



Proposal by the Board of Directors of Loomis AB (publ) for a resolution on the implementation of an Incentive Scheme

Background and Motives

Since 2010, a recurring share related incentive scheme has been resolved by the Annual General Meetings (“**AGM**”) in Loomis AB to make it possible for approximately 350 of Loomis’ key-employees to become shareholders of Loomis which is deemed to be important in order to further strengthen the employee ownership in Loomis’ future success and development. It is the opinion of the Board of Directors (the “**Board**”) that the incentive schemes have been appropriate and contributed to the creation of joint goals for key-employees and the shareholders. The Board therefore proposes that the AGM 2019 resolves on a new incentive scheme with terms and conditions which in essence correspond with the terms and conditions of the incentive schemes adopted by the AGMs 2010 - 2018.

The proposal principally entails that 1/3 of any annual bonus earned may be paid in the form of shares of series B in Loomis with delayed payment and subject to continued employment with Loomis. It is the assessment of the Board that the proposed incentive scheme will retain the group’s attractiveness as an employer.

The detailed contents of the proposed incentive scheme follows below. In order to implement the scheme in an appropriate and cost effective way it is recommended that the AGM resolves that Loomis enters into a share swap agreement with a bank/third party.

In the light of the proposed terms, the size of the allocation and other circumstances, the Board considers the proposed incentive scheme well balanced and advantageous to Loomis and its shareholders.

The Board intends to submit proposals for incentive schemes to annual general meetings also after 2019 in accordance with the principles now proposed.

A. Incentive Scheme

The Board proposes that the AGM resolves on a new incentive scheme (the “**Incentive Scheme**”), in accordance with the previous incentive schemes. The main principles are described below.

1. Approximately 350 employees will participate in the Incentive Scheme.
2. Employees participating in the Incentive Scheme will be entitled to receive a part of the annual bonus in the form of shares in Loomis, provided that certain predetermined and measurable performance criteria are met.
3. The principles already applicable under the existing incentive scheme, within the scope of the principles on remuneration to Group Management adopted by the AGM, will continue to apply. The existing principles relate to result improvements and are set as close to the local business as possible and aim for long term profitability of the group.
4. For parent company employees the performance based targets are relating to earnings per share (“**EPS**”) for Loomis compared with previous year. For other participants in the Incentive Scheme, the performance based targets are relating to improvement of profits of the applicable profit centre. The performance based targets vary depending on in

which part of the business the employee works, but are principally based on an annual improvement of EPS or EBITA¹ within the employee's area of responsibility.

5. Provided that applicable performance criteria are met, the annual bonus will be determined at the outset of 2020 and, subject to what is stated under items A6 and A7 below, be payable as follows.
 - i. 2/3 of the bonus will be paid in cash at the outset of 2020; and
 - ii. 1/3 of the bonus will be paid in shares of series B (the "**Bonus Shares**") at the outset of 2021. The number of Bonus 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.
6. Allotment of Bonus Shares in accordance with item 5 (ii) above will take place only if the total accrued bonus amounts to at least EUR 4,200. If the total accrued bonus is less than EUR 4,200 the whole bonus amount will instead be paid in cash at the outset of 2020 in accordance with item 5 (i) above.
7. Distribution of Bonus Shares according to item 5 (ii) above is subject to the employee still being employed by Loomis as of the last day of February 2021, except where an employee has left his/her employment due to retirement, death or long-term illness, in which case the employee shall have a continued right to receive Bonus Shares.
8. Prior to the distribution of Bonus Shares according to item 5 (ii) above, 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 according to item 5 (ii) above, the employee shall however be entitled to additional shares up to a value corresponding to any dividend paid as regards the Bonus Shares (based on the value of the share at the time of distribution) during the period from payment of the cash bonus pursuant to item 5 (i) up to and including the date of distribution of the Bonus Shares.
9. The number of Bonus Shares to be obtained may be subject to recalculation due to new share issues, split, consolidation and similar measures.
10. 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 Loomis' result and financial position, other circumstances regarding the group's development and the conditions on the stock market – would be clearly unreasonable. The Board shall furthermore be entitled to resolve on such changes to the Incentive Scheme that are deemed reasonable or appropriate as a result of that a person, alone or together with related parties, announces or has an obligation to announce a mandatory offer to acquire shares in Loomis.
11. Participation in the Incentive Scheme presumes that such participation is lawful and that such participation in Loomis' 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 Scheme is not advisable, which alternative solution shall, as far as practically possible, correspond to the terms of the Incentive Scheme.
12. 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.

¹ Earnings Before Interest, Taxes, Amortization of acquisition-related intangible fixed assets, Acquisition-related costs and revenue and Items affecting comparability.

B. Incentive Scheme Costs and Hedging Measures Based on a Share Swap Agreement

Except as stated below regarding the share swap agreement, the fact that a part of the bonus is made share related does not entail any material costs in addition to costs, such as payroll expenses and social security payments, which would follow if the Incentive Scheme would have been implemented as a completely cash-settled program.

The financial exposure of the Incentive Scheme is proposed to be hedged by Loomis 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 conclusion of a share swap agreement is estimated to amount to approximately SEK 350,000.

Total Number of Shares and Effects on Important Key Ratios

The hedging measure above will have no effect on the profit per share except for the increased costs that the Incentive Scheme may entail. The Incentive Scheme is estimated to comprise maximum 175,000 shares (based on the maximum outcome adjusted to the present number of entitled employees and an estimated share price of SEK 320) corresponding to 0.23 percent of the total number of outstanding shares and votes in Loomis.

Voting Majority

The resolutions according to A. and B. above shall be adopted as one resolution. In order to be valid, this resolution 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.

Other incentive schemes in Loomis

In addition to the recurring incentive scheme, a long-term share save based incentive scheme ("**LTIP 2018-2021**") for the Group Management and certain key-employees was adopted by the Extraordinary General Meeting in Loomis on 5 September 2018. LTIP 2018-2021 principally entails that the participants must make their own investments in Loomis class B shares ("**Saving Shares**"). Subject to certain conditions being met, each participant is entitled to receive so-called performance shares free of charge after the expiration of a vesting period which expires on 28 February 2022. LTIP 2018-2021 comprises 240,560 class B shares in total, which corresponds to approximately 0.32 percent of the total number of outstanding shares and votes in Loomis. The performance shares have been hedged through the conclusion of a share swap agreement at a cost of approximately SEK 500,000. In total, all members of Group Management and 37 key-employees (in aggregate 45 persons) have decided to participate in LTIP 2018-2021 by investing in a total of 93,749 Saving Shares at an average price of SEK 278.94 per share. It is the opinion of the Board that both the recurring incentive scheme and LTIP 2018-2021 are and have been appropriate and have contributed to the creation of joint goals for key-employees and the shareholders.

In aggregate, Loomis' outstanding incentive schemes, including the Incentive Scheme, are estimated to comprise a maximum of 550,560 shares, corresponding to 0.73 percent of the total number of outstanding shares and votes in Loomis.

Preparation

The above proposal for an Incentive Scheme has been prepared and processed by the Board and the Remuneration Committee in consultation with the major shareholders. None of the members of the Group Management, whom are a part of the Incentive Scheme, has participated in the framing of the scheme.

Stockholm in March 2019
The Board of Directors
Loomis AB (publ)