Proposal of the Board of Directors of Securitas AB for the implementation of an incentive scheme

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Background and motives

In 2010, the AGM adopted a new share related incentive scheme for the Securitas group. Although it is still too early to finally evaluate the effects of the 2010 program as no shares have yet been awarded, it has been well received throughout the organization. In keeping with the Board's communicated intention when the 2010 program was proposed, the Board therefore proposes that a similar incentive scheme be adopted by the AGM in 2011.

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.

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 scheme will also increase the group's attractiveness as an employer.

The detailed contents of the proposed incentive schemes are described below. In order to implement the scheme in an efficient and cost-effective way, it is also proposed that the Annual General Meeting ("AGM") authorizes the Board to enter into a so-called swap agreement with a bank/third party.

In light of the proposed conditions, the contemplated size of the scheme and other circumstances, the Board is of the view that the proposed incentive scheme is well balanced and advantageous to Securitas and its shareholders.

The Board intends to recur with proposals for incentive schemes in accordance with the principles here proposed also before AGMs after 2011.

A. Incentive Scheme

The Board of Directors proposes that the AGM resolves on the implementation of a share and cash bonus scheme in Securitas, in accordance with the following main principles (the **"Incentive Scheme"**).

1. Approximately 2,500 employees now participating in the Securitas cash bonus schemes will participate in the Incentive Scheme.

2. Employees participating in the Incentive Scheme will 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 currently apply under the cash bonus schemes, are met.

3. The principles already applicable under the existing share related incentive scheme, will 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 the operating result

("EBITA") in the area of responsibility. In some entities such principle could be in combination with organic sales growth compared to the previous year. For the employees of the parent company, the performance is measured based on year-on-year, real improvement of earnings per share ("EPS"). Normally, no incentives are measured against budgets, but compared to the preceding year's actual operating results. The performance improvement compared to last year's actual, which is required to achieve maximum bonus, varies for different entities throughout the Group.

4. Provided that the applicable performance criteria are met, the annual bonus outcome will be determined at the outset of 2012 and will, subject to sections A5 and A6 below, be payable as follows.

   (i) 2/3 of the bonus will be paid in cash at the outset of 2012; and

   (ii) 1/3 of the bonus will be paid in shares of series B in Securitas AB (the "Bonus Shares") at the outset of 2013. The number of shares to which each participant will be entitled shall be determined by the ratio between the available bonus and the share price at the time of determination of the bonus.

5. Distribution of Bonus Shares according to section 4 (ii) above will only occur if the total accrued bonus amounts to at least EUR 3,900. If the total bonus is less than EUR 3,900, the whole bonus amount will instead be paid out in cash at the outset of 2012 in accordance with section 4 (i) above.

6. Distribution of Bonus Shares according to section 4 (ii) above is conditioned upon the employee remaining employed by Securitas as of the last day of February of 2013, 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.

7. Prior to the distribution of Bonus Shares in accordance with section 4 (ii) above, the employee will neither be registered as a shareholder nor have any shareholder rights (e.g. voting rights or rights to dividend) connected to the Bonus Shares. At distribution of the Bonus Shares in accordance with section 4 (ii) above, 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 in accordance with section 4 (i) until distribution of the Bonus Shares.

8. The number of Bonus Shares that can be received may be subject to recalculation due to share issues, splits, reverse splits and similar dispositions.

9. 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.

10. 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 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.

11. 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. Costs of the Incentive Scheme. Hedging measures

The Incentive Scheme is not expected to cause any costs in addition to already existing costs related to the 2010 incentive scheme.

In view of the decision of the AGM in 2010 to approve a share swap agreement, it is proposed that the financial exposure of the Incentive Scheme be hedged by the entry of Securitas 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 will not exceed 0.3 per cent on the share purchase cost, which would correspond to SEK 440 000 based on a maximum of 2 000 000 shares at SEK 74.

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.

Quota of total number of shares and effects 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.

Preparation of the proposal

The above proposal for the Incentive Scheme has been prepared by the Board and the Remuneration Committee in consultation with major shareholders. No senior executive, who may be included in the Incentive Scheme, has participated in decisions on the framing of the scheme.

Stockholm in March 2011
THE BOARD OF DIRECTORS