

THE NOMINATION COMMITTEE



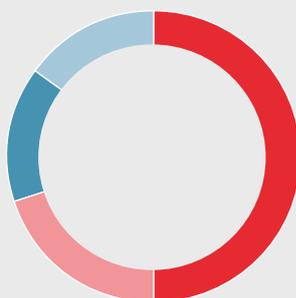
JOHN CONNOLLY,
Nomination Committee Chairman

Committee membership during 2018

	Member since
John Connolly (Chairman)	June 2012
Steve Mogford	May 2016
Barbara Thoralfsson	July 2016

The Nomination Committee meets on an ad hoc basis, when the need arises. In 2018, the committee met twice. In addition a number of decisions were made by written resolution. Members' attendance at committee meetings is shown on page 81.

Main activities of the Nomination Committee during the year (%)



Recruitment of NEDs	50%
Independence and extending terms of appointment	20%
Reviewing board committee membership	15%
Succession planning	15%

Link to strategic priorities



During the year, the work of the Nomination Committee was focused on refreshing the board and reviewing its composition as well as laying the foundations to ensure that the attributes, skills and experience needed to ensure the board continues to be effective, as the business enters a period of change, are clearly understood.

Responsibilities

The Nomination Committee's remit covers broadly five areas, namely, board composition, making recommendations to the board on appointments with a view to maintaining a balance of skills and experience on the board and its committees, succession planning, board performance evaluation and annual reporting.

The committee's terms of reference are available at g4s.com/investors.

Board composition

Following the announcement in December 2017 that Clare Spottiswoode would step down from the board and as chair of the CSR Committee at the conclusion of the AGM on 15 May 2018, the Nomination Committee initiated the recruitment process for the appointment of a new non-executive director to succeed Ms Spottiswoode.

The Zygos Partnership (Zygos) was appointed to assist the committee with the recruitment. Zygos was provided with a candidate specification setting out the requirements for the role and the preferred attributes of potential candidates. In selecting the candidates, consideration was given to the skills and competencies required for the role, including an interest in, and enthusiasm for, the CSR agenda and a strong corporate conscience. The ability to make a broad contribution to the board was also key. In addition, consideration was given to the need to enhance board diversity and to continue to attract individuals with relevant skills and strong international experience, as well as corporate culture and fit. Shortlisted candidates were interviewed by the chairman, other members of the Nomination Committee, and the CEO. Zygos (now part of Russell Reynolds) has no connection with the company other than as provider of recruitment consultancy services to the Nomination Committee.

The process resulted in Elisabeth Fleuriot joining the board as non-executive director and chair of the CSR Committee on 18 June 2018. In addition, she was appointed as a member of the Remuneration Committee. Information about the induction programme undertaken by Elisabeth is provided on page 83.

Following the announcement in March 2019 that John Daly would step down from the board and as chair of the Remuneration Committee at the conclusion of the company's 2019 AGM on, a recruitment process has been initiated for a new non-executive director to succeed him. Russell Reynolds, which has no connection with the company other than as provider of recruitment consultancy services to the committee, was appointed to assist with the recruitment.

Directors' length of service

As part of its annual review of board composition, the Nomination Committee reviews the directors' length of service. In line with our Remuneration Policy, executive directors have a rolling service contract, whereas non-executive directors are appointed for an initial term of two years.

The table below sets out the date of appointment and (where applicable) unexpired term remaining for current members of the board.

Independence and re-election to the board

During 2018, the committee considered the terms of appointment of five directors which were due to expire either during the year or early in 2019. Two of these directors (Steve Mogford and Barbara Thoralfsson) had been appointed in 2016 and were coming to the end of their initial two-year term. In May 2018 the Nomination Committee considered the extension of their term of appointment and, concluded that they had successfully developed a deeper understanding of the business and made active contributions to the board. At the same meeting, the term of appointment of the chairman, John Connolly, who had been appointed in June 2012, was also considered. In light of his length of service, taking account of provision B.2.3 of the Code, a rigorous review of his contribution to the board was carried out and it was concluded that the chairman continued to lead the board effectively.

Messrs Connolly and Mogford and Ms Thoralfsson did not participate in the committee's deliberations regarding their respective term of appointment.

The matter of the extension of two directors' terms of appointment was considered later in the year. The term of appointment of Winnie Fok, who was appointed to the board in October 2010 and first elected at the 2011 annual general meeting was due to expire in September 2018. That of Paul Spence

Director	Date of appointment	Unexpired term ^c
Executive directors		
Ashley Almanza	1 May 2013 ^a	n/a
Tim Weller	1 April 2013 ^b	n/a
Non-executive directors		
John Connolly	8 June 2012	16 months
John Daly	5 June 2015	3 months
Elisabeth Fleuriot	18 June 2018	16 months
Winnie Fok	1 October 2010	18 months
Steve Mogford	27 May 2016	15 months
John Ramsay	1 January 2018	10 months
Paul Spence	1 January 2013	20 months
Barbara Thoralfsson	1 July 2016	17 months

a. Ashley Almanza was appointed to the board on 1 May 2013 as chief financial officer and took on the role of chief executive officer on 1 June 2013.

b. Tim Weller joined the board on 1 April 2013 as a non-executive director until 24 October 2016, when he became chief financial officer

c. Unexpired term calculated on the basis of the current two-year term for non-executive directors.

was due to expire in January 2019. In relation to Winnie Fok, in evaluating her contribution to the board, the committee noted that the combination of Winnie's position and experience relating to the Group's Chinese and Asian markets combined with her general business experience and expertise remained valuable to the board in supporting the development of the business in its fastest growing market. As for Paul Spence, the committee noted that his government and large outsourcing contracts experience as well as his experience and knowledge of the US, one of the Group's largest markets, remained very relevant to the business. The in-depth knowledge he had gained as chair of the Risk Committee since January 2016 and as chair of the Audit Committee during 2017 was also noted.

The committee recommended to the board that the appointments of Messrs Mogford, Spence, Connolly and Mses Thoralfsson and Fok be extended for a further two-year term.

The committee was satisfied that the non-executive directors continue to remain independent and committed to their role as directors of the company. With regard to Winnie Fok specifically, both the committee and the board are satisfied that she will continue to remain independent when her tenure exceeds nine years, for the reasons set out above. The board further believes that her knowledge and experience of the business will provide helpful continuity at a time of great change for the Group. The committee and the board are mindful of the need to refresh the board however, and will keep the matter under review as a part of the overall board succession plan.

Succession planning

At its December meeting, the Nomination Committee reviewed the board directors' length of tenure, board committees composition as well as the current skills and experience available on the board. The committee also considered what further skills or experience may be useful to enable the board to support the developing needs of the Group. The results of the board evaluation were also considered. Reviewing these various parameters helps inform future board recruitment.

Diversity

Diversity is a matter for the board as a whole and is an integral part of succession planning and recruitment for the board and senior management team. The board's approach to diversity is set out on page 80.

The Nomination Committee seeks assistance from executive search agencies which are signatories of the Voluntary Code of Conduct to help ensure the most diverse talent pools are reached and an approach in line with best practice is adopted.

Diversity is also expressly included in the specification provided to search agencies for each recruitment.

Consideration is also given to diversity when reviewing board composition and the result of the annual board performance evaluation. In doing so, the committee took account of the results of the third Hampton-Alexander review into gender diversity on boards of FTSE 350 companies published, as well as the recommendations of the Parker review on ethnic diversity.

Committees composition

The composition of board committees was reviewed at the time of the appointment of Elisabeth Fleuriot in June, and her experience as a current serving member on the remuneration committee of another quoted company was thought to naturally lend itself to her joining the Remuneration Committee in addition to chairing the CSR Committee. The review concluded that the committees' composition remained effective and will be further reviewed during the first half of 2019.

Committee performance

The performance of the Nomination Committee was reviewed as part of the process undertaken by each of the board committees, with assistance from Lintstock.

Although considered to be effective, the committee acknowledged the need for greater focus and a more structured approach to succession planning for the board and executive team. The committee will also support the work of the board in taking a more active interest in talent management to ensure initiatives are in place to develop the pipeline and to promote diversity and inclusion in appointments to the board, executive team and senior management.