REPORT BY THE APPOINTMENTS AND REMUNERATION COMMITTEE OF PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. ON THE PROPOSAL FOR THE DIRECTORS' REMUNERATION POLICY SUBMITTED TO THE 2018 GENERAL SHAREHOLDERS' MEETING UNDER ITEM SEVEN ON THE AGENDA

The Appointments and Remuneration Committee (the "**Committee**") of the Board of Directors of Prosegur Compañía de Seguridad, S.A. (the "**Company**") issues this report in relation to the proposal for the approval of the director's remuneration policy of the Company which is submitted to the binding vote of the General Shareholders' Meeting, pursuant to article 529 *novodecies* of the Companies Law (*Ley de Sociedades de Capital*).

1. GENERAL PRINCIPLES OF THE REMUNERATION POLICY

The bases and principles of the directors' remuneration policy of the Company are laid down in article 22.3 through article 22.5 of the Company's by-laws.

The directors' remuneration policy of the Company (the "**Remuneration Policy**"), which is submitted to the General Shareholders' Meeting for approval, is aimed at ensuring that the remuneration of the Company's directors is in line with their dedication and liability and consistent with the remuneration paid on the market by comparable companies at national and international level, bearing in mind the long-term interests of all shareholders.

The Remuneration Policy is based on the following principles and criteria:

(i) creation of long-term value of the Company, aligning the remuneration schemes with the strategic plan;

(ii) attraction, motivation and retention of the best professionals;

(iii) responsible achievement of objectives, in accordance with the Company's risk management policy; and

(iv) transparency in the remuneration policy.

2. MAIN ELEMENTS OF THE REMUNERATION POLICY

This Remuneration Policy distinguishes between the remuneration scheme for holding office as director, as such, and the remuneration scheme for the discharge of executive functions by executive directors.

2.1 Remuneration scheme for holding office as director, as such

The total remuneration payable by the Company to all its directors, as such, cannot exceed the maximum amount stipulated for such purpose by the General Shareholders' Meeting, which amount will remain in force until the Shareholders' Meeting resolves to modify it. Accordingly, at the Company's General Shareholders' Meeting held on May 29, 2017, those present resolved to stipulate €2,000,000 as the maximum amount of total annual remuneration payable by the Company to all its directors, as such, excluding the remuneration of executive directors for executive functions.

The Board of Directors must set the exact amount payable within this limit and determine its allocation among the various directors, at the proposal of the Appointments and Remuneration Committee.

The remuneration of directors, as such, is structured, within the statutory and by-law framework, around the following items:

(i) Annual fixed allowance

Each year directors receive a fixed amount in line with market standards, having regard to the offices they hold on the Board of Directors and on the Committees on which they sit, at all times bearing in mind the limit on the remuneration of directors, as such. It is paid on a quarterly basis.

(ii) Attendance fees

Directors receive fees for attending meetings of the Board of Directors and of the Committees on which they sit.

2.2 Remuneration scheme for the discharge of executive functions

The remuneration receivable by executive directors for the discharge of execution functions at the Company, is structured as follows:

(i) Fixed remuneration

Determined having regard to the substance of the executive functions attributed to them, and to the fact that this part of the remuneration must be in line with the remuneration paid on the market by comparable companies in terms of capitalization, volume and international implementation.

(ii) Remuneration of the post-contractual non-competition clause, should such a clause be included in the executive director's contract.

If the executive director's contract includes a post-contractual non-competition clause, the executive director's remuneration may include a suitable fixed cash amount, payable periodically, as remuneration for the director's submission to the clause.

(iii) Variable remuneration

The variable remuneration of executive directors is aimed at strengthening their commitment to the Company and creating an incentive for the optimum discharge of their functions. It comprises:

a) Short-term variable remuneration (annual bonus): The annual bonus will be payable in cash and will be linked, for the most part, to the achievement of the Company's economic-financial objectives, as well as to the performance of personal objectives. The target amount cannot exceed 80% of the annual fixed remuneration and the maximum amount, 150% of such remuneration.

b) Medium- and long-term variable remuneration (long-term incentive): medium- and long-term incentive schemes related, for the most part, to the Company's performance in connection with certain economic-financial parameters aligned with the Company's strategic objectives, with a view to retaining and motivating executive directors and creating value on the long term.

   The Company intends to set up a long-term incentive plan with an approximate time horizon of three years. The objectives of the plan will be linked to the creation of value for the Company at global or unit (region, country) level, having regard to the position held by the beneficiary, the scope of his liability and, where appropriate, personal objectives. Between 50% and 100% of the incentive receivable, as the case may be, will be paid in Company shares and the remainder in cash, notwithstanding the possibility of making a cash settlement (at market value) of the part of the incentive payable in shares.

   In general, the value on the grant date cannot exceed 200% of the annual fixed remuneration at that time, multiplied by the number of years of reference of the plan, establishing a minimum achievement, a target achievement and a maximum achievement of the incentive (the maximum can be up to 200% of the objective, at most).

In this connection, the Board of Directors proposes that the General Shareholders' Meeting approve a long-term incentive plan for the 2018-2020 period (reference performance period), both years inclusive, with a vesting period, as the case may be, of two additional years (2021 and 2022) for the receipt of all or part of the incentive, targeted at the Chief Executive Officer and the executives of the Prosegur Group.

(iv) Remuneration in kind

With a view to offering a competitive and attractive remuneration package, executive directors will be able to receive remuneration in kind, such as (without limitation) life and accident insurance, health insurance, annual medical checkup or company car, depending on the Company's policies. In any case, the remuneration in kind cannot exceed 20% of the annual fixed remuneration.

2.3 Basic terms of the contracts of executive directors

The following are the basic terms of the Chief Executive Officer's contract:

(i) Term

The contract of the Company's Chief Executive Officer has an indefinite term, and may be terminated by either party at any time, without restriction, through written notice served to the other party, which does not have to be notified in advance, and without the CEO being entitled to any type of severance or indemnification for said termination.

(ii) Clause on return of remuneration

The Chief Executive Officer's contract stipulates that he agrees to return the amount of any variable remuneration (annual or multi-year) received, if evidence is provided that the payment was not consistent with the established performance conditions or where it was paid having regard to data later proven inaccurate.

(iii) Ethical duties

The Chief Executive Officer must conduct himself in compliance with the duties of good faith and loyalty, refraining from any direct or indirect participation in situations which could give rise to a conflict between his personal interests and those of the Company.

(iv) Professional secrecy

The Chief Executive Officer is obliged to uphold professional secrecy in connection with any of the Company's confidential data or information known to him by virtue of his office, undertaking not to make undue use of such information, either for his own benefit or for that of a third party, to the detriment of the Company.

3. TERM

Pursuant to article 529 *novodecies*.3 of the Companies Law, the Remuneration Policy approved by the General Shareholders' Meeting will remain in force for three years after the year in which it is approved.

The Remuneration Policy will be in force during 2018, 2019 and 2020. Any amendment or replacement of this Remuneration Policy during that time will require the prior approval of the General Shareholders' Meeting, in accordance with the procedure established for obtaining such approval.

4. CONCLUSION

The Appointments and Remuneration Committee concludes that the Remuneration Policy submitted to the General Shareholders' Meeting for approval complies with the legislation in force, with the Company's corporate governance scheme and with the recommendations and best practices, and employs criteria of prudence in the assumption of risk, good governance and transparency; and, in short, enables the Company to have a remuneration policy for its directors, which is suitable and in line with the interests of shareholders and with prudent risk management.

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Madrid, April 26, 2018