

## 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 CET on Monday May 6, 2019 at Courtyard Marriott Hotel, Rålambshovsleden 50, Stockholm. Registration for the AGM begins at 15.00 CET.

### 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 Monday April 29, 2019; 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/agm2019](http://www.securitas.com/agm2019), by Monday April 29, 2019, 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/agm2019](http://www.securitas.com/agm2019) 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 Monday April 29, 2019 and the banker or broker should therefore be notified in due time before said date.

### 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 2018,
  - 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 2018.
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 2019/2021).
18. Proposal from shareholder Claus-Christian Gärtner for the AGM 2019 to resolve on commissioning of an independent investigation regarding alleged wrongdoings in Securitas' German operations.
19. Closing of the Meeting.

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

The Nomination Committee ahead of the AGM 2019 has consisted of Carl Douglas (Investment AB Latour, etc.), Mikael Ekdahl (Melker Schörling AB), Maria Nordqvist (Lannebo Fonder), Johan Sidenmark (AMF Försäkring och Fonder) and Jan Andersson (Swedbank Robur Fonder), and has proposed that Marie Ehrling, Chairman of the Board, is elected Chairman of the AGM 2019.

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

The Board proposes that a dividend of SEK 4.40 per share be declared. As record date for the dividend, the Board proposes May 8, 2019. If the AGM so resolves, the dividend is expected to be distributed by Euroclear Sweden AB starting May 13, 2019.

#### **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 2019, 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/agm2019](http://www.securitas.com/agm2019).

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 reelected as Chairman of the Board.

In addition to the Nomination Committee's proposal, the shareholder Claus-Christian Gärtner has proposed that he is elected as a Board member.

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 2020. 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 2020 shall amount to SEK 7,930,000 in total (including fees for committee work) to be distributed between the Board members as follows: the Chairman of the Board shall receive SEK 2,200,000, the Deputy Chairman shall receive SEK 845,000 and each of the other Board members shall receive SEK 635,000. 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)**

The Board's proposal for guidelines for remuneration to senior management principally entails that the total remuneration shall be competitive and in accordance with market conditions. The benefits shall consist of fixed salary, possible variable remuneration, 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 financial goals and be aligned with the interests of the shareholders. Generally, 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.

**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 2019 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 2020, (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 2019 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 for 2020, (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/agm2019](http://www.securitas.com/agm2019).

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 nine years, the Board proposes a share related incentive program (the "Incentive Scheme") for the Group shall be resolved by the AGM 2019, 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 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.

#### **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 700,000 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 outstanding 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 2019/2021) (item 17 on the agenda)**

##### Summary of the program

The Board of Directors proposes that the Annual General Meeting resolves 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"). For the qualifying participants, LTI 2019/2021 is intended to be an alternative to Incentive Scheme 2019 (see item 16 of the notice convening the Annual General Meeting for further information about Incentive Scheme 2019). LTI 2019/2021 will be 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. The main principles for LTI 2019/2021 are set out below.

LTI 2019/2021 is proposed to include approximately 80 employees including the CEO, other members of Group management and certain other key employees within the Securitas Group. In order to participate in LTI 2019/2021 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 2018. For every Series B share purchased or nominated within the scope of LTI 2019/2021, 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 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. 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 2019/2021 will have a positive effect on the long-term value growth of the Group and consequently that LTI 2019/2021 is beneficial to both the shareholders and the company.

### Personally invested shares

In order to participate in LTI 2019/2021, the participants will during the period from 20 May 2019 up to and including 10 June 2019 (the "Investment Period") have to either (i) purchase Series B shares in Securitas in the market and nominate such shares to LTI 2019/2021, or (ii) 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 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 2019/2021 and allocation

LTI 2019/2021 is proposed to include approximately 80 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 2019/2021, the company will grant five performance awards to the CEO.

#### Category 2

For each Personally Invested Share by another member of Group management (currently twelve individuals) under LTI 2019/2021, the relevant individual will be awarded four performance awards.

#### Category 3

For each Personally Invested Share by another participant (approximately 67 individuals) under LTI 2019/2021, 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's 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 2019 – 31 December 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 of Directors intends to present the fulfilment of the performance-based condition in the Annual Report for the financial year 2021.

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

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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 are non-transferable and may not be pledged.
- 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 2019/2021, 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 2019/2021 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's 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 2019/2021 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 2019/2021 also presumes that such participation is lawful and that such participation in Securitas's 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 2019/2021 is not advisable, which alternative solution shall, as far as practically possible, correspond to the terms of the LTI 2019/2021.

#### Scope and cost of the program

LTI 2019/2021 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 2022, 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 outstanding 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 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 per cent of the total number of outstanding shares in the company and 0.15 per cent of the total number of votes in the company.

The costs for LTI 2019/2021 should be expensed as personnel costs over the Vesting Period. 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.

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 2019/2021 (see item 15 of the notice convening the Annual General Meeting for further information about the proposal).

The costs for LTI 2019/2021 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 2019/2021, outweighs the costs related to LTI 2019/2021.

All estimates are based on at each time applicable foreign exchange rates according to Reuters. Information on previous incentive schemes for 2017 and 2018 can be found in the Annual Report 2018, Note 9 and 12.

#### Delivery of shares under LTI 2019/2021

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.

Any share-swap agreement for LTI 2019/2021 will be a separate share-swap agreement from the agreement entered into in respect of Incentive Scheme 2019 (see item 16 of the notice convening the Annual General Meeting for further information about the Incentive Scheme 2019).

#### Preparation of the proposal

LTI 2019/2021 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 2019/2021 has been prepared by the Remuneration Committee and reviewed at meetings of the Board of Directors.

#### **Proposal from shareholder Claus-Christian Gärtner (item 18 on the agenda)**

The shareholder Claus-Christian Gärtner has proposed that the AGM 2019 shall resolve on commissioning of an independent investigation regarding alleged wrongdoings in Securitas' German operations.

#### **C. Available Documentation etc.**

The following documentation will be available at the company and on the company website [www.securitas.com/agm2019](http://www.securitas.com/agm2019) as from April 12, 2019 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, including the Board's motivated statement regarding the proposed dividends and the proposed authorization to acquire the company's own shares, (iv) the Nomination Committee's reasoned statement and the complete proposal for instructions for appointment of the Nomination Committee and its assignment, (v) the proposal by the Board on authorization to resolve upon acquisition of the company's own shares, (vi) the complete proposal of the Board with respect to the Incentive Scheme, and (vii) the complete proposal under item 18. 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 holds no shares in the company.

#### **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 2019  
The Board of Directors  
SECURITAS AB (publ)