securitas.com](http://www.securitas.com).

As auditors, the Nomination Committee proposes, in accordance with the Audit Committee's recommendation, re-election of the auditing firm PricewaterhouseCoopers AB, with authorized public accountant Patrik Adolfson as auditor in charge, for a period up to and including the AGM for 2021. The auditor's fees are proposed to be paid as per agreement.

Fees to the Board members for the period up to and including the AGM 2021 shall amount to SEK 8,445,000 in total (including fees for committee work) to be distributed between the Board members as follows: the Chairman of the Board shall receive SEK 2,300,000, the Deputy Chairman shall receive SEK 870,000 and each of the other Board members shall receive SEK 700,000. As consideration for the committee work, the Chairman of the Audit Committee shall receive SEK 325,000, the Chairman of the Remuneration Committee shall receive SEK 100,000, the members of the Audit Committee each SEK 200,000 and the members of the Remuneration Committee each SEK 50,000.

#### **Proposal for Guidelines for Remuneration to Senior Management (item 14 on the agenda)**

##### Scope

The Board of Directors proposes that the Annual General Meeting 2020 adopts the following guidelines for remuneration to the individuals who are included in the Group Management of Securitas (the "senior management employees").

The guidelines shall apply to agreements entered into after the Annual General Meeting 2020, and to changes made in existing agreements after the Annual General Meeting 2020. These guidelines do not apply to any remuneration decided or approved by the general meeting.

##### Promotion of Securitas' business strategy, long-term interests and sustainability etc.

In short, Securitas business strategy is to offer protective services that integrate all areas of Securitas' competence. Together with the customers, Securitas develop optimal and cost-efficient solutions that are suited for the customers' needs. This brings added value to the customers and results in stronger, more long-term customer relationships and improved profitability. In order to attract and keep competent senior management employees, Securitas shall offer a competitive total remuneration that is in line with the market conditions on the relevant market for each senior management employee. Thereby, the ambition is to ensure that Securitas has the leading team in the security services industry, which is expected to contribute to Securitas' business strategy and long-term interests, including its sustainability. More information on Securitas' business strategy is available on Securitas' website [securitas.com](http://securitas.com), section Our offering – Strategy.

Securitas has implemented share-related incentive plans. Every year since 2010, the Annual General Meeting has resolved on share related incentive schemes including approximately 2,600

employees within the Group. The outcome of these incentive schemes relates to how the criteria for awarding variable cash remuneration are satisfied and thus they are distinctly linked to Securitas' business strategy, long-term interests and sustainability. 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 share-related incentive plans have been resolved by the general meeting and are therefore excluded from these guidelines. The share-related incentive plans proposed by the Board of Directors and submitted to the Annual General Meeting 2020 for approval are excluded for the same reason. More information on Securitas' incentive plans is available on Securitas' website securitas.com, section Corporate Governance – Remuneration to Senior Management.

#### Types of remuneration

The total remuneration to senior management shall consist of a fixed basic salary, variable cash remuneration, pension benefits and other benefits. Additionally, the general meeting may – irrespective of these guidelines – resolve on, among other things, share-related or share price-related remuneration.

The fixed basic salary shall be competitive and reflect each senior management employee's responsibility and performance. The variable cash remuneration shall amount to a maximum of 85 percent of the fixed basic salary for the President and CEO and a maximum of 60-200 percent of the fixed basic salary for other senior management employees.

The senior management employees shall be subject to defined contribution pension plans for which insurance premiums are transferred from the individual's total cash remuneration and paid by the company during the term of employment. In exceptional cases, the value of such insurance premiums can instead be paid as part of the cash remuneration to a senior management employee. Variable cash remuneration shall qualify for pension benefits to the extent required by mandatory collective agreement provisions. Insurance premiums may amount to not more than 35 percent of the fixed basic salary.

Other benefits, such as company car, life insurance, special health insurance or occupational health service shall be provided to the extent this is considered customary for senior management employees holding equivalent positions on the labor market where the senior management employee is active. Premiums and other costs relating to such benefits may amount to not more than 15 percent of the fixed basic salary.

For employments governed by rules other than Swedish, pension benefits and other benefits may be duly adjusted for compliance with mandatory rules or local practice, taking into account, to the extent possible, the overall purpose of these guidelines.

#### Criteria for awarding variable cash remuneration

Variable cash remuneration shall be awarded based on the outcome of clearly measurable performance-based targets that are set as close to the local business as possible and aim for long-term profitability of Securitas. The performance-based targets may for example relate to EBITA, EPS and/or cash flow within each senior management employee's area of responsibility (group or division). Furthermore, the performance-based targets are intended to contribute to Securitas' business strategy and long-term interests, including its sustainability, by, among other things, promoting the senior management employee's long-term development within Securitas and reconciling the shareholders' interests with the employee's interests.

The Remuneration Committee shall, for the Board of Directors, prepare, monitor and evaluate matters regarding variable cash remuneration to the senior management. Ahead of each measurement period for the criteria for awarding variable cash remuneration, which can be one or several years, the Board of Directors shall, based on the work of the Remuneration Committee, establish which criteria that are deemed to be relevant for the upcoming measurement period. After a measurement period has ended, it shall be determined to which extent the criteria have been satisfied. Evaluations regarding fulfilment of financial targets shall be based on established financial information for the relevant period.

Variable cash remuneration can be paid after the measurement period has ended or be subject to deferred payment. If payment of variable cash remuneration has been effected on grounds later proven to be obviously inaccurate, Securitas shall, to the extent legally possible, have the possibility to reclaim such paid remuneration.

#### Termination of employment

At dismissal, the notice period for senior management employees shall not exceed twelve months, with a right to redundancy payment equivalent to a maximum of 100 percent of the fixed basic salary for a period not exceeding twelve months after the end of the notice period. At resignation by a senior management employee, the notice period shall amount to a maximum of six months without a right to redundancy payment.

Additionally, remuneration may be paid for non-compete and non-solicitation undertakings in accordance with mandatory rules or local practice. The remuneration shall be based on the fixed cash salary at the time of termination of employment and be paid during the time the non-compete or the non-solicitation undertaking applies, however not for more than 24 months following termination of employment.

#### Salary and employment conditions for employees

In the preparation of the Board of Directors' proposal for these guidelines, salary and employment conditions for employees of the company have been taken into account by including information on the employees' total income, the components of the remuneration and increase and growth rate over time, in the Remuneration Committee's and the Board of Directors' basis of decision when evaluating whether the guidelines and the limitations set out herein are reasonable.

#### The decision-making process to determine, review and implement the guidelines

The Remuneration Committee's tasks include preparing the Board of Directors' decision to propose guidelines for remuneration to the senior management. The Board of Directors shall prepare a proposal for new guidelines at least every fourth year and submit it to the general meeting. The guidelines shall be in force until new guidelines are adopted by the general meeting. The Remuneration Committee shall also monitor and evaluate programs for variable remuneration for the senior management, the application of the guidelines for remuneration to senior management as well as the current remuneration structures and compensation levels in Securitas. The members of the Remuneration Committee are independent of the company and its senior management. The CEO and other members of the senior management do not participate in the Board of Directors' processing of and resolutions regarding remuneration-related matters in so far as they are affected by such matters.

#### Deviation from the guidelines

The Board may temporarily resolve to deviate from the guidelines, in whole or in part, if in a specific case there is special cause for the deviation and a deviation is necessary to serve Securitas long-term interests, including its sustainability, or to ensure Securitas financial viability. As set out above, the Remuneration Committee's tasks include preparing the Board of Directors' resolutions in remuneration-related matters. This includes any resolutions to deviate from the guidelines.

#### Transitional provisions applicable for the Annual General Meeting 2020

The cost of the company for 2020 in terms of its obligations to pay variable cash remuneration to the senior management is estimated to not exceed a total of MSEK 108 at maximum outcome (not including potential costs for the LTI 2020/2022). Information on previously decided remuneration which has not yet been paid can be found in note 9 of the Annual Report for 2019.

#### **Proposal for Authorization of the Board to Resolve on Acquisition and Transfer of the Company's Own Shares (item 15 on the agenda)**

The Board proposes that the Annual General Meeting for 2020 authorizes the Board to resolve upon acquisition of the company's own shares of Series B according to the following terms: (i) acquisition of shares may take place on Nasdaq Stockholm, (ii) acquisition of shares may take place on one or several occasions during the time up to the Annual General Meeting for 2021, (iii) acquisition of shares may only be made so that the shares held by the company at any point in time does not exceed ten (10) per cent of all shares in the company, (iv) acquisition of shares shall be made at a price which falls within the prevailing price interval registered at each point in time, meaning the interval between the highest purchase price and the lowest selling price, (v) payment for acquired shares shall be made in cash, and (vi) the Board should be authorized to decide upon any additional terms for the acquisition.

Furthermore, the Board proposes that the Annual General Meeting for 2020 authorizes the Board to resolve upon transfer of the company's own shares of Series B according to the following terms: (i) transfer of shares may take place on Nasdaq Stockholm or in connection with acquisition of companies or businesses, on market terms, (ii) transfer of shares may take place on one or several occasions during the time up to the Annual General Meeting 2021, (iii) the

maximum number of shares to be transferred may not exceed the number of shares held by the company at the time of the Board's resolution, (iv) transfer of shares shall be made at a price which falls within the prevailing price interval registered at each point in time, meaning the interval between the highest purchase price and the lowest selling price, (v) payment for transferred shares may be made in other forms than cash, and (vi) the Board should be authorized to decide upon any additional terms for the transfer. The authorization includes the right to resolve on deviation of the preferential rights of shareholders.

The purpose of the proposed authorizations is to (a) allow the Board to adjust the company's capital structure, to contribute to shareholder value, (b) be able to exploit attractive acquisition opportunities by fully or partly financing future acquisitions with the company's own shares, and (c) ensure the company's undertakings in respect of share-related or share-based incentive programs (other than delivery of shares to participants of incentive programs), including covering social security costs. If the Board of Directors decides to adjust the company's capital structure in accordance with (a) above, the Board of Directors intends to propose that the company's share capital shall be decreased through share reduction of the repurchased shares.

The Board has presented a motivated statement pursuant to Chapter 19, Section 22 of the Swedish Companies Act. The statement is available at the company and on the company's website [www.securitas.com/agm2020](http://www.securitas.com/agm2020).

A decision by the Annual General Meeting on the proposal according to this item 15 must be supported by shareholders representing at least two thirds of the votes cast as well as the shares present at the Annual General Meeting in order for the proposal to be adopted.

#### **Proposal for Incentive Scheme (item 16 on the agenda)**

Consistent with the last ten years, the Board proposes a share related incentive program (the "Incentive Scheme") for the Group shall be resolved by the AGM 2020, in accordance with the following main principles.

##### **a. Implementation of an Incentive Scheme**

Approximately 2,600 Securitas employees will be comprised by the Incentive Scheme and thereby be entitled to receive a part of the yearly bonus in the form of shares in Securitas, provided that certain predetermined and measurable performance targets, which apply also under the cash bonus schemes, are met. These vary depending on the employee's position but are in principle based on a year-on-year improvement of operating income or, for employees of the parent company, earnings per share.

Provided that the applicable performance criteria are met, the yearly bonus will be determined at the outset of 2021 and be payable by (i) 2/3 in cash at the outset of 2021 and (ii) 1/3 in shares of series B (the "Bonus Shares") at the outset of 2022. The number of shares to which each participant will be entitled shall be determined by the ratio between the available bonus and the average share price at which the shares are purchased (such purchase to be made during Q1 2021 in accordance with applicable regulations). Distribution of Bonus Shares in accordance with (ii) is subject to the following two conditions: (1) if the total accrued bonus amounts to less

than EUR 3,900, the whole bonus will be paid out in cash in accordance with (i) above, and (2) the employee must remain employed by Securitas as of the last day of February 2022 except where an employee has left his/her employment due to retirement, death or long-term disability, in which case the employee shall have a continued right to receive Bonus Shares.

At distribution of the Bonus Shares, the employee shall be entitled to additional shares up to a value corresponding to any dividend decided per share corresponding to the total number of Bonus Shares during the period from payment of the cash bonus until distribution of the Bonus Shares, adjusted to the closest number of whole shares that can be purchased for the dividend for each participant.

The Board shall be responsible for the particulars and the handling of the Incentive Scheme within the frame of the above principal guidelines and shall also be entitled to make such minor adjustments which may prove necessary due to legal or administrative circumstances.

#### **b. Hedging Measures**

In order to enable the delivery of Bonus Shares in accordance with the Incentive Scheme, the Board of Directors proposes that the AGM, similar to previous years, approves the hedging of the delivery of the shares to the employees by Securitas entering into a share-swap agreement with a third party, whereby the third party in its own name shall acquire and transfer shares in the company to employees participating in the scheme. The cost for the swap is estimated at SEK 550,000 assuming the same bonus amount as last year.

#### Resolutions and Voting Majority

The proposals according to (a) and (b) above shall be adopted as one single resolution and must be supported by shareholders representing more than half of the votes cast, or, in case of equal voting, by the opinion supported by the Chairman of the AGM.

#### Effect on Important Key Ratios

The number of shares in Securitas AB amounts to 365,058,897. The Incentive Scheme may lead to acquisition of a maximum of 1,100,000 shares, which is equivalent to 0.3 per cent of the total number of issued shares and 0.21 per cent of the total number of votes in Securitas. In view of the proposed swap agreement, there will be no impact on the earnings per share, other than the increased costs that the Incentive Scheme could cause.

### **Proposal for a long-term incentive program (LTI 2020/2022) (item 17 on the agenda)**

#### Summary of the program

The Annual General Meeting 2019 resolved to implement a new long-term incentive program for the CEO, other members of Group management and certain other key employees within the Securitas Group ("LTI 2019/2021"). Along the lines of LTI 2019/2021, the Board of Directors proposes that the Annual General Meeting resolves to implement a long-term incentive program for the CEO, other members of Group management and certain other key employees within the Securitas Group ("LTI 2020/2022"). For the qualifying participants, LTI 2020/2022 is intended to

be an alternative to Incentive Scheme 2020 (see item 16 of the notice convening the Annual General Meeting for further information about Incentive Scheme 2020) and the participants of LTI 2020/2022 will not be entitled to participate in Incentive Scheme 2020. The main principles for LTI 2020/2022 are set out below.

LTI 2020/2022 is proposed to include approximately 70 employees including the CEO, other members of Group management and certain other key employees within the Securitas Group. In order to participate in LTI 2020/2022 the participants will have to invest in Series B shares in Securitas at market price, or nominate shares already vested under previous incentive schemes or currently vesting under Incentive Scheme 2019. For every Series B share purchased or nominated within the scope of LTI 2020/2022, the company will grant so called performance awards free of charge in accordance with the terms stipulated below.

#### The rationale for the proposal

The purpose of LTI 2020/2022 is to create a strong long-term incentive for top executives of the Group, strengthen the Group's ability to retain and recruit top executives, provide competitive remuneration, and to align the interests of the shareholders with the interests of the executives concerned by enabling the participants to become substantial shareholders in the company. Through a share-based incentive program, the employees' remuneration is tied to the company's future earnings and value growth. In light of the above, the Board of Directors believes that the implementation of LTI 2020/2022 will have a positive effect on the long-term value growth of the Group and consequently that LTI 2020/2022 is beneficial to both the shareholders and the company.

#### Personally invested shares

In order to participate in LTI 2020/2022, the participants will during the period from 21 May 2020 up to and including 11 June 2020 (the "Investment Period") have to either (i) purchase Series B shares in Securitas in the market and nominate such shares to LTI 2020/2022, or (ii) nominate Series B shares already vested under previous incentive schemes or currently vesting under Incentive Scheme 2019, to LTI 2020/2022 ("Personally Invested Shares").

The value of a participant's Personally Invested Shares shall be based on the market price for the company's Series B share and shall correspond to minimum 5 per cent (all participants) and maximum 15 per cent (the CEO), 12.5 per cent (other members of Group management) or 10 per cent (other participants), respectively, of the participant's base salary.

If the participant has access to inside information and therefore is prevented from purchasing Personally Invested Shares during the Investment Period, the Board of Directors shall be entitled to extend or postpone the Investment Period in individual cases, but no later than to the next Annual General Meeting.

#### Participants in LTI 2020/2022 and allocation

LTI 2020/2022 is proposed to include approximately 70 senior executives and key employees within the Securitas Group, divided in three categories.

Category 1

For each Personally Invested Share by the CEO of the Group under LTI 2020/2022, the company will grant five performance awards to the CEO.

Category 2

For each Personally Invested Share by another member of Group management (currently fifteen individuals) under LTI 2020/2022, the relevant individual will be awarded four performance awards.

Category 3

For each Personally Invested Share by another participant (approximately 54 individuals) under LTI 2020/2022, the relevant individual will be awarded three performance awards.

Performance condition

The number of performance awards that will entitle participants to receive Series B shares in the company depends on the annual development of Securitas' earnings per share<sup>1</sup>, compared to minimum and maximum target levels as defined by the Board of Directors, during the measurement period 1 January 2020 – 31 December 2022, where each year during the measurement period is compared to the previous year. The outcome is calculated yearly, whereby one third of the performance awards is measured against the outcome for 2020, one third is measured against the outcome for 2021 and one third is measured against the outcome for 2022.

If the minimum level is not reached for the relevant year, each performance award pertaining to that year will entitle participants to receive zero Series B shares, whereas if the maximum level is reached, each performance award pertaining to the relevant year will entitle participants to receive one Series B share. If the outcome falls between the minimum level and the maximum level, participants' entitlement to Series B shares will be calculated linearly between zero and one series B share per performance award. The Board of Directors intends to present the fulfilment of the performance-based condition in the Annual Report for the financial year 2022.

Other conditions

In addition to the above conditions, the following shall apply for the performance awards.

- The performance awards shall be granted free of charge after the end of the Investment Period.
- Each performance award entitles the holder to receive one Series B share free of charge (subject to the performance condition set out above) three years after allotment of the award (the "Vesting Period"), provided that the holder, with some exceptions, is still employed by the Securitas Group as per the last day of February 2023 and has maintained the full amount of Personally Invested Shares purchased or nominated under LTI 2020/2022 during the entire Vesting Period.
- To make the participants' interest equal with the shareholders', the company will compensate the participants for distributed dividend during the Vesting Period by increasing the number of Series B shares that each performance award may entitle the participant to receive after the Vesting Period.
- The number of Series B shares that each performance award may entitle the participant to receive may be subject to recalculation due to share issues, splits, reverse splits and similar dispositions.
- The performance awards are non-transferable and may not be pledged.

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<sup>1</sup> Earnings per share is defined as the company's earnings per share after tax and dilution, excluding items affecting comparability approved by the Board of Directors and currency effects.

- The performance awards can be granted by the company or any other company within the Group.

#### Preparation and administration

The Board of Directors shall be responsible for preparing the detailed terms and conditions of LTI 2020/2022, in accordance with the mentioned terms and guidelines. To this end, the Board of Directors shall be entitled to make adjustments to meet foreign regulations or market conditions. The Board of Directors may also make other adjustments if significant changes in the Securitas Group, or its operating environment, would result in a situation where the decided terms and conditions for LTI 2020/2022 no longer are appropriate. Such adjustments include a right for the Board of Directors to resolve on a reduction of the number of Series B shares that the performance awards would entitle a participant to receive, if the number of Series B shares that a participant would be entitled to – considering Securitas' result and financial position, other circumstances regarding the Group's development and the conditions on the stock market – would be clearly unreasonable.

Furthermore, in the event that the Board of Directors considers that the delivery of shares under LTI 2020/2022 cannot be achieved at reasonable cost, with reasonable administrative efforts or due to specific market conditions, participants may instead be offered a cash settlement.

Participation in LTI 2020/2022 also presumes that such participation is lawful and that such participation in Securitas' opinion can take place with reasonable administrative costs and economic efforts. The Board of Directors shall be entitled to implement an alternative incentive solution for employees in such countries where participation in LTI 2020/2022 is not advisable, which alternative solution shall, as far as practically possible, correspond to the terms of the LTI 2020/2022.

#### Scope and cost of the program

LTI 2020/2022 may, if the share price for the company's Series B share remains the same during the program's term, result in a maximum amount corresponding to 75 per cent (CEO), 50 per cent (other members of Group management) or 30 per cent (other participants), respectively, of the participants annual base salary (excluding social security costs). Such outcome is subject to the number of Personally Invested Shares being maximized, meaning that the value of the participant's Personally Invested Shares corresponds to 15 per cent (the CEO), 12.5 per cent (other members of Group management) or 10 per cent (other participants), respectively, of the participants annual base salary, that the participant maintains the full amount of Personally Invested Shares during the entire Vesting Period, and that the participant, with some exceptions, still is employed as per the last day of February 2023, and that the performance based condition has been fully achieved.

The maximum number of Series B shares that a participant may nominate as Personally Invested Shares, and thus the total number of performance awards that may be allotted, shall be based on the market price for the company's Series B share. The total number of issued shares in the company amounts to 365,058,897 shares.

Based on the assumption that the share price for the company's Series B share amounts to SEK 130, LTI 2020/2022 will, in accordance with the principles and assumptions set out above,

comprise maximum 870,000 Series B shares in total, which corresponds to approximately 0.24 per cent of the total number of issued shares in the company and 0.17 per cent of the total number of votes in the company.

The costs for LTI 2020/2022 should be expensed as personnel costs over the Vesting Period. Provided that the performance-based condition is fully achieved, the cost for LTI 2020/2022 before tax is, in accordance with the principles and assumptions set out above, estimated to approximately SEK 140 million, allocated over the Vesting Period. Estimated social security costs and financing costs are included in such amount.

The Board of Directors proposes the Annual General Meeting to resolve to authorize the Board of Directors to resolve on repurchase of shares in the company and to transfer such shares on a regulated market to cover social security costs and financing costs associated with LTI 2020/2022 (see item 15 of the notice convening the Annual General Meeting for further information about the proposal).

The costs for LTI 2020/2022 are expected to have marginal effect on key ratios of the Securitas Group.

The Board of Directors deems that the positive effects on earnings that are expected to result from increased share ownership among senior management and key employees, which may be further increased through LTI 2020/2022, outweighs the costs related to LTI 2020/2022.

All estimates are based on at each time applicable foreign exchange rates according to Reuters. Information on previous incentive schemes for 2018 and 2019 and the LTI 2019/2021 can be found in the Annual Report 2019, Notes 9 and 12.

#### Delivery of shares under LTI 2020/2022

To ensure the delivery of Series B shares under LTI 2020/2022, the company may enter into a share-swap agreement with a third party, whereby the third party in its own name shall acquire and transfer Series B shares in the company to employees participating in LTI 2020/2022. The cost for the swap is estimated at a maximum of SEK 600,000 assuming that the performance-based condition is fully achieved.

Any share-swap agreement for LTI 2020/2022 will be a separate share-swap agreement from the agreement entered into in respect of Incentive Scheme 2020 (see item 16 of the notice convening the Annual General Meeting for further information about the Incentive Scheme 2020).

#### Preparation of the proposal

LTI 2020/2022 has been initiated by the Board of Directors and the Remuneration Committee of Securitas in consultation with major shareholders and has been structured in consultation with external advisers based on an evaluation of previous incentive schemes. LTI 2020/2022 has been prepared by the Remuneration Committee and reviewed at meetings of the Board of Directors.

**C. Available Documentation etc.**

The following documentation will be available at the company and on the company website [www.securitas.com/agm2020](http://www.securitas.com/agm2020) as from April 16, 2020 and will also be available at the AGM: (i) the Annual Report and the Auditor's Report, including the Board's proposal for guidelines for remuneration to senior management, (ii) the statement by the auditor on the compliance with the guidelines for remuneration to senior management applicable since the last AGM, (iii) the Board's complete proposal for dividends and the Board's motivated statements regarding the proposed dividends and the proposed authorization to acquire and transfer the company's own shares, (iv) the Nomination Committee's reasoned statement, (v) the proposal by the Board on authorization to resolve upon acquisition and transfer of the company's own shares, (vi) the complete proposal of the Board with respect to the Incentive Scheme, and (vii) the complete proposal of the board with respect to LTI 2020/2022. In addition hereto, copies of the documentation will be sent to the shareholders who so request, indicating their mailing address.

**D. Information at the AGM**

The Board and the President shall, if a shareholder so requests and the Board considers that this can be done without significant harm to the company, give information on such circumstances that may affect the assessment of a matter on the agenda, circumstances that may affect the assessment of the financial situation of the company or its subsidiaries and the company's relationship with another Group company. Anyone who wishes to present a question in advance may do so to Securitas AB in the way stated on the company's website.

**E. Number of shares and votes in the company**

At the date of this notice, the total number of shares in the company amounts to 365,058,897, of which 17,142,600 are shares of series A and 347,916,297 are shares of series B. Each series A share entitles the holder to ten votes and each series B share entitles the holder to one vote. The total number of votes in the company amounts to 519,342,297.

The company's holding of own shares, as of the date of this notice, is 125,000 shares of series B.

**F. Processing of personal data**

For information on how your personal data is processed, see <https://www.euroclear.com/dam/ESw/Legal/Privacy-notice-bolagsstammor-engelska.pdf>.

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



**Information:**

Journalists/press: Helena Andreas, SVP Brand & Communications Securitas AB, tel +46 10 470 30 00 or email [press@securitas.com](mailto:press@securitas.com)

Investors/analysts: Micaela Sjökvist, Head of IR, Securitas AB, mobile +46 76 116 7443 or email [micaela.sjokvist@securitas.com](mailto:micaela.sjokvist@securitas.com)