

REPORT FROM THE BOARD OF DIRECTORS OF PROSEGUR COMPAÑÍA DE SEGURIDAD, S.A. IN RELATION TO THE PROPOSED AUTHORISATION FOR THE ISSUE OF FIXED INCOME SECURITIES (INCLUDING, IN PARTICULAR, DEBENTURES, BONDS AND PROMISSORY NOTES) AND PREFERENTIAL SHARES, MENTIONED IN ITEM FOUR ON THE AGENDA OF THE GENERAL MEETING OF SHAREHOLDERS CONVENED FOR 30TH JUNE 2014.

This report aims at providing the reasons for the proposed authorisation for the Board of Directors, with substitution powers, to issue fixed income securities (including, in particular, debentures, bonds and promissory notes) and preferential shares, pursuant to the general scheme on issue of debentures and according to the provisions in article 401 and the following articles and article 510 of the Spanish Corporations Act, article 319 of the Companies House Rules and other applicable legislation, which approval is submitted to the General Meeting of Shareholders of Prosegur Compañía de Seguridad, S.A. (the “**Company**”) in item ten on the agenda.

The Board of Directors believes that it is highly convenient to have the delegated powers permitted in current regulations in order to be, at any time, in condition to capture, in primary securities markets, the funds necessary for the appropriate management of corporate interests.

The purpose of delegating lies in providing to the administrative body of the company room for manoeuvre and the response capacity demanded in the competitive environment in which the company operates, in which the success of a strategic initiative or a financial transaction, or the possibility to capture financial resources, often depends on the capacity to implement it quickly, without delay and costs which are unavoidable when convening and holding a general meeting of shareholders. Thus, the Board of Directors of the company shall be empowered to capture an important volume of resources in a reduced period of time, if this is necessary.

The issue of fixed income securities (including, in particular, debentures, bonds and promissory notes) and preferential shares is one of the instruments for financing companies by means of capturing external resources.

For this purpose, pursuant to the provisions in current regulations and, in particular, article 319 of the Companies House Rules, the proposed resolution described in item eight on the agenda is submitted for the consideration of the General Meeting of Shareholders.

The proposal includes an authorisation for the Board of Directors to issue fixed income securities (including, in particular, debentures, bonds and promissory notes) and preferential shares. In this respect, article 510 of the Spanish Corporations Act sets forth that the limit for issue of debentures set forth in article 405 of the same Act does not apply to listed public limited companies. For this reason, the proposed resolution establishes the maximum amounts for which issue authorisation is requested.

The maximum limit for bonds, simple debentures and other similar fixed income securities other than promissory notes, as well as preferential shares that may be issued according to this

authorisation, amounts to one thousand (1,000) million Euros. This limit shall not apply to the issue of promissory notes.

For these instruments an autonomous limit of a further one thousand (1,000) million Euros is contemplated, related not the issue amount but to the outstanding balance of outstanding securities issued under this authorisation.

The Board of Directors believes that the limit of the authorisation requested to the General Meeting is sufficiently extensive so as to allow capturing the necessary funds in capital markets to develop the financing policy of the company and its group.

Furthermore, the securities issued under this delegation are expected to be admitted to trading in the relevant secondary market, whether official or unofficial, organised or not, national or foreign.

On the other hand, it may be convenient at times to issue securities, according to this proposal, through a subsidiary company with the guarantee of the company. Therefore, we believe that the General Meeting of Shareholders should give this authorisation to the Board of Directors in order to guarantee, on behalf of the company, within the limits mentioned above, the issue of securities through subsidiary companies, during the term of this resolution, in order to grant to the Board of Directors maximum flexibility to structure the issue of securities in the manner deemed most convenient, depending on the circumstances.

All the powers granted to the Board of Directors, should this resolution be passed as proposed here, shall be granted with express substitution powers, to further promote the aim sought, which is to provide greater flexibility for the proposed operations.

Resolution proposed to the General Meeting of Shareholders

The resolution proposed to the General Meeting of Shareholders, in relation to item eight on the agenda, is literally transcribed below.

Authorisation to the Board of Directors, with substitution powers, for a maximum term of five years, to issue fixed income securities (including, in particular, debentures, bonds and promissory notes) and preferential shares and to guarantee the issue of the aforesaid securities carried out by other Group companies.

PROPOSED RESOLUTION:

"To authorise the Board of Directors, pursuant to the general scheme on issue of debentures and according to the provisions in article 319 of the Companies House Rules, to issue securities under the following conditions:

1. Securities subject to issue.- The securities referred to in this authorisation are fixed income securities of any type (including, in particular, debentures, bonds and promissory notes) and preferential shares.

2. Delegation term.- *The issue of securities under this authorisation may be carried out once or several times within the maximum term of five (5) years, from the date on which this resolution is passed.*

3. Maximum amount of delegation.-

a) *The total maximum amount of issue or issues of fixed income securities (bonds or simple debentures and other similar fixed income securities), other than promissory notes, and preferential shares, agreed under this authorisation shall be one thousand (1,000) million Euros or an equivalent amount in another currency.*

b) *On the other hand, the outstanding balance of the promissory notes issued under this authorisation may never exceed one thousand (1,000) million Euros or an equivalent amount in another currency. This limit is independent of the limit set forth in the preceding paragraph a).*

4. Scope of the authorisation.- *This authorisation covers, as extensively as required in Law, the determination of aspects and conditions of each issue, including, but not limited to, the nominal value, type of issue, redemption price, currency of issue, interest rate, repayment, anti-dilution mechanisms, subordination clauses, issue guarantees, issue place, scheme for placement and underwriting, admission to trading, applicable legislation, etc.), and, in general, any other condition of the issue, as well as, if appropriate, appoint a commissioner and approve the fundamental rules that shall govern the legal relations between the company and the union of the holders of the securities issued, if necessary or if the creation of a union is decided.*

5. Admission to trading.- *The company shall request, if appropriate, the admission to trading in official or unofficial, organised or not, national or foreign, secondary markets of the securities issued by the company under this delegation, empowering the Board of Directors, as extensively as required in Law, to carry out the procedures and actions necessary for admission to trading before the competent authorities of national or foreign securities markets.*

It is expressly stated that, should there be a subsequent petition of exclusion from trading, the latter shall be adopted with the same formalities as those of the request for admission, provided these apply, and, in such a case, the interest of the shareholders or debenture holders who oppose this or do not vote for the resolution, under the terms set forth in current legislation, shall be guaranteed. Furthermore, it is expressly declared that the company submits to the existing rules, or rules that may be in place in the future, that govern matters related to the Stock Exchange and, in particular, trading, continued trading and exclusion from trading.

6. Guarantee of issue of securities by subsidiary companies.- *The Board of Directors is also authorised to guarantee, on behalf of the company, within the limits mentioned above, the new issues of securities which, during the term of this resolution, may be carried out by subsidiary companies.*

7. Substitution powers.- *The Board of Directors is expressly empowered for the latter, in turn, to delegate, under the provisions set forth in article 249 of the Spanish Corporations Act, the powers referred to in this resolution.*”

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Madrid, 29th April 2014.