

PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A.

REPORT ON THE REMUNERATIONS
POLICY FOR THE BOARD OF
DIRECTORS IN THE CURRENT YEAR
(2013) AND ITS APPLICATION IN THE
PREVIOUS FINANCIAL YEAR (2012)

February 2013

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I. INTRODUCTION

This Report is issued by the Board of Directors of Prosegur Compañía de Seguridad, S.A. ("Prosegur" or the "Company"), on the proposal from the Appointments and Remunerations Committee, in compliance with the provisions of article 28.3 of the Board of Directors Regulations, which establishes that on an annual basis the Board of Directors shall approve a report on the Directors' remuneration policy which includes the policy approved for the current year, or if applicable, for future years, as well as the application of the remunerations policy in the previous financial year.

1.1 Composition of the Company's Board of Directors

The composition of the Company's Board of Directors as at 31 December 2012 was as follows:

Director	Classification	Position on the Board	Date of first appointment	Date of last appointment
Ms Helena Irene Revoredo Delvecchio	Executive	Chairperson	30-06-1997	28-06-2010
Mr Isidro Fernández Barreiro	Dominical	Vice-Chairperson	19-06-2002	28-06-2010
Mr Christian Gut Revoredo	Executive	Chief Executive	30-06-1997	28-06-2010
Ms Mirta María Giesso Cazenave	Dominical	Director	09-05-2000	28-06-2010
Mr Pedro Guerrero Guerrero	Independent	Director	29-03-2005	27-06-2011
Ms Chantal Gut Revoredo	Dominical	Director	30-06-1997	28-06-2010
Mr Eduardo Paraja Quirós	Other external	Director	26-04-2004	29-05-2012
Mr Eugenio Ruiz-Gálvez Priego	Other external	Director	27-06-2005	27-06-2011

Mr Fernando Vives Ruiz	Independent	Director	29-05-2012	29-05-2012
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On the date of this Report, the Company's Board of Directors has approved the change in the classification of the following directors:

From the date of this report Mr Eduardo Paraja Quirós becomes classified as "Independent".

From the date of this report Mr Isidro Fernández Barreiro becomes classified as "Other external directors".

From the date of this report Mr Eugenio Ruiz-Galvez Priego becomes classified as "Independent".

1.2 Changes in the Board of Directors

During the 2012 financial year and up to the date of this Report, there have been the following changes to the Company's Board of Directors :

Appointment of Mr Fernando Vives Ruiz as independent director of the Company.

Resignation of Mr Fernando Vives Ruiz as Secretary of the Board of Directors.

Appointment of Ms Sagrario Fernández Barbé as Secretary of the Board of Directors and her resignation as Vice-Secretary of the Board of Directors .

Changes in the classification of Mr Eduardo Paraja, Mr Isidro Fernandez and Mr Eugenio Ruiz-Galvez, as detailed in the previous section.

2. GENERAL PRINCIPLES OF THE REMUNERATION POLICY FOR THE DIRECTORS

2.1 Provisions in the Articles of Association

Sections 3 to 5 of article 22 of the Company's Articles of Association refer to the Directors' remuneration in the following terms:

"22.3. The position of Director is remunerated. The Directors' remuneration shall consist in a fixed annual payment and allowances for attending each session of the Company's body of administration and its Committees. The remuneration which can be paid by the Company to all of its Directors shall not exceed the maximum amount determined for such purpose by the General Meeting of Shareholders, which shall remain in force until it agrees its modification. The establishment of the exact amount to pay within that limit

and the distribution amongst the different Directors corresponds to the Board of Directors, on proposal from the Appointments and Remunerations Committee.

22.4. Additionally, and independently from that established in the previous section, the possibility is available of establishing remuneration systems referenced to the share price or which involve the delivery of shares or option rights over shares, for the Directors. The application of said remuneration systems must be agreed by the General Meeting of Shareholders under the legally established terms.

22.5. Regardless of the remunerations set out in the above sections deriving from membership of the Board of Director, the Directors who perform other executive functions or consultancy functions in the Company, whatever their relationship with it, shall be entitled to receive the remuneration which is agreed for the performance of said functions, including, if applicable, participation in the bonus systems which may be generally established for the Company's senior management, which can involve the delivery of shares or option rights over shares or remuneration referenced to the share price, under all circumstances subject to the requirements set out in the legislation in force at each time, and participation in the appropriate welfare and insurance systems. In the event of cessation of said functions, they may be entitled to suitable financial compensation under the terms and conditions agreed by the Board of Directors."

2.2 Regulatory provisions

On the other hand, article 28 of the Board of Directors Regulations establishes that the Board shall ensure that the Director's remuneration is moderated according to market requirements and, of applicable and if deemed appropriate, that a part of said remuneration is linked to the Company's performance.

Furthermore, in relation to the external Directors, article 29 of said regulations indicates that the Board of Directors and the Appointments and Remunerations Committee shall adopt all measures available in order to ensure that the remuneration of the external Directors is in accordance with the following guidelines:

- a) The external Directors must be remunerated according to their effective dedication.
- b) The external Directors must be excluded from the welfare systems financed by the Company for the cases of cessation, death or any other.

- c) The amount of the external Director's remuneration must be calculated so that it offers incentives for their dedication but do not constitute a problem for their independence.

3. STRUCTURE OF THE DIRECTORS' REMUNERATION

3.1 Structure of the Directors' remuneration for their activity per se

The remuneration corresponding to the Directors for their activity per se (i.e. apart from any other activity like executive functions) is structured, within the legal framework and the Articles of Association, in accordance with the following remunerative criteria and concepts, within the maximum limit determined for such purpose by the General Meeting of Shareholders, according to the provisions of article 22 of the Company Articles of Association:

3.1.1 Fixed amount

The Director is entitled to receive a fixed amount according to the functions they perform on the Board and its Committees.

The payment is established of a fixed payment for belonging to the Board of Directors, to the Executive Committee and to each of the consultation or control commissions (Audit Committee and Appointments and Remunerations Committee); all under the terms indicated below.

3.1.2 Assistance allowance

The Directors shall be entitled to be paid certain amounts as allowances for attending both the Board of Directors and the Executive Committee and the consultation or control commissions (Audit Committee and Appointments and Remunerations Committee).

At present the Directors do not receive any other type of remuneration for their activity per se. In particular no variable or other remunerations have been established for pensions or life insurance, nor do they participate in remuneration plans referenced to the Prosegur share price, even when this remuneration model is considered in the Company's Articles of Association.

3.2 Structure of the remuneration for the executive Directors for the performance of their executive functions.

Apart from their remuneration as Directors, the executive Directors receive, under the provisions of article 22.5 of the Company Articles of Association, the remuneration corresponding to the performance of their executive functions.

The remuneration of the executive Directors for performing said functions is structured as follows:

3.2.1 *Fixed remuneration*

The executive Directors have established a fixed annual remuneration according to the work performed within the Company and according to market practice.

3.2.2 *Short-term variable remuneration (annual)*

The Chief Executive also receives an annual variable remuneration (bonus) according to the degree of compliance with his/her objectives.

3.2.3 *Long-term variable remuneration*

The Chief Executive also participates in the Company's Long-term Incentive Plans.

3.2.4 *Life Insurance*

The executive Directors have life insurance subscribed in their favour.

The relationship of the executive Directors with the Company is indefinite, without there being specific notice periods for their termination or compensation or golden parachute clauses in the event of the cancellation or termination of said relationship.

4. APPLICATION OF THE REMUNERATION SYSTEM OF THE DIRECTORS FOR THE ACTIVITY PER SE

Prosegur's General Meeting of Shareholders, at its meeting on 28 June 2010, agreed to establish, with effects for the 2010 financial year and successive years, 1,500,000 euros as the maximum amount of the fixed annual remuneration which can be paid by the Company to all of its Directors as such, excluding the remuneration of the executive Directors for such condition.

In accordance with said limit, the remuneration of the Directors for their activity per se was fixed for the 2012 financial year in the following amounts:

In Euros	Chairperson	Member
Board of Directors		
Fixed amount	39,900	39,900
Allowance per session	1,050	1,050
Executive Committee		
Fixed amount	40,000	25,000
Allowance per session	1,500	1,500
Audit Committee		
Fixed amount	33,750	25,000
Allowance per session	1,500	1,500
Appointments and Remuneration Committee		
Fixed amount	17,850	14,700
Allowance per session	1,050	1,050

Additionally remuneration was established for the position of non-executive Vice-Chairperson of the Board of Directors, in addition to those mentioned above, of 157,500 euros per year.

The amounts received by each of the Directors for their condition as such (i.e. not including the amounts received by the executive directors (Executive Chairperson and Chief Executive) for the performance of their executive functions as stated in section 5 below), including the amount received by the non-executive Vice-Chairperson for said condition, during the 2012 financial year was as follows:

In euros	Total amount corresponding to the 2012 financial year
Ms Helena Irene Revoredo Delvecchio	100,150
Mr Isidro Fernández Barreiro	297,500
Mr Eduardo Paraja Quirós	46,200
Ms Mirta María Giesso Cazenave	46,200
Mr Pedro Guerrero Guerrero	144,250
Mr Christian Gut Revoredo	87,700
Ms Chantal Gut Revoredo	140,000
Mr Eugenio Ruiz-Gálvez Priego	143,150
Mr Fernando Vives Ruiz	61,133
Total	1,066,283

The variation in relation to the previous financial year is due to the incorporation of a new director, as well as a new member on two of the delegate committees, the variation of the attendance allowances for the different committees and the compliance with the financial objectives established for the Chief Executive.

For the 2013 financial year, the Board of Directors has agreed to maintain its remuneration as follows:

In Euros	Chairperson	Member
Board of Directors		
Fixed amount	39,900	39,900
Allowance per session	1,050	1,050
Executive Committee		
Fixed amount	40,000	25,000
Allowance per session	1,500	1,500
Audit Committee		
Fixed amount	33,750	25,000
Allowance per session	1,500	1,500
Appointments and Remuneration Committee		
Fixed amount	17,850	14,700
Allowance per session	1,050	1,050

5. APPLICATION OF THE REMUNERATION SYSTEM OF THE EXECUTIVE DIRECTORS

As at 31 December 2012 and up to the date of this Report there are two Executive Directors on the Board: Ms Helena Irene Revoredo Delvecchio (Executive Chairperson) and Mr Christian Gut Revoredo (Chief Executive).

Prosegur's General Meeting of Shareholders, at its meeting on 28 June 2010, agreed to establish a maximum remuneration amount for the Executive Directors for the performance of their executive duties (i.e. in addition to their remuneration as members of the Company's body of administration and, therefore, compatible with it), excluding remunerations in the Company's shares, of 2,000,000 euros per year, with the Board of Directors establishing the exact amount within that remuneration limit for the Executive Directors for the performance of said functions.

The remuneration of the two Executive Directors in the 2012 financial year was as follows:

Remuneration Concept	Year 2012 (in euros)	
	Executive Chairperson	Chief Executive
Fixed remuneration	470,596	625,000
Variable remuneration	-	500,000
Life insurance premiums	33,820	10,145
TOTAL	504,416	1,135,145

For the 2013 financial year, the planned remuneration for the executive Directors is as follows:

Remuneration Concept	Year 2013 (in euros)	
	Executive Chairperson	Chief Executive
Fixed remuneration	470,596	625,000
Variable remuneration	-	500,000
Life insurance premiums	23,528	9,439
TOTAL	494,124	1,134,439

The variable remuneration accrual for the 2013 financial year for the Chief Executive is linked to compliance with objectives according to the creation of value for the Group, measured in terms of net variation of the EBITDA (i.e. subtracting the debt variation).

The Chief Executive also participates in the Company's Long-Term Bonus plans, following approved by the General Meeting of Shareholders.

The Company's Long-Term Bonuses measure the creation of value which is established as the variation of the EBITDA in the indicated period. Subtracted from that variation is the variation of the debt between the financial years measured in the plans.

During 2012, the 2011 Plan was fully settled which measured the creation of value during the period 2008 – 2011, with the Chief Executive receiving within said context a total of 67,940 shares.

The General Meeting of Shareholders held on 29 May 2012 passed the Long-Term Bonuses Plan called 2014 Plan for the period 2012 to 2014 in which the Chief Executive participates. The maximum number of shares which can be assigned to the Chief Executive under the 2014 Plan is 1,812,740 shares each with a nominal value of 0.06 euros.

6. REMUNERATION POLICY IN FUTURE YEARS

Prosegur's remuneration policy in future years will be based on a fair fixed remuneration established according to the work performed in the Company and according to market practice.

It shall also be complemented with variable remuneration plans which measures the Company's creation of value between the periods established for such purpose. The 2014 Plan is based on the Company's creation of value in the period between 2012 and 2014.

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