



Press Release

May 6, 2019

Decisions at the Annual General Meeting of Securitas AB (publ) 2019

At today's Annual General Meeting of Securitas AB (publ) the following was resolved:

The Annual General Meeting adopted the Statement of Income and the Balance Sheet as per December 31, 2018. The Annual General Meeting discharged the Board of Directors and the President from liability for the financial year of 2018.

Dividend

In accordance with the proposal of the Board, the Meeting resolved to declare a dividend of SEK 4.40 per share. May 8, 2019 was determined as record date for dividend and payment from Euroclear Sweden AB is expected to commence on May 13, 2019.

Authorization of the Board to resolve on acquisition and transfer of the company's shares

The Annual General Meeting resolved to authorize the Board to resolve upon acquisition of the company's own shares of Series B, in accordance with the Board's proposal, according to the following terms: Acquisition of shares may take place on Nasdaq Stockholm, acquisition of shares may take place on one or several occasions during the time up to the Annual General Meeting 2020, 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) percent of all shares in the company, 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, payment for acquired shares shall be made in cash, and the Board should be authorized to decide upon any additional terms for the acquisition.

Furthermore, the Annual General Meeting resolved to authorize the Board to resolve upon transfer of the company's own shares of Series B, in accordance with the Board's proposal, according to the following terms: Transfer of shares may take place on Nasdaq Stockholm or in connection with acquisition of companies or businesses, on market terms, transfer of shares may take place on one or several occasions during the time up to the Annual General Meeting 2020, 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, 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, payment for transferred shares may be made in other forms than cash, and 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 allow the Board to adjust the company's capital structure to contribute to shareholder value, be able to exploit attractive acquisition opportunities by fully or partly financing future acquisitions with the company's own shares, and 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 decides to use the authorization to adjust the company's capital structure, the Board intends to propose that the company's share capital shall be decreased through share reduction of the repurchased shares.

Board of Directors

The Annual General Meeting resolved that the number of Board members shall be eight, with no deputy members. The Meeting re-elected Ingrid Bonde, John Brandon, Anders Böös, Fredrik Cappelen, Carl Douglas, Marie Ehrling, Sofia Schörling Högberg and Dick Seger. Marie Ehrling was re-elected Chairman of the Board. The fee to the Board members was determined to SEK 7,930,000 in total (including fees for committee work) apportioned so that the Chairman of the Board shall receive SEK 2,200,000, the deputy Chairman SEK 845,000 and the other Board members SEK 635,000 each. The Chairman of the Audit Committee shall receive SEK 325,000, the Chairman of the Remuneration Committee SEK 100,000, a member of the Audit Committee SEK 200,000 and a member of the Remuneration Committee SEK 50,000.

Auditor

As auditors, the Annual General Meeting decided to elect the auditing firm PricewaterhouseCoopers AB, Stockholm, with authorized accountant Patrik Adolfson as auditor in charge, for a period up to and including the Annual General Meeting for 2020. The auditor's fees are to be paid as per agreement.

Guidelines for remuneration to management

The Annual General Meeting resolved on the adoption of guidelines for remuneration to management, principally entailing that the total remuneration shall be competitive and in accordance with market conditions. The benefits shall consist of fixed salary, possible variable remuneration and other customary benefits and pension. The variable remuneration shall have an upper limit and be related to the fixed salary. The variable remuneration shall be based on the outcome in relation to set targets and be in line with the interests of the shareholders. Pension benefits shall be fee-based. The variable remuneration shall not be pension qualifying unless local regulations provide otherwise. The Board shall have the right to deviate from the guidelines in individual cases if there are particular grounds for such deviation. The complete guidelines are published on the company website www.securitas.com/agm2019.

Incentive Scheme 2019

Consistent with the last nine years, the Annual General Meeting resolved a share related incentive scheme, in accordance with the following main principles:

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 2020 and be payable by (i) 2/3 in cash at the outset of 2020 and (ii) 1/3 in shares of Series B (the "Bonus Shares") at the outset of 2021. 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 2020 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 2021 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.

In order to enable the delivery of Bonus Shares in accordance with the Incentive Scheme, the Annual General Meeting resolved, similar to previous years, 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 700,000 assuming the same bonus amount as last year. Further information is published on the company website www.securitas.com/agm2019.

Long-term incentive program

In accordance with the Board's proposal, the Annual General Meeting resolved to implement a new long-term incentive program ("LTI 2019/2021"). LTI 2019/2021 is based on different principles than the existing and previous incentive schemes of the Securitas Group and participants of LTI 2019/2021 will not be entitled to participate in Incentive Scheme 2019. LTI 2019/2021 includes approximately 80 employees including the CEO, other members of Group management and certain other key employees within the Securitas Group.

The purpose of LTI 2019/2021 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.

In order to participate in LTI 2019/2021, the participants will during the period from May 20, 2019 up to and including June 10, 2019 (the "Investment Period") have to either purchase Series B shares in Securitas in the market and nominate such shares to LTI 2019/2021, or nominate Series B shares already vested under previous incentive schemes or currently vesting under Incentive Scheme 2018, to LTI 2019/2021 ("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 shares and shall correspond to minimum 5 percent (all participants) and maximum 15 percent (the CEO), 12.5 percent (other members of Group management) or 10 percent (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 shall be entitled to extend or postpone the Investment Period in individual cases, but no later than to the next Annual General Meeting.

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, compared to minimum and maximum target levels as defined by the Board, during the measurement period January 1, 2019 – December 31, 2021, 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 2019, one third is measured against the outcome for 2020 and one third is measured against the outcome for 2021.

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 intends to present the fulfilment of the performance-based condition in the Annual Report for the financial year 2021.



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 2022 and has maintained the full amount of Personally Invested Shares purchased or nominated under LTI 2019/2021 during the entire 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.

LTI 2019/2021 may, if the share price for the company's Series B shares remains the same during the program's term, result in a maximum amount corresponding to 75 percent (CEO), 50 percent (other members of Group management) or 30 percent (other participants), respectively, of the participants annual base salary (excluding social security costs).

Based on the assumption that the share price for the company's Series B share amounts to SEK 150, LTI 2019/2021 will, in accordance with the principles and assumptions set out above, comprise maximum 769,000 Series B shares in total, which corresponds to approximately 0.21 percent of the total number of outstanding shares in the company and 0.15 percent of the total number of votes in the company. Provided that the performance-based condition is fully achieved, the cost for LTI 2019/2021 before tax is, in accordance with the principles and assumptions set out above, estimated to approximately SEK 150 million, allocated over the Vesting Period. Estimated social security costs and financing cost are included in such amount.

To ensure the delivery of Series B shares under LTI 2019/2021, 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 2019/2021. The cost for the swap is estimated at SEK 600,000 assuming that the performance-based condition is fully achieved. Further information is published on the company website www.securitas.com/agm2019.

CEO Comments

President and CEO Magnus Ahlqvist reported on Securitas' operations during 2018. The presentation is published at www.securitas.com/agm2019.

"Securitas has the best offering of protective services in the security industry, and we are growing faster than the market. Our solid growth across all divisions in 2018 is proof not only of a strong portfolio of services but also that our clients value the work we do. Looking at our progress over the last five years, we are delivering on our Vision 2020 strategy to become a leader in protective services."

"Looking ahead, our strong guarding capability and presence, in combination with technology and data, creates leverage to drive innovation and the creation of intelligent security services."

This press release is also available at: www.securitas.com.

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