



**Directors' Remuneration
Policy**
Prosegur Cash, S.A.
6 February 2017





I.- INTRODUCTION

Pursuant to the provisions of Section 529 *novodecies* of the Corporate Enterprises Act, the General Shareholders Meeting is responsible for approving the directors' remuneration policy, at least every three years, as a separate point of the agenda to the meeting.

The remuneration system for the directors of Prosegur Cash, S.A. ("**Prosegur Cash**" or the "**Company**") is set out in Article 27 of the Articles of Association that, for said purposes, reads as follows:

- 1.- The position of Board Member is a remunerated position. Notwithstanding the foregoing, the Proprietary Directors that, in turn, are directors of the parent company of the Company shall not receive remuneration in their capacities of Board Members of the Company.
- 2.- Subject to the exceptions provided for under the foregoing paragraph, the remuneration of the Board Members, in their capacity of Board Members of the Company, shall consist of a fixed annual amount and daily allowance payments for their attendance at each session of the Board of Directors and of the Committees thereof. The remuneration that is paid by the Company to all of the Board Members, in their capacity of Board Members of the Company, may not exceed the maximum amount that has been established by the General Shareholders Meeting, that shall remain in force and effect until said amount has been modified thereby. The determination of the specific amount to be paid within this limit and the distribution thereof among the different Board Members shall correspond to the Board of Directors, at the proposal of the Appointments and Remuneration Committee.
- 3.- Irrespective of the provisions of the foregoing paragraph, it shall be possible to establish remuneration systems that are referenced to the listed share price of the shares or that include the provision of shares or option rights over shares, for Board Members. The application of said remuneration systems must be ratified by the General Shareholders Meeting in the terms provided for at law.
- 4.- Moreover, the Board Members that perform executive functions, irrespective of the nature of their relationship with the Company, shall be entitled to receive the remunerations that have been established for the performance of said functions, including, as the case may be, the participation thereof in the incentive systems that, as the case may be, are generally established for the senior management staff of the Company, that may include the provision of shares or option rights over shares, or remuneration referenced to the value of the shares, and in any case subject to the requirements that are provided for under applicable legislation from time to time, and the participation in the corresponding pension and insurance systems. In the case of their removal from office, the Board Members may be entitled, subject to the terms and conditions that are approved by the Board of Directors, to adequate economic compensation.

By virtue thereof, the General Shareholders Meeting of the Company hereby approves this directors' remuneration policy of Prosegur Cash (hereinafter, the "**Remuneration Policy**") that shall remain in force and effect during the years 2017, 2018 and 2019. Any modification or substitution of this Remuneration Policy during said term shall require the prior approval of the General Shareholders Meeting, in accordance with the procedures established for the approval thereof.

II.- GENERAL PRINCIPLES

The purpose of the Remuneration Policy is to ensure that the remuneration of the directors of Prosegur Cash corresponds to the dedication and responsibilities of the directors, and is in harmony



with the sums that are paid in the market in comparable companies at a national and international level, taking into consideration the long-term interests of all of the shareholders.

Accordingly, the Remuneration Policy must correspond to the circumstances that exist from time to time, and special attention must be paid to regulatory changes, the best practices, recommendations and trends (both national and international) in terms of the remuneration of the directors of listed companies and of the prevailing market conditions.

In accordance with the foregoing, Article 29.2 of the Regulations of the Board of Directors of the Company establishes that the Board of Directors and the Appointments and Remuneration Committee shall adopt all of the measures that are within their power in order to ensure that the remuneration of the External Directors comply with the following guidelines:

- a) The External Directors must be remunerated depending upon the effective time that they dedicate to the exercise of their positions.
- b) The External Directors must be excluded from the pension systems financed by the Company for the situations of removal, death or any other situation.
- c) The amount of the remuneration of the External Directors must be calculated in such a way as to provide incentives for the time dedication thereof, however must not constitute an obstacle for the independence of the criteria thereof.

Furthermore, Article 29.4 of the aforementioned Regulations establish that the Board of Directors shall ensure that the remuneration of the Board Members is in harmony with that which is paid in the market in companies of a similar size and with similar activities and that the variable remuneration, as the case may be, take into account the professional activities of the beneficiaries thereof and are not simply the result of general market trends.

Furthermore, in relation to the Executive Directors, the fundamental criteria relates to the establishment of remuneration systems that enable the Company to attract, retain and motivate the best professionals in order that the Company is able to comply with its strategic objectives within the increasingly competitive and internationalised context in which the Company operates.

Accordingly, this Remuneration Policy is based upon the following principles and criteria:

- a) Creation of long-term value for the Company, through the alignment of the remuneration systems with the strategic plan.
- b) To attract, motivate and retain the best professionals.
- c) Responsible satisfaction of targets and objectives, in accordance with the risk management policy of the Company.
- d) Transparency in relation to the remuneration policy.

This Remuneration Policy distinguishes between the remuneration system for the performance of the position and for the activities of Board Members, in said capacity, and the remuneration systems for the performance of executive functions by the Executive Directors.



III.- REMUNERATION SYSTEM FOR THE PERFORMANCE OF THE POSITION AND THE ACTIVITIES OF BOARD MEMBERS, IN SAID CAPACITY

1.- Policy of the Company

In accordance with the provisions of Article 27.1 of the Articles of Association, the position of Board Member is a remunerated position. Notwithstanding the foregoing, the Proprietary Directors that, in turn, are directors of the parent company of the Company (e.g., currently, Prosegur Compañía de Seguridad, S.A. – “**Prosegur**”) shall not receive remuneration in their capacities of Board Members of the Company.

The remuneration that is paid by the Company to all of the Board Members, in their capacity of Board Members of the Company, may not exceed the maximum amount that has been established by the General Shareholders Meeting, that shall remain in force and effect until said amount has been modified thereby. For said purposes, the General Shareholders Meeting of Prosegur Cash, at the meeting held on 6 February 2017, agreed to establish said sum as the amount of 1,500,000 Euros.

The determination of the specific amount to be paid within this limit and the distribution thereof among the different Board Members shall correspond to the Board of Directors, at the proposal of the Appointments and Remuneration Committee.

With the exceptions provided for under the first paragraph of this section and taking into consideration the maximum limit set out in the foregoing paragraph, the remuneration of the Board Members, in their capacity of Board Members of the Company, shall be structured, within the applicable legal framework and in accordance with the terms of the Articles of Association, in respect of the following elements:

(i) Fixed annual amount

The Board Members shall receive a fixed annual amount in accordance with market standards, depending upon the positions and functions that they carry out within the Board of Directors and within the Committees thereof, and always taking into account the remuneration limit of the Board Members. The foregoing fixed annual amount shall be paid by way of quarterly instalments.

(ii) Attendance allowances

The Board Members shall receive an amount by way of daily allowance payments for their attendance at each session of the Board of Directors and of the Committees to which they form part.

2.- Application for the year 2017

For the **year 2017**, the Board of Directors has approved the following remuneration for the aforementioned concepts:

	Chairman	Board Member
Board of Directors		
Fixed annual amount	€52,000	€52,000
Attendance allowances	€1,650	€1,650



Audit Committee		
Fixed annual amount	€30,000	€22,500
Attendance allowances	€1,650	€1,650
Appointments and Remuneration Committee		
Fixed annual amount	€16,000	€13,000
Attendance allowances	€1,250	€1,250

As has been set out hereinabove, the Proprietary Directors of the Company that, in turn, are directors of the company Prosegur shall be excluded from the foregoing remuneration system.

Moreover, for the performance of the position of Deputy Chairman of the Board of Directors of the Company, the Board of Directors has approved a specific remuneration, in addition to the aforementioned remuneration sums, that consists of a fixed annual amount of 100,000 Euros.

Necessarily within the limit established by the General Shareholders Meeting for the remuneration of the Board Members, in their capacity as Board Members of the Company (currently, as set out hereinabove, the amount of 1,500,000 Euros), the Board of Directors, subject to a prior report from the Appointments and Remuneration Committee and in accordance with the provisions of the Articles of Association, may review the foregoing sums for future years.

IV.- REMUNERATION SYSTEM FOR THE PERFORMANCE OF EXECUTIVE FUNCTIONS

1.- Policy of the Company

The remuneration system that corresponds to the Executive Directors for the performance of executive functions within the Company (and, accordingly, different from the functions related to their position of Board Members of the Company, that shall be remunerated in accordance with the provisions of the foregoing section of this Remuneration Policy), shall be structured as follows:

(i) Fixed remuneration

The remuneration shall be determined taking into account the nature of the executive functions designated thereto and taking into consideration that this part of the remuneration must be aligned with the sums that are paid in the market by comparable companies in relation to the capitalisation, volume and international operations thereof.

(ii) Remuneration of the post-contractual restraint of trade covenant

In the case that the contract of the Executive Director includes a post-contractual restraint of trade covenant, the remuneration of the Executive Director may include a periodic fixed monetary remuneration amount by way of remuneration for said covenant.

(iii) Variable remuneration

The purpose of the variable remuneration of the Executive Directors is to enhance their level of commitment to the Company and to incentivise the enhanced performance of their functions. The variable remuneration shall be comprised of a short-term variable remuneration



(annual bonus) and a medium- and long-term variable remuneration (long-term incentive - LTI).

- a) Short-term variable remuneration (annual bonus): The annual bonus shall be payable by way of monetary payment and shall be associated, for the most part, to the satisfaction of economic and financial targets of the Company as well as to the satisfaction of personal objectives.

The objective amount thereof may not exceed 80% of the fixed annual remuneration and the maximum amount may not exceed 150% thereof.

The Appointments and Remuneration Committee shall be responsible for the approval of the targets for the annual bonus, at the beginning of each year, and shall also be responsible for the assessment of the satisfaction thereof, after the year has concluded. The Appointments and Remuneration Committee may require the consultancy services of an independent expert for said purposes.

The foregoing assessment shall be carried out based upon the audited results, which are analysed, first of all, by the Audit Committee, as well as the degree of satisfaction of the targets. The Appointments and Remuneration Committee shall also consider the quality of the results in the long-term, any associated risk in the proposal of the variable remuneration and other relevant aspects, such as the impact of the exchange rate or similar aspects.

After said analysis, the Appointments and Remuneration Committee shall establish a bonus proposal that shall be submitted for the approval of the Board of Directors.

- b) Medium- and long-term variable remuneration (long-term incentive - LTI): the Company also provides for the application in relation to its Executive Directors of medium- and long-term incentive systems (multiannual bonuses, share plans or options or warrants plans for shares or referenced to the value of the shares or analogous systems) associated, for the most part, to the performance of the Company in relation to certain economic and financial parameters aligned with the strategic objectives of the Company, for the purpose of promoting the retention and motivation of the Executive Directors and the creation of long-term value. In the case of systems associated to shares of the Company, said systems shall be submitted for the approval of the General Shareholders Meeting, as provided for at law.

In this respect, the Company intends to operate a long-term incentive plan (LTI) with an orientative time horizon of three years (e.g., the plan would cover a period of three consecutive years), with an applicable permanency period, as the case may be, of an additional two years in respect of the payment of part of the incentive. The targets of the plan shall be associated to the Creation of Value of Prosegur Cash at a global level or of a specific business unit (region or country) depending upon the position held and the scope of responsibility of the beneficiary and, when applicable, to personal objectives. The Creation of Value shall be calculated based upon relevant figures for the business such as the EBITA, debt, CAPEX, etc. during the reference period. The incentive to be received, as the case may be, shall be paid, between 50% and 100%, in shares of Prosegur Cash and the rest shall be paid by way of monetary payment, without prejudice to the possibility to liquidate by way of cash payment (at the market value) the part of the incentive payable in shares.



In general, the value at the date of the issue thereof shall not exceed 150% of the annual fixed remuneration of the beneficiary at that time, multiplied by the number of years of application of the plan (e.g., generally, three years), and a minimum sum, a target and a maximum sum of the incentive shall be established (and the maximum may not exceed that of 200% of the target).

(iv) Remuneration in kind

In order to provide a competitive and attractive remuneration package, the Executive Directors may receive remunerations in kind such as (however not limited to) life and accident insurance, medical insurance, annual medical revision or company vehicle, in accordance with the policies of the Company. In any event, the remunerations in kind shall not exceed 20% of the fixed annual remuneration.

2.- Application for the year 2017

For the **year 2017**, the remuneration packages of the two Executive Directors of the Company (the Executive Chairman, Mr Christian Gut Revoredo and the Managing Director, Mr José Antonio Lasanta Luri) are comprised as set out hereinbelow. For said purposes, it must be taken into consideration that the Executive Chairman, Mr Christian Gut Revoredo, shall continue to exercise and perform the position of Managing Director of the company Prosegur, and shall jointly perform both positions (Managing Director of Prosegur and Executive Chairman of Prosegur Cash) and shall divide his time and dedication between both companies in a reasonable and equitable manner in order to adequately manage the businesses of both companies, and shall, accordingly, receive the corresponding remuneration from both companies.

(i) Fixed remuneration

- Executive Chairman: 374,876 Euros per annum (gross).
- Managing Director: 182,000 Euros per annum (gross).

(ii) Remuneration of the post-contractual restraint of trade covenant

Only the Managing Director has a post-contractual restraint of trade covenant, and receives a remuneration for said covenant of 78,000 Euros per annum (gross).

(iii) Variable remuneration

a) Short-term variable remuneration for 2017 (2017 annual bonus):

- Executive Chairman: objective amount of 250,000 Euros (gross) and maximum amount of 375,000 Euros (gross).
- Managing Director: objective amount of 130,000 Euros (gross) and maximum amount of 195,000 Euros (gross).

b) Medium- and long-term variable remuneration (long-term incentive - LTI):

The Executive Chairman and the Managing Director (as well as the other directors of the Prosegur Cash Group) participate in the 2015-2017 Long-Term Incentive Plan of Prosegur called "Plan 2015-2017", approved by the General Shareholders Meeting of Prosegur on 28 April 2015. Said plan covers the years 2015 to 2017. The incentive to be received, as the case may be, shall be paid, in the case of the Executive Chairman, 100% in shares of



Prosegur (up to a maximum of 956,856 shares) and, in the case of the Managing Director, 50% in cash (up to a maximum of 412,500 Euros) and 50% in shares of Prosegur (up to a maximum of 87,712 shares of Prosegur), with an applicable permanency period in the case of the Managing Director of two additional years for part of the incentive.

In light of the fact that over two thirds of the Plan 2015-2017 has already elapsed, in order to facilitate the transition it has been decided to maintain the participation of the Executive Chairman and of the Managing Director (as well as of the rest of the directors of Prosegur Cash that are beneficiaries of the plan) in the Plan 2015-2017, in accordance with the regulations thereof approved by the Board of Directors of Prosegur, however, subject to the modification of the targets and the method of payment as is set out hereinbelow, for the purposes of fully aligning the interests thereof with the interests of the shareholders of Prosegur Cash:

- Executive Chairman: a sixth of the incentive of the Executive Chairman (e.g., up to a maximum of 159,476 shares of Prosegur) shall, hereinafter, be associated to the target of the Creation of Value of Prosegur Cash at a global level during the period 2015-2017.

Said part of the incentive, in the amount that, as the case may be, is applicable, shall be paid by Prosegur Cash in shares of Prosegur Cash, and the shares of Prosegur shall be converted into shares of Prosegur Cash by means of the application of a ratio equal to the result of dividing (i) the average closing price of the shares of Prosegur during the fifteen stock market sessions immediately prior to the date of listing of Prosegur Cash; by (ii) the listing price of the shares of Prosegur Cash in the initial public offering thereof; with a maximum, in any event, of 638,000 shares of Prosegur Cash.

- Managing Director: the totality of the incentive of the Managing Director (e.g., up to a maximum of 412,500 Euros and 87,712 shares of Prosegur) shall, hereinafter, be associated to the target of the Creation of Value of Prosegur Cash at a global level during the period 2015-2017.

The part of the incentive related to shares, in the amount that, as the case may be, is applicable, shall be paid by Prosegur Cash in shares of Prosegur Cash, and the shares of Prosegur shall be converted into shares of Prosegur Cash by means of the same ratio that has been set out hereinabove for the Executive Chairman; with a maximum, in any event, of 351,000 shares of Prosegur Cash.

The Company intends to implement, subject to the prior agreement of the General Shareholders Meeting, a long-term incentive plan for the period 2018-2020, in accordance with the general framework described in paragraph IV.1.(iii).b) hereinabove.

(iv) Remuneration in kind

Only the Managing Director received remuneration in kind that consists of a life and accident insurance policy, medical insurance, annual medical revision and a company vehicle, within the limits established in this Remuneration Policy.

The review of the remuneration package of the Executive Chairman and of the Managing Director for future years shall be carried out, within the framework of this Remuneration Policy, taking into account, in particular, the business value and merits of the executive director, the market conditions



in comparable companies and that which the Company is able to assume, with a maximum increase of 25% per annum in relation to the total remuneration package.

BASIC TERMS AND CONDITIONS OF THE CONTRACTS WITH EXECUTIVE DIRECTORS

The basic terms and conditions of the contracts of the Executive Chairman and of the Managing Director are set out hereinbelow:

(i) Term

The contracts of the Executive Directors of the Company are for an indefinite term.

The contract of the Executive Chairman may be rescinded by either of the parties at any time whatsoever, by means of the notification, in writing, to the other party without any need for any prior notice and without the Executive Chairman being entitled to any type of compensation whatsoever for said rescission.

The contract of the Managing Director may be rescinded at any time whatsoever by the Company, without any need for any prior notice and subject to the compensation entitlements that are set out hereinbelow. In turn, the Managing Director may freely rescind the contract and resign from his position at any time whatsoever, subject to a minimum notice period of three months and without any right to any compensation whatsoever.

(ii) Compensation for contractual termination

The contract of the Managing Director provides that the Managing Director shall be entitled to compensation in the sum of 500,000 Euros (gross) in the case of the termination of the contract by the Company that is not the result of any serious and repeated breach of the functions of the Managing Director or in the case of the termination by the Managing Director as a result of the serious and repeated breach by the Company of its obligations.

(iii) Post-contractual restraint of trade covenant

The contract of the Managing Director includes a post-contractual restraint of trade covenant (irrespective of the reason for the contractual termination) for the remunerated period of two years. In the case of breach of said covenant, the Managing Director must reimburse to the Company, within the maximum period of one month, the full amount received as remuneration for the covenant as from the date of formalisation of his contract until the date of the termination thereof.

(iv) Remuneration reimbursement clause

The contracts of the Executive Directors establish the obligation to return the amount corresponding to any variable remuneration received (annual or multiannual) when it has been substantiated that the payment did not comply with the established performance conditions or when said sums have been paid based upon inaccurate information that has only been determined after the payment thereof.



(v) Exclusivity

With the standard exceptions in these types of contracts, the Executive Directors assume the obligation to carry out all of their professional services exclusively in relation to the Company, with the exception of the performance of the position of Managing Director of Prosegur by Mr Gut Revoredo, that is expressly authorised.

(vi) Deontological duties

The Executive Directors must act in accordance with the duties of good faith and trust and confidence, and must abstain from participating, whether directly or indirectly, in situations that may constitute any conflict of interest between their personal interests and the interests of the Company.

(vii) Professional secrecy

The Executive Directors are required to comply with the duty of professional secrecy in relation to any confidential data or information of Prosegur Cash that they may obtain through the performance of their position, and undertake not to carry out any improper use of said information, either for their own benefit or for the benefit of any third party and against the interests of Prosegur Cash.

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