



BC Partners LLP
40 Portman Square
London W1H 6DA United Kingdom
Telephone: +44 20 7009 4800



Garda World Security Corporation
1390, Rue Barré
Montréal (Québec) H3C 1N4 Canada
Telephone: +1 514 281 2811

HIGHLY CONFIDENTIAL – THIS LETTER DOES NOT AMOUNT TO A FIRM INTENTION TO MAKE AN OFFER UNDER RULE 2.7 OF THE CODE

John Connolly
Chairman
G4S plc
5th Floor, Southside
105 Victoria Street
London, SW1E 6QT
United Kingdom

31 August 2020

Dear John,

We have approached you and the Board of Directors of G4S plc, (“G4S” or the “Company”) twice since mid-June, seeking to enter into discussions regarding a combination of G4S with Garda World Security Corporation, (“GardaWorld”). We have offered acquisition premia of 42% and 50%, respectively, to your shareholders which are significantly above “typical” acquisition premia paid in UK takeovers over the past five years. Each time, you reverted with the same formulaic response, that our non-binding offer was “highly conditional,” “fundamentally undervalues the Company” and was not “in the best interests of shareholders” and you and your Board refused to engage.

Since then, your Board and management have been effective in serving the interests of your shareholders. The Company accelerated the release of half year results, reporting performance in excess of market expectations, which were low. The Company reiterated that performance had stabilized and it conveyed optimism about future prospects. These actions had the desired impact of G4S’ share price, which increased meaningfully by 40% since our first approach, significantly outpacing market movements during the same period. Second quarter results have indeed shown some resilience, but that is not at odds with the trends we also see in our own business. Despite that, G4S’s total underlying revenue still declined by 5.3%, noting second quarter double-digit revenue declines in key segments, such as Europe & Middle East Security Solutions and the remaining Cash Solutions business.

Since our letter of 26 June we have completed our work and are in a position to make a revised proposal which is ready to be presented to your shareholders.

When we made our first approach, G4S’s share price was 102 pence. Our “Definitive Proposal” today is for a price of 190 pence per share, in cash. This represents a premium of 32% to the closing share price of 144 pence on 28 August and a premium of 86% to the closing share price on 12 June, the trading day prior to our first approach.

The table below outlines the premium offered against benchmarks customarily considered by boards and shareholders in similar transactions, based on volume-weighted average price (“VWAP”). This is, by any measure, a meaningful premium, which is higher than almost any historical precedent of similar size in the UK market.

	Share price (p)	Definitive proposal premium (%)
12 June 2020 (pre-approach)	102	86
30 Day VWAP	145	31
60 Day VWAP	126	51
90 Day VWAP	112	69
180 Day VWAP	118	61

Barclays, Bank of America and UBS have already received the necessary internal approvals to underwrite debt financing on a funds certain basis. The equity funding would be provided from funds advised by BC Partners. We have collectively completed our due diligence and do not need access to management or the Company.

This is an Offer that your Board should not ignore. This is an Offer that we believe your shareholders would consider very seriously. It is definite, certain, in cash and fully financed. Our Definitive Proposal has been unanimously approved by GardaWorld’s Board of Directors and BC Partners’s Investment Committee, and it is therefore ready to be rapidly presented to shareholders.

You can now choose to engage, which we hope you will do and would welcome, or not. As always, the potential future value of the Company is uncertain and often in the eye of the beholder. Despite the efforts of your Board and management, historical performance has not lived up to expectations. For example, G4S’s margins have remained stable since 2014, despite considerable continued investments in restructuring and a pivot towards higher-margin technology solutions. During the same period results have fallen short of organic growth guidance in four of the past six years, have missed research analyst consensus earnings estimates in five of six years, and exceeded target leverage in five of six years as well. And there has been a litany of legal, regulatory and customer issues that have tarnished the Company’s reputation and required substantial costs to address. Shareholders would have to look at this recent history in order to assess any prospects that you may decide to disclose to justify a decision to reject, again, our Offer. In contrast, this Definitive Proposal is certain, at a meaningful premium and in cash.

In addition to offering immediate and substantial value to G4S’s shareholders, our offer is of benefit to clients, associates, business partners and other stakeholders. It represents a unique opportunity to create the world’s undisputed leader in security services. A combination with GardaWorld would strengthen the Company and provide clients, associates and business partners with better opportunities. Consequently, the strategic logic of such a combination is powerful and undeniable. We believe there is strong alignment as well and the entrepreneurial leadership of Stephan Crétier along with GardaWorld’s management team will resonate well with the cultural foundations and ethos of G4S.

We hope your Board will support this transaction. We will be waiting for your response and remain available to address any question you may have.

Yours sincerely,



Raymond Svider
Chairman
BC Partners



Stephan Crétier
Chairman
GardaWorld