

Frequently asked questions 10 December 2020

1. What has been happening?

Over recent weeks, G4S plc ("**G4S**") has received takeover offers from both a Canadian based security firm called GardaWorld and a US based firm called Allied Universal.

GardaWorld announced its initial offer for G4S with an announcement on the London Stock Exchange on 30 September at 190p per share before increasing its offer to 235p per share on 2 December. Allied Universal announced its offer on 8 December at 245p per share. This offer has been recommended by the Board of G4S.

The offer documents from GardaWorld and Allied Universal can be accessed at <https://www.g4s.com/investors/offers>.

It is not possible to predict the outcome of either offer by GardaWorld or Allied Universal.

As part of this process, the Trustee of the G4S Pension Scheme has been in discussions with both GardaWorld and Allied Universal to agree how each might support the Scheme should either party complete a takeover.

You can find more information at www.g4s.com and www.garda.com and www.aus.com

2. What has been agreed?

Following extensive negotiations between the Trustee, supported by its advisers, and each of Allied Universal and GardaWorld, agreements have been reached about the future funding and security of the Scheme should either Allied Universal or GardaWorld be successful in their bids for G4S.

With GardaWorld, the Trustee has agreed a £770m funding and support package for the Scheme comprising cash and other measures.

With Allied Universal, the Trustee has also agreed a funding and support package comprising cash and other measures. The package has been agreed based on a funding shortfall of approximately £535 million reflecting the higher funding target agreed with the Trustee. The total value of this package has not been publicly disclosed.

It not possible to make a direct comparison of the agreements reached with GardaWorld and Allied Universal. In particular, the numbers quoted relate to different things. The Trustee is currently unable to provide further information about the packages with each bidder.

3. How do the agreements struck with GardaWorld and Allied Universal compare?

As noted in question 2, it is not possible to make a direct comparison between the agreements with Allied Universal and GardaWorld. The agreements the Trustee has reached take into account the different financial and corporate structures of the businesses, cash flows, debt levels and asset bases all of which have been taken

into consideration when agreeing an appropriate level of security and support for the Scheme.

In reaching separate agreements with both bidders, the Trustee has been satisfied with the packages that GardaWorld and Allied Universal have proposed for the Scheme.

In terms of the takeover, it is up to the shareholders of G4S to decide which offer they prefer.

4. Who is Allied Universal?

Allied Universal is a US-based security services company offering facility services, security systems, janitorial services and staffing. Allied Universal has more than 250,000 employees worldwide serving clients across North America and in the UK. For more information please visit www.aus.com.

5. Who is GardaWorld?

GardaWorld is a Canadian-based security firm offering physical security services, end-to-end cash management solutions and security risk management. GardaWorld has more than 102,000 employees who serve clients in the UK, North America, Africa, Asia and the Middle East. For more information please visit www.garda.com.

6. What has the Trustee been doing?

The Trustee has a fiduciary duty to act in the best interests of the Scheme's members and beneficiaries. The Trustee is responsible for ensuring that the Scheme is run properly and that members' benefits are paid as they fall due. Part of this involves engaging with the Scheme's sponsor, currently G4S plc, to agree appropriate financial contributions into the Scheme.

As part of this duty, the Trustee of the G4S Pension Scheme has also been in discussions with both GardaWorld and Allied Universal to understand their proposals for funding and providing security for the Scheme should either of their bids proceed. The Trustee has reached agreements individually with both Allied Universal and GardaWorld on the future funding and security of the Scheme, which will only apply if either party acquire G4S.

7. What happens if another bidder makes an offer?

Should G4S receive a competing bid from another party, the Trustee would look to agree a separate funding arrangement with that bidder.

8. What does this mean for my pension?

There is no change to your pension. The recent discussions have involved the Trustee reaching agreements on how Allied Universal or GardaWorld would provide ongoing financial support to the Scheme should either of their bids for G4S plc be successful.

9. I have read recent press reports that the scheme has a funding crisis. Is that right?

No. The last valuation of the Scheme was undertaken in 2018 and this showed that the GSL Section was in surplus relative to its 'technical provisions' (i.e. a prudent estimate of the amount of money needed to pay members' benefits as they fall due).

Whilst there were deficits in the Group 4 and Securicor Sections, recovery plans were put in place that are intended to restore both sections to full funding on this basis by 2024.

10. Will my pension change?

The level of your pension and when it is paid would not change if a takeover of G4S by either Allied Universal or GardaWorld takes place.

11. Do I need to do anything?

No, you don't need to do anything. If there are any general updates, we will post them on our website, which is: www.g4s.com/g4sps

If there are any significant developments, we will write to you again to provide you with all of the relevant information.

12. What will happen next?

The Trustee will continue to engage with the relevant parties so that the agreement reached with the successful bidder in relation to the Scheme can be implemented (if the takeover completes). The Trustee will provide further information as the process unfolds.

13. How long will this go on for?

It is hard to say with any certainty, but we anticipate that this process could take a number of weeks.

14. Will I be kept updated on the process?

Yes, the Trustee will post any general updates on our website, which is: www.g4s.com/g4sps

If there are any significant updates, we will write to you again to provide you with all of the relevant information.

15. Where can I get more information?

If you have any further questions not covered off by this supplement, please call our pension scheme helpline on 0345 120 0900. The helpline will take a note of your question and make sure that someone gets back to you. Alternatively, you can email g4spensions@capita.co.uk. If you email, it would be helpful if you could include "Bid for G4S" in the subject.