

# Press Release

March 30, 2017



## Annual General Meeting of Shareholders in Securitas AB, 2017

Page 1 of 6

**The shareholders of Securitas AB are hereby invited to attend the Annual General Meeting ("AGM") to be held at 4 p.m. CET on Wednesday 3 May 2017 at Hilton Stockholm Slussen Hotel, Guldgränd 8, Stockholm. Registration for the AGM begins at 3 p.m. 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 Wednesday 26 April 2017; and
- (ii) notify Securitas AB of their intent to participate in the AGM at the address: Securitas AB, "AGM", P.O. Box 7842, SE-103 98 Stockholm, Sweden, by telephone +46 10 470 31 30 or via the company website [www.securitas.com/agm2017](http://www.securitas.com/agm2017), by Wednesday 26 April 2017, 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/agm2017](http://www.securitas.com/agm2017) 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 authorisation 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 Wednesday 26 April 2017 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

Securitas AB (publ.)  
P.O. Box 12307  
S-102 28 Stockholm  
Sweden

Visiting address /  
Besöksadress  
Lindhagensplan 70  
Telephone / Telefon  
+46 (0) 10 470 30 00  
Facsimile / Telefax  
+46 (0) 10 470 31 22  
[www.securitas.com](http://www.securitas.com)

Corp. ID no / Org.nr  
556302-7241



- 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 2016,
  - 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 2016.
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. Election of members of the Nomination Committee.
15. Determination of guidelines for remuneration to senior management.
16. Resolution regarding a proposal for authorization of the Board to resolve on acquisition of the company's own shares.
17. Resolutions regarding the implementation of an incentive scheme, including hedging measures by way of a share swap agreement.
18. Closing of the Meeting.

Page 2 of 6

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

The Nomination Committee ahead of the AGM 2017 has consisted of Carl Douglas (Investment AB Latour, etc.), Mikael Ekdahl (Melker Schörling AB), Jan Andersson (Swedbank Robur Fonder), Johan Sidenmark (AMF) and Johan Strandberg (SEB Investment Management), and has proposed that Marie Ehrling, Chairman of the Board, is elected Chairman of the AGM 2017.

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

The Board proposes that a dividend of SEK 3.75 per share be declared. As record date for the dividend, the Board proposes 5 May 2017. If the AGM so resolves, the dividend is expected to be distributed by Euroclear Sweden AB starting 10 May 2017.

#### **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 2017, 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/agm2017](http://www.securitas.com/agm2017)

The Nomination Committee has proposed the following:

The number of Board members shall be nine, with no deputy members. The Nomination Committee proposes re-election of the Board members Fredrik Cappelen, Carl Douglas, Marie Ehrling, Alf Göransson, Sofia Schörling Högberg and Anders Böös, as well as the election of Ingrid Bonde, John Brandon and Dick Seger as new Board members. Marie Ehrling is proposed to be re-elected as Chairman of the Board.

Ingrid Bonde is a member of the Board of Loomis AB and the Chairman of the Board of Hoist Finance AB. She has previously served as a Board member, CFO and acting CEO of Vattenfall AB, as the President and CEO of AMF Pensionsförsäkringar AB and as CFO of SAS AB. Accordingly, Ingrid Bonde has long term experience from leading positions of large listed



companies. In addition, she has been the General Director of the Swedish Financial Supervisory Authority for six years.

John Brandon has spent the last 15 years at Apple, for a number of years reporting directly to the current CEO, Tim Cook. At Apple, John Brandon held various leading positions including Vice President of International, Apple's largest revenue stream, and before that Vice President of Americas and Asia. Before John Brandon joined Apple, he held leading positions at many large IT companies, including as President of Academic Systems.

Dick Seger has long experience from the security industry, and has for a long period been active in the Verisure Group, previous Securitas Direct. Within the Verisure Group, Dick Seger has held leading positions as CEO, the Chairman of the Board and as a Board member.

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

Page 3 of 6

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 2018. 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 2018 shall amount to SEK 6,575,000 in total (including fees for committee work) to be distributed between the Board members as follows: the Chairman of the Board shall receive SEK 1,700,000, the Deputy Chairman shall receive SEK 800,000 and each of the other Board members, except the President, shall receive SEK 550,000. As consideration for the committee work, the Chairman of the Audit Committee shall receive SEK 275,000, the Chairman of the Remuneration Committee shall receive SEK 100,000, the members of the Audit Committee each SEK 175,000 and the members of the Remuneration Committee each SEK 50,000.

**Proposal for Election of Members of the Nomination Committee (item 14 on the agenda)**

Shareholders jointly representing approximately 26 per cent of the shares and approximately 48 per cent of the votes in the company propose the AGM to adopt the following resolution:

The Nomination Committee ahead of the AGM 2018 shall have five members: Carl Douglas (Investment AB Latour, etc.), Mikael Ekdahl (Melker Schörling AB), Jan Andersson (Swedbank Robur Fonder), Johan Sidenmark (AMF) and Johan Strandberg (SEB Investment Management). Carl Douglas shall be elected Chairman of the Nomination Committee. If a shareholder, represented by a member of the Nomination Committee, is no longer one of the major shareholders of Securitas, or if a member of the Nomination Committee is no longer employed by such shareholder, or for any other reason leaves the Committee before the AGM 2018, the Committee shall have the right to appoint another representative of the major shareholders to replace such member.

**Proposal for Guidelines for Remuneration to Senior Management (item 15 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 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.



### **Proposal for Authorization of the Board to Resolve on Acquisition of the Company's Own Shares (item 16 on the agenda)**

The Board proposes that the AGM 2017 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 AGM for 2018, (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. The purpose of the proposed authorization to acquire shares is to allow the Board to adjust the company's capital structure, to contribute to shareholder value. If shares are repurchased, the Board intends to propose that the company's share capital shall be decreased through share reduction of the repurchased shares.

A decision by the AGM on the proposal according to this item 16 must be supported by shareholders representing at least two thirds of the votes cast as well as the shares present at the AGM in order for the proposal to be adopted.

### **Proposal for Incentive Scheme (item 17 on the agenda)**

#### **Background and Motives**

For the past seven years, the AGM has adopted a share related incentive scheme for the Securitas Group. The Board notes that the program is now well established throughout the organization and is delivering the expected results. As per March 2017, a total of 2,258 employees have received shares through the program. In line with the Board's communicated intention when the previous programs were proposed, the Board therefore proposes that a similar incentive scheme be adopted by the AGM in 2017.

The motive for the proposal is the Board's intention to continue with the redesigned bonus structure to enable the Group to gradually have approximately 2,500 of Securitas top managers as shareholders, thus strengthening the employee ownership in Securitas' future success and development to the benefit of all shareholders. The Board is of the opinion that these benefits may be achieved by continuing to provide a share related part in the existing performance-based cash bonus schemes. It is the assessment of the Board that the proposed scheme will also increase the Group's attractiveness as an employer.

The proposal principally entails that 1/3 of any annual bonus earned under the performance based cash bonus schemes would be converted into a right to receive shares, with delayed allotment and subject to continued employment.

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

The Board proposes that the AGM resolves on a share and cash bonus scheme for 2017 (the "Incentive Scheme") in accordance with the following main principles. Approximately 2,500 Securitas employees who participate in the Securitas cash bonus schemes will participate in 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.

The principles already applicable under the existing incentive scheme shall continue to apply. The existing principles include clearly measurable, performance based targets that are set as close to the local business as possible and aim for long term profitability of the Group. The performance targets vary depending on the position of the employee, but are as a principle based on year-on-year improvement of operating income ("EBITA") in the area of responsibility. In principle all operative personnel at relevant levels in all regions also have targets based on improvement of

cash flow. For the employees of the parent company, the performance is measured based on year-on-year improvement of earnings per share (“EPS”). The performance improvement compared to last year’s actual performance which is required to achieve maximum bonus, varies for different entities throughout the Group.

Provided that the applicable performance criteria are met, the yearly bonus will be determined at the outset of 2018 and be payable by (i) 2/3 in cash at the outset of 2018 and (ii) 1/3 in shares of series B (the “Bonus Shares”) at the outset of 2019. 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 2018 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 2019 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.

Prior to the distribution of Bonus Shares, the employee will not be awarded any shareholder rights (e.g. voting rights or rights to dividend) connected to the Bonus Shares. At distribution of the Bonus Shares, the employee shall, however, 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 entitled to resolve on a reduction of the distribution of Bonus Shares if distribution in accordance with the above conditions – considering Securitas’ result and financial position, other circumstances regarding the Group’s development and the conditions on the stock market – would be clearly unreasonable. Participation in the Incentive Scheme 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 shall however be entitled to implement an alternative incentive solution for employees in such countries where participation in the Incentive Plan is not advisable, which alternative solution shall, as far as practically possible, correspond to the terms of the Incentive Scheme.

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 540,000 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 2,000,000 shares, which is equivalent to 0.55 per cent of the total number of outstanding shares and 0.39 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.



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

The following documentation will be available at the company and on the company website [www.securitas.com/agm2017](http://www.securitas.com/agm2017) at the latest as from 12 April 2017 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 authorization to acquire the company's own shares, (iv) the proposal by the Board on authorization to resolve upon acquisition of the company's own shares, and (v) the complete proposal of the Board with respect to the Incentive Scheme. In addition hereto, copies of the documentation will be sent to the shareholders who so request, indicating their mailing address.

Page 6 of 6

### **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 at the same mail address which has been stated above for the notifications to attend the AGM.

### **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 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.

---

Stockholm in March 2017  
The Board of Directors

This press release is also available at: [www.securitas.com](http://www.securitas.com)

Securitas is a global knowledge leader in security. We base our security solutions 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 small stores to airports, our 330 000 employees are making a difference.

---

Securitas AB discloses the information provided herein pursuant to the Securities Markets Act and/or the Financial Instruments Trading Act. The information was submitted for publication at 10.00. (CET) on March 30, 2017.