

OFFERING CIRCULAR



G4S plc

(incorporated with limited liability in England and Wales)

G4S International Finance plc

(incorporated with limited liability in England and Wales)

£2,500,000,000

Euro Medium Term Note Programme

*unconditionally and irrevocably guaranteed in the case of Notes issued by
G4S International Finance plc by G4S plc*

Under this £2,500,000,000 Euro Medium Term Note Programme (the **Programme**), G4S International Finance plc (**G4S Finance**) and G4S plc (**G4S** and, together with G4S Finance, the **Issuers** and each an **Issuer**) may from time to time issue notes (the **Notes**) denominated in any currency agreed between the relevant Issuer and the relevant Dealer (as defined below). The payments of all amounts due in respect of the Notes issued by G4S Finance (**Guaranteed Notes**) will be unconditionally and irrevocably guaranteed by G4S (in such capacity, the **Guarantor**). This Offering Circular supersedes the previous offering circular. Any Notes (as defined below) issued under the Programme on or after the date of this Offering Circular are issued subject to the provisions described herein. This does not affect any Notes already in issue.

The maximum aggregate nominal amount of all Notes from time to time outstanding under the Programme will not exceed £2,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement described herein), subject to increase as described herein.

The Notes may be issued on a continuing basis to one or more of the Dealers specified under “*Overview of the Programme*” and any additional Dealer appointed under the Programme from time to time by the relevant Issuer (each a **Dealer** and together the **Dealers**), which appointment may be for a specific issue or on an ongoing basis. References in this Offering Circular to the **relevant Dealer** shall, in the case of an issue of Notes being (or intended to be) subscribed by more than one Dealer, be a reference to all Dealers agreeing to subscribe such Notes.

An investment in Notes issued under the Programme involves certain risks. For a discussion of these risks see “Risk Factors”.

Application has been made to the Financial Conduct Authority in its capacity as competent authority (the **UK Listing Authority**) for Notes issued under the Programme during the period of 12 months from the date of this Offering Circular to be admitted to the official list of the UK Listing Authority (the **Official List**) and to the London Stock Exchange plc (the **London Stock Exchange**) for such Notes to be admitted to trading on the London Stock Exchange’s regulated market.

References in this Offering Circular to Notes being **listed** (and all related references) shall mean that such Notes have been admitted to trading on the London Stock Exchange’s regulated market and have been admitted to the Official List. The London Stock Exchange’s regulated market is a regulated market for the purposes of the Markets in Financial Instruments Directive (Directive 2004/39/EC).

Notice of the aggregate nominal amount of Notes, interest (if any) payable in respect of Notes, the issue price of Notes and certain other information which is applicable to each Tranche (as defined under “*Terms and Conditions of the Notes*”) of Notes will be set out in a final terms document (the **Final Terms**) which, with respect to Notes to be listed on the London Stock Exchange will be delivered to the UK Listing Authority and the London Stock Exchange. Copies of Final Terms in relation to Notes to be listed on the London Stock Exchange will also be published on the website of the London Stock Exchange through a regulatory information service.

G4S has been rated BBB- by Standard & Poor’s Credit Market Services Europe Limited (**Standard & Poor’s**). The Programme has been rated BBB- by Standard & Poor’s. Standard & Poor’s is established in the European Union and is registered under the Regulation (EC) No. 1060/2009 (as amended) (the **CRA Regulation**). Notes issued under the Programme may be rated or unrated by Standard & Poor’s. Where a Tranche of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme by Standard & Poor’s. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency.

Arranger
Barclays

Dealers

Barclays
BofA Merrill Lynch
Danske Bank
ING
NatWest Markets
SEB

BNP PARIBAS
Citigroup
HSBC
Lloyds Bank
Santander Global Corporate Banking
Standard Chartered Bank

UniCredit Bank

The date of this Offering Circular is 13 November 2017.

IMPORTANT INFORMATION

This Offering Circular comprises a base prospectus in respect of all Notes issued under the Programme for the purposes of Article 5.4 of the Prospectus Directive. When used in this Offering Circular, *Prospectus Directive* means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

Each Issuer and the Guarantor accept responsibility for the information contained in this Offering Circular and the Final Terms for each Tranche of Notes issued under the Programme. To the best of the knowledge of each of the Issuers and the Guarantor (each having taken all reasonable care to ensure that such is the case) the information contained in this Offering Circular is in accordance with the facts and does not omit anything likely to affect the import of such information.

Neither the Dealers nor the Trustee (as defined below) have independently verified the information contained herein. Accordingly, no representation, warranty or undertaking, express or implied, is made and no responsibility or liability is accepted by the Dealers or the Trustee as to the accuracy or completeness of the information contained or incorporated in this Offering Circular or any other information provided by the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor in connection with the Programme. No Dealer or the Trustee accepts any liability in relation to the information contained or incorporated by reference in this Offering Circular or any other information provided by any of the Issuers or the Guarantor in connection with the Programme.

No person is or has been authorised by any of the Issuers, the Guarantor, any of the Dealers or the Trustee to give any information or to make any representation not contained in or not consistent with this Offering Circular or any other information supplied in connection with the Programme or the Notes and, if given or made, such information or representation must not be relied upon as having been authorised by either Issuer, the Guarantor, any of the Dealers or the Trustee.

Neither this Offering Circular nor any other information supplied in connection with the Programme or any Notes (a) is intended to provide the basis of any credit or other evaluation or (b) should be considered as a recommendation by either of the Issuers, the Guarantor or any of the Dealers or the Trustee that any recipient of this Offering Circular or any other information supplied in connection with the Programme or any Notes should purchase any Notes. Each investor contemplating purchasing any Notes should make its own independent investigation of the financial condition and affairs, and its own appraisal of the creditworthiness, of the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor. Neither this Offering Circular nor any other information supplied in connection with the Programme or the issue of any Notes constitutes an offer or invitation by or on behalf of the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor, any of the Dealers or the Trustee to any person to subscribe for or to purchase any Notes.

Neither the delivery of this Offering Circular nor the offering, sale or delivery of any Notes shall in any circumstances imply that there has been no change in the affairs of the Issuers or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that there has been no adverse change in the financial position of the Issuers or the Guarantor since the date hereof or the date upon which this Offering Circular has been most recently amended or supplemented or that any other information contained herein concerning any of the Issuers or the Guarantor is correct at any time subsequent to the date hereof or that any other information supplied in connection with the Programme is correct as of any time subsequent to the date indicated in the document containing the same. The Dealers and the Trustee expressly do not undertake to review the financial condition or affairs of any of the Issuers or the Guarantor during the life of the Programme or to advise any investor in Notes issued under the Programme of any information coming to their attention.

IMPORTANT INFORMATION RELATING TO THE USE OF THIS OFFERING CIRCULAR AND OFFERS OF NOTES GENERALLY

This Offering Circular does not constitute an offer to sell or the solicitation of an offer to buy any Notes in any jurisdiction to any person to whom it is unlawful to make the offer or solicitation in such jurisdiction. The distribution of this Offering Circular and the offer or sale of Notes may be restricted by law in certain jurisdictions. None of the Issuers, the Guarantor, the Dealers and the Trustee represents that this Offering Circular may be lawfully distributed, or that any Notes may be lawfully offered, in compliance with any applicable registration or other requirements in any such jurisdiction, or pursuant to an exemption available thereunder, or assume any responsibility for facilitating any such distribution or offering. In particular, no action has been taken by any of the Issuers, the Guarantor, the Dealers or the Trustee which is intended to permit a public offering of any Notes or distribution of this Offering Circular in any jurisdiction where action for that purpose is required. Accordingly, no Notes may be offered or sold, directly or indirectly, and neither this Offering Circular nor any advertisement or other offering material may be distributed or published in any jurisdiction, except under circumstances that will result in compliance with any applicable laws and regulations. Persons into whose possession this Offering Circular or any Notes may come must inform themselves about, and observe, any such restrictions on the distribution of this Offering Circular and the offering and sale of Notes. In particular, there are restrictions on the distribution of this Offering Circular and the offer or sale of Notes in the United States, the European Economic Area (including the United Kingdom) and Japan, see “*Subscription and Sale*”.

This Offering Circular has been prepared on a basis that would permit an offer of Notes with a denomination of less than €100,000 (or its equivalent in any other currency) only in circumstances where there is an exemption from the obligation under the Prospectus Directive to publish a prospectus. As a result, any offer of Notes in any Member State of the European Economic Area which has implemented the Prospectus Directive (each, a *Relevant Member State*) must be made pursuant to an exemption under the Prospectus Directive from the requirement to publish a prospectus for offers of Notes. Accordingly any person making or intending to make an offer of Notes in that Relevant Member State may only do so in circumstances in which no obligation arises for any of the Issuers, the Guarantor or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive or supplement a prospectus pursuant to Article 16 of the Prospectus Directive, in each case, in relation to such offer. None of the Issuers, the Guarantor or any Dealer has authorised, nor do they authorise, the making of any offer of Notes in circumstances in which an obligation arises for any of the Issuers, the Guarantor or any Dealer to publish or supplement a prospectus for such offer.

The Notes may not be a suitable investment for all investors. Each potential investor in the Notes must determine the suitability of that investment in light of its own circumstances. In particular, each potential investor may wish to consider, either on its own or with the help of its financial and other professional advisers, whether it:

- (i) has sufficient knowledge and experience to make a meaningful evaluation of the Notes, the merits and risks of investing in the Notes and the information contained or incorporated by reference in this Offering Circular or any applicable supplement;
- (ii) has access to, and knowledge of, appropriate analytical tools to evaluate, in the context of its particular financial situation, an investment in the Notes and the impact the Notes will have on its overall investment portfolio;
- (iii) has sufficient financial resources and liquidity to bear all of the risks of an investment in the Notes, including Notes where the currency for principal or interest payments is different from the potential investor’s currency;
- (iv) understands thoroughly the terms of the Notes and is familiar with the behaviour of financial markets; and
- (v) is able to evaluate possible scenarios for economic, interest rate and other factors that may affect its investment and its ability to bear the applicable risks.

Legal investment considerations may restrict certain investments. The investment activities of certain investors are subject to investment laws and regulations, or review or regulation by certain authorities. Each potential investor should consult its legal advisers to determine whether and to what extent (1) Notes are legal investments for it, (2) Notes can be used as collateral for various types of borrowing and (3) other restrictions apply to its purchase or pledge of any Notes. Financial institutions should consult their legal advisers or the appropriate regulators to determine the appropriate treatment of Notes under any applicable risk-based capital or similar rules.

Neither the Notes nor the Guarantee (as defined below) have been or will be registered under the United States Securities Act of 1933, as amended, (the *Securities Act*) and the Notes are subject to U.S. tax law requirements. Subject to certain exceptions, Notes may not be offered, sold or delivered within the United States or to, or for the account or benefit of, U.S. persons as defined in Regulation S under the Securities Act (see "*Subscription and Sale*").

PRESENTATION OF INFORMATION

All references in this document to *U.S. dollars*, *U.S.\$* and *\$* refer to United States dollars. In addition, all references to *Sterling* and *£* refer to pounds sterling and to *euro* and *€* refer to the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

IMPORTANT – EEA RETAIL INVESTORS

If the Final Terms in respect of any Notes includes a legend entitled "Prohibition of Sales to EEA Retail Investors", the Notes, from 1 January 2018 are not intended to be offered, sold or otherwise made available to and, with effect from such date, should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (*EEA*). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (*MiFID II*); (ii) a customer within the meaning of Directive 2002/92/EC (*IMD*), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Directive 2003/71/EC (as amended, the *Prospectus Directive*). Consequently no key information document required by Regulation (EU) No 1286/2014 (the *PRIIPs Regulation*) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

CONTENTS

| Clause | Page |
|--|------|
| Overview of the Programme..... | 2 |
| Risk Factors | 7 |
| Documents Incorporated by Reference..... | 20 |
| Form of the Notes | 21 |
| Form of Final Terms..... | 23 |
| Terms and Conditions of the Notes | 33 |
| Use of Proceeds | 60 |
| Description of G4S plc | 61 |
| Description of G4S International Finance PLC | 66 |
| Taxation..... | 67 |
| Subscription and Sale | 69 |
| General Information | 72 |
| Financial Information in Respect of G4S Finance..... | 76 |

STABILISATION

In connection with the issue of any Tranche of Notes, the Dealer or Dealers (if any) named as the Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in the applicable Final Terms may over-allot Notes or effect transactions with a view to supporting the market price of the Notes at a level higher than that which might otherwise prevail. However, stabilisation may not necessarily occur. Any stabilisation action may begin on or after the date on which adequate public disclosure of the terms of the offer of the relevant Tranche of Notes is made and, if begun, may cease at any time, but it must end no later than the earlier of 30 days after the issue date of the relevant Tranche of Notes and 60 days after the date of the allotment of the relevant Tranche of Notes. Any stabilisation action or over-allotment must be conducted by the relevant Stabilisation Manager(s) (or persons acting on behalf of any Stabilisation Manager(s)) in accordance with all applicable laws and rules.

OVERVIEW OF THE PROGRAMME

The following overview does not purport to be complete and is taken from, and is qualified in its entirety by, the remainder of this Offering Circular and, in relation to the terms and conditions of any particular Tranche of Notes, the applicable Final Terms. The relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and any relevant Dealer may agree that Notes shall be issued in a form other than that contemplated in the Terms and Conditions, in which event, in the case of listed Notes only and if appropriate, a new Offering Circular will be published.

This Overview constitutes a general description of the Programme for the purposes of Article 22.5(3) of Commission Regulation (EC) No 809/2004 implementing the Prospectus Directive.

Words and expressions defined in “*Form of the Notes*” and “*Terms and Conditions of the Notes*” shall have the same meanings in this Overview.

| | |
|------------------------------|--|
| Issuers: | G4S plc. G4S International Finance plc. |
| Guarantor: | G4S plc (in the case of Guaranteed Notes). |
| Risk Factors: | There are certain factors that may affect G4S’s and / or G4S Finance’s ability to fulfil their obligations under Notes issued under the Programme or the Guarantor’s ability to fulfil its obligations under the Guarantee (as defined below). These are set out under “ <i>Risk Factors</i> ” below and include the risk factors referred to therein under the headings “ <i>Business Risks</i> ” and “ <i>Issuing Structure Risks</i> ” respectively. In addition, there are certain factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme and risks relating to the structure of a particular Series of Notes issued under the Programme. These are set out under “ <i>Risk Factors</i> ” below and include the risk factors referred to therein under the heading “ <i>Factors which are material for the purposes of assessing the market risks associated with Notes issued under the Programme</i> ”. |
| Description: | Euro Medium Term Note Programme. |
| Arranger: | Barclays Bank PLC |
| Dealers: | Banco Santander, S.A. Barclays Bank PLC BNP Paribas Citigroup Global Markets Limited Danske Bank A/S HSBC Bank plc ING Bank N.V. Lloyds Bank plc Merrill Lynch International Skandinaviska Enskilda Banken AB (publ) Standard Chartered Bank The Royal Bank of Scotland plc (trading as NatWest Markets) UniCredit Bank AG and any other Dealers appointed in accordance with the Programme Agreement, which appointment may be for a specific issue or on an ongoing basis. The Issuers may also, from time to time, terminate the appointment of any Dealer under the Programme. |
| Certain Restrictions: | Each issue of Notes denominated in a currency in respect of |

which particular laws, guidelines, regulations, restrictions or reporting requirements apply will only be issued in circumstances which comply with such laws, guidelines, regulations, restrictions or reporting requirements from time to time (see “*Subscription and Sale*”).

Notes having a maturity of less than one year:

Notes having a maturity of less than one year will constitute deposits for the purposes of the prohibition on accepting deposits contained in section 19 of the Financial Services and Markets Act 2000 unless they are issued to a limited class of professional investors and have a denomination of at least £100,000 or its equivalent, see “*Subscription and Sale*”.

Issuing and Principal Paying Agent:

Citibank, N.A., London Branch.

Trustee:

Citicorp Trustee Company Limited.

Programme Size:

Up to £2,500,000,000 (or its equivalent in other currencies calculated as described in the Programme Agreement) outstanding at any time. The Issuers and the Guarantor may increase the amount of the Programme in accordance with the terms of the Programme Agreement.

Distribution:

Notes may be distributed by way of private or public placement and in each case on a syndicated or non-syndicated basis.

Currencies:

Subject to any applicable legal or regulatory restrictions, Notes may be denominated in any currency agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and the relevant Dealer.

Maturities:

The Notes will have such maturities as may be agreed between the relevant Issuer and the relevant Dealer, subject to such minimum or maximum maturities as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Issuer or the relevant Specified Currency.

Issue Price:

Notes may be issued at an issue price which is at par or at a discount to, or premium over, par.

Form of Notes:

The Notes will be issued in bearer form as described in “*Form of the Notes*”.

Fixed Rate Notes:

Fixed interest will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

Step Up/Step Down Fixed Rate Notes:

Fixed interest, subject to adjustment following the occurrence of certain changes in the rating of G4S’s senior unsecured long-term debt, will be payable on such date or dates as may be agreed between the relevant Issuer and the relevant Dealer and on redemption and will be calculated on the basis of such Day Count Fraction as may be agreed between the relevant Issuer and the relevant Dealer.

Floating Rate Notes:

Floating Rate Notes will bear interest at a rate determined:

(a) on the same basis as the floating rate under a notional

interest rate swap transaction in the relevant Specified Currency governed by an agreement incorporating the 2006 ISDA Definitions (as published by the International Swaps and Derivatives Association, Inc., and as amended and updated as at the Issue Date of the first Tranche of the Notes of the relevant Series); or

- (b) on the basis of the reference rate set out in the applicable Final Terms.

Interest on Floating Rate Notes in respect of each Interest Period, as agreed prior to issue by the relevant Issuer and the relevant Dealer, will be payable on such Interest Payment Dates, and will be calculated on the basis of such Day Count Fraction, as may be agreed between the relevant Issuer and the relevant Dealer.

The margin (if any) relating to such floating rate will be agreed between the relevant Issuer and the relevant Dealer for each Series of Floating Rate Notes.

Floating Rate Notes may also have a maximum interest rate, a minimum interest rate or both.

Zero Coupon Notes:

Zero Coupon Notes will be offered and sold at a discount to their nominal amount and will not bear interest.

Redemption:

The applicable Final Terms will indicate either that the relevant Notes cannot be redeemed prior to their stated maturity (other than for taxation reasons or following an Event of Default) or that such Notes will be redeemable at the option of the relevant Issuer and/or the Noteholders upon giving notice to the Noteholders or the relevant Issuer, as the case may be, on a date or dates specified prior to such stated maturity and at a price or prices and on such other terms as may be agreed between the relevant Issuer, the Guarantor (in the case of Guaranteed Notes) and the relevant Dealer.

The applicable Final Terms may provide that, upon a Change of Control (as defined in Condition 7.6) occurring and certain other conditions being satisfied, Notes will be redeemable at the option of the Noteholders, see "*Terms and Conditions of the Notes – Redemption and Purchase – Change of Control Put*".

Notes having a maturity of less than one year are subject to restrictions on their denomination and distribution, see "*Notes having a maturity of less than one year*" above.

Denomination of Notes:

The Notes will be issued in such denominations as may be agreed between the relevant Issuer and the relevant Dealer save that the minimum denomination of each Note will be such amount as may be allowed or required from time to time by the relevant central bank (or equivalent body) or any laws or regulations applicable to the relevant Specified Currency, see "*Notes having a maturity of less than one year*" above, and save that the minimum denomination of each Note will be €100,000 (or, if the Notes are denominated in a currency other than euro, at least the equivalent of such amount in such currency).

| | |
|---------------------------------|---|
| Taxation: | All payments in respect of the Notes will be made without deduction for or on account of withholding taxes imposed by any Tax Jurisdiction as provided in Condition 8. In the event that any such deduction is made, the relevant Issuer or, as the case may be, the Guarantor (in the case of Guaranteed Notes) will, save in certain limited circumstances provided in Condition 8, be required to pay additional amounts to cover the amounts so deducted. |
| Negative Pledge: | The terms of the Notes will contain a negative pledge provision as further described in Condition 3. |
| Cross Default: | The terms of the Notes will contain a cross default provision as further described in Condition 10. |
| Status of the Notes: | The Notes will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the relevant Issuer and will rank <i>pari passu</i> among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the relevant Issuer, from time to time outstanding. |
| Status of the Guarantee: | <p>Only Notes issued by G4S Finance will be unconditionally and irrevocably guaranteed by the Guarantor pursuant to the Trust Deed (the Guarantee).</p> <p>The obligations of the Guarantor in respect of Notes issued by G4S Finance under the Guarantee will constitute direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) will rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.</p> |
| Rating: | The Programme has been rated BBB- by Standard & Poor's. Series of Notes issued under the Programme may be rated or unrated. Where a Series of Notes is rated, such rating will be disclosed in the applicable Final Terms and will not necessarily be the same as the rating assigned to the Programme. A security rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, reduction or withdrawal at any time by the assigning rating agency. |
| Listing: | Application has been made for Notes issued under the Programme to be listed on the London Stock Exchange's regulated market. |
| Governing Law: | <p>The Notes and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law.</p> <p>The Trust Deed (including the Guarantee) and any non-contractual obligations arising out of or in connection with the Trust Deed (including the Guarantee) shall be governed by, and construed in accordance with, English law.</p> |
| Selling Restrictions: | There are restrictions on the offer, sale and transfer of the Notes in the United States, the European Economic Area |

(including the United Kingdom) and Japan and such other restrictions as may be required in connection with the offering and sale of a particular Tranche of Notes, see “*Subscription and Sale*”.

**United States Selling
Restrictions:**

Regulation S, Category 2. TEFRA C, TEFRA D or TEFRA not applicable, as specified in the applicable Final Terms.

RISK FACTORS

In purchasing Notes, investors assume the risk that G4S and G4S Finance may become insolvent or otherwise be unable to make all payments due in respect of the Notes. There is a wide range of factors which individually or together could result in the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor becoming unable to make all payments due. It is not possible to identify all such factors or to determine which factors are most likely to occur, as the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor may not be aware of all relevant factors and certain factors which they currently deem not to be material may become material as a result of the occurrence of events outside the relevant Issuer's and (in the case of Guaranteed Notes) the Guarantor's control. The relevant Issuer and (in the case of Guaranteed Notes) the Guarantor have identified in this Offering Circular a number of factors which could materially adversely affect their businesses and ability to make payments when due.

In addition, factors which are material for the purpose of assessing the market risks associated with Notes issued under the Programme are also described below.

Prospective investors should also read the detailed information set out elsewhere in this Offering Circular and reach their own views prior to making any investment decision.

FACTORS THAT MAY AFFECT THE ABILITY OF THE RELEVANT ISSUER OR THE GUARANTOR (IN THE CASE OF GUARANTEED NOTES) TO FULFIL ITS OBLIGATIONS UNDER NOTES ISSUED UNDER THE PROGRAMME

BUSINESS RISKS

The Group's strategy may not be successful

The Group's (being G4S together with its subsidiaries, the **Group**) strategic priorities include, investing in its people and values, growth and innovation, customers and service excellence, productivity and operational excellence and financial and commercial discipline, with the aim of delivering sustainable, profitable growth. The Group's strategy includes the delivery of cost savings through systems transformation and its business portfolio programme, (including the disposal of certain businesses). There can be no guarantee that the Group's strategy will not be altered or will achieve the desired outcome. Diversions on key aspects of the Group's strategy include not being able to deliver major systems implementations as expected, not being able to fully alleviate any unanticipated events that affect business performance, not being in a position to finalise the disposal of certain businesses as planned, not being able to achieve anticipated costs saving, failing to create higher value solutions that differentiate the Group from local commoditised competitors, failing to deliver the Group's core services effectively and consistently, losing contracts or growth opportunities through price competition and market changes, failing to enter target markets successfully, becoming over-reliant on large customers and government legislation changes potentially impacting on the Group's growth potential or force exit from markets and territories. Such diversions or the materialisation of such risks could result in management distraction, or loss of key personnel or key customers or other events which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group is reliant on retaining its key customers

The Group has a large and diversified customer base, with the majority of individual contracts each contributing less than one per cent. of the Group's revenue. Nevertheless, the Group's largest client the United Kingdom (UK) government (comprising local and central government departments), accounted for a significant proportion (approximately ten per cent. on an aggregated basis) of the Group's turnover for the financial year ended 31 December 2016. The contracts with the UK government have terms from three years to 30 years. Should the Group fail to meet the contractual and operational requirements of its key customers and contracts, or should the Group fail to retain its key customers, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group is subject to risks associated with bidding for, entering into and mobilising service contracts many of which are long-term contracts and/or on fixed price terms

The profitability of the Group's contracts depends upon the Group's ability to accurately price contracts to provide for a level of return commensurate with the risks and the anticipated work involved. The Group's profitability also depends on its ability to mobilise contracts effectively following awarding of a contract and to transition from mobilisation to on-going contract management.

Many contracts entered into by the Group are long term commitments, and bidding for them requires the Group to make judgements on likely future demand and economics. Likewise, fixed-price contracts lasting several years require the Group to take risk on future costs, such as wages. Most of the sectors in which the Group operates are intensely price competitive, which can result in relatively thin margins under certain contracts, where even small increases in costs or changes in scope relative to the assumptions in a bid may materially impact the profitability of the relevant contract.

While the Group has recorded provisions in respect of certain onerous contracts (some of which may be able to be extended by the counterparty), no assurance can be given that such provisions will be sufficient to cover the losses ultimately incurred under such contracts that further provisions for such contracts will not be required in the future (particularly in the event that any such contracts are extended by the customer), or that the costs of fulfilling other contracts to which any member of the Group is a party will not exceed the actual or expected economic benefit under such contracts resulting in further onerous contract provisions. If additional provisions and/or increased costs need to be recognised in the future, this may result in lower returns, and economic, reputational and other impacts associated with onerous contracts which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

While the Group has internal review processes designed to ensure effective mobilisation and transition of contracts after award stage and through to on-going contract management, no assurance can be given that such internal processes will be sufficient to avoid poor contract mobilisation and transition. Any resulting poor contract mobilisation or transition may result in lower returns, and economic, reputational and other impacts associated with poor contract mobilisation and transition which could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively

The Group operates under complex and diverse regulatory frameworks

The Group operates in many jurisdictions globally with complex and diverse regulatory frameworks, and which are subject to change from time to time. An additional complexity arises from the extraterritorial reach of some of the legislation to which the Group is subject. Due to such operations, the Group faces many associated risks, including, but not limited to: increasing litigation and class actions; bribery and corruption; maintaining and obtaining operating licences; complying with local tax and other regulations; changes in tax and other regulations; changes to employment legislation; complying with human rights legislation; and new or changed restrictions on foreign ownership. In particular, there continues to be a significant focus on tax reform, including the Organisation for Economic Co-operation and Development's "Base Erosion and Profit Shifting" Project.

In addition, increasing regulatory scrutiny in relation to data protection may impose additional compliance obligations and may also limit the extent to which customer data can be used to support the Group achieving its strategic objectives.

Furthermore, the Group may face new or changing regulations which may require modification of its processes and staff training and result in increased costs. Not being compliant with applicable laws and regulations or changes therein, can have far reaching consequences, including higher costs (including from claims and litigation and implementing modifications that may be required to comply with changes imposed); inability to operate in certain jurisdictions; loss of management control; cessation of business activities; and damage to the Group's reputation.

Should the Group suffer from any of these consequences this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the

ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group operates under a significant number of local financial systems and processes

As at the date of this Offering Circular, the Group operates in around 100 countries and has around 650 legal entities, with a significant number of local financial systems and processes. This leads to an inherently diverse set of processes and controls that rely on local capabilities for implementation and execution of controls. The Group has made significant investment in strengthening capability in finance, internal audit and risk and introduced additional internal controls and enhanced group oversight to mitigate these risks. However, due to the geographical span and decentralised structure of the Group, coupled with the current disparate systems landscape and evolving implementation and control environment there can be no assurance that the systems and controls in place will be effective in preventing or detecting any errors. If any errors are not prevented or remain undetected this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

In addition, as part of its strategy the Group continues to invest in centralising its financial systems and processes which means ongoing implementation in respect of certain systems and processes. There can be no assurance that such implementation will be successful or that it will achieve the desired results.

As a contractor with national and local governments, public sector bodies and agencies and government-regulated customers, the Group is subject to procurement rules and regulations, procurement delays, and service criteria

As a contractor with governments, public sector bodies and agencies, and government-regulated customers, members of the Group must comply with specific procurement regulations and other requirements, which can change from time to time. The Group may also be subject to additional data protection and confidentiality requirements in relation to government contracts.

These requirements, although customary when entering into contracts with public sector bodies, increase the Group's bidding, performance and compliance costs. There is also a risk that procurement requirements or "eligibility to bid" criteria may change, which could affect the Group's eligibility to bid for such contracts and increase the costs of bidding for, or complying with, such contracts. Failure to comply with or satisfy bid criteria, procurement rules and regulations, to meet service levels and performance obligations, or to meet data protection and confidentiality requirements, could result in reductions in the number or value of contracts to be awarded to the Group, the Group not being allowed to participate in future tenders with government, public sector, and government regulated customers, or contract modifications or terminations.

The inability of members of the Group to contract with public sector bodies at all or for a period of time could negatively impact the Group's reputation and ability to procure public sector work in the future.

Public sector projects may also require relevant governmental or other approvals. Difficulties in obtaining such approvals may lead to projects being delayed before procurement has started, during the tender stage, or during the period between being appointed as the preferred bidder and execution of final contracts. Delays in awarding public contracts may also arise from challenges to the award of the contracts by competitors. These matters are beyond the Group's control and any resulting delays could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and therefore on the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under the Notes and the Guarantee, respectively.

The Group could be subject to litigation or investigations that could divert management time and resources and result in penalties, fines, sanctions, variation or revocation of licences, permits, permissions and authorisations, reputational damage or loss of goodwill

The Group may become involved in legal proceedings or other investigations that may be costly if they are not determined in the Group's favour, may divert management's attention away from the running of the business and could result in adverse publicity for, or negative perceptions regarding, the Group. In addition, any such legal proceedings or investigations could result in the withdrawal or non-renewal of licences, permits and/or permissions to operate or other penalties, fines or sanction. Any such event

could affect the Group's relations with current and potential customers and have an adverse impact on the Group's reputation. These events could have a material adverse effect on the Group's business, results of operations, financial condition and could in turn affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under the Notes issued under the Programme and the Guarantee, respectively.

The Group is subject to regulatory, governmental and other sectoral inquiries and investigations in the normal course of its business. The impact of these inquiries and investigations may be difficult to assess or quantify. In addition, any provisioning for such legal proceedings, inquiries and investigations may be inaccurate or inadequate, which may have a material impact on the Group. An unfavourable judgment against any member of the Group or inadequate provisioning for any such unfavourable judgment could have a material adverse effect on the Group's business, results of operations, financial condition and could in turn affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under the Notes issued under the Programme and the Guarantee, respectively.

The Group maintains operations in many countries and is therefore exposed to a variety of employment issues, including minimum wage legislation, shortages of skilled labour and restrictions on hours employees can work, may be exposed to employment litigation, and/or may be adversely affected by changes in employment law in any of the regions or countries in which it operates

As at 31 December 2016, the Group had approximately 585,000 employees in around 100 countries across the world, and is therefore subject to a range of employment regulations. Minimum wage legislation, restrictions on the number of hours employees can work and shortages of skilled workers may affect the Group's ability to control labour costs. The Group may not be able to increase its prices to compensate fully for increases in salaries, training of employees and associated costs. In addition, as a result of employment regulations in various countries in which the Group operates, the Group could have difficulty making employee redundancies or may be subject to pension obligations. The Group may also be subject to employment litigation in any of the countries in which it operates. These factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects which in turn could impact the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group and its operations may be impacted by human error, inadequate (or the failure of) processes or systems including IT systems, catastrophes, the acts of third parties and other external events

Unexpected costs and losses can arise due to human error, inadequate internal or external processes or systems, natural and other catastrophes, technological (including IT systems) failure and external events. The Group may be affected in its operations by the acts of third parties, including sub-contractors and manufacturers.

Failure to manage such risks or to manage them in an efficient manner could cause significant disruptions of the Group's operations, affect the accuracy of its reporting, cause delays and potentially lead to reputational damage, all of which could have a material adverse impact on the Group's business, results of operation, financial condition and prospects and affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Continuity of services

The Group is dependent on the performance of a number of key IT systems and processes and backup routines and resilience across the world. Any disruption or loss of access to the key IT systems or the failure of backup routines and resilience could have a material adverse effect on the Group's results of operations and financial condition and therefore on the ability of the relevant Issuer and the Guarantor to fulfil their obligations under the Notes and the Guarantees, respectively.

Failure to deliver stable and secure IT systems and to combat cyber and other security risks to sensitive and confidential business information and physical sites could adversely affect the ability of the Group to perform current contracts and to win future contracts and in the event of a breach of security could lead to business disruption and reputational damage

The Group holds sensitive and confidential business information and is at risk of cyber and physical attack by criminal organisations and individual hackers. There is also the risk that an individual with legitimate access to such sensitive and confidential business information could disclose it inappropriately, or that an insider could disrupt availability of key systems. An information security breach could have a number of adverse consequences including: censure and fines by national governments; loss of confidence in the G4S brand and the Group's reputation; specific loss of trust by customers, especially those in government and financial sectors; and disruption to service delivery and integrity, particularly in cash solutions operations. Should the Group fail to deliver stable and secure IT systems and to combat cyber and other security risks to information, and maintain adequate disaster recovery processes, this may have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group is involved in joint ventures over which it shares control

Some of the Group's operations are, or will be, conducted through jointly controlled entities and associated companies where the Group's degree of control, as well as its ability to identify and manage risks may be reduced. The Group's joint venture partners may (i) have economic or business interests or goals that are inconsistent with those of the Group; (ii) be unable or unwilling to fulfil their obligations under the relevant joint venture or other agreements; or (iii) experience financial or other difficulties. In some instances, joint venture participants or contractual counterparties may be primarily responsible for recruitment and screening. Further, the Group may not be able to control the decision-making process of the joint ventures without reference to the joint venture partners and, in some cases, it does not have, or may not have, a majority control of the joint venture.

These risks may have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn may affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Attracting skilled personnel is competitive and the Group may fail to attract enough such personnel to support its operations and to continue its business

The security industry generally, and the manned security sector in particular, is labour intensive and consequently the Group relies on being able to attract and retain employees with relevant technical and industry expertise in all the countries in which it operates. Factors, such as minimum levels of training and/or licences for employees in certain positions in various countries and increasing levels of regulation, may limit the Group's ability to recruit new employees and replace leaving employees effectively, thereby limiting the Group's ability to expand its business. The Group's failure to attract, train and retain appropriate personnel with the qualifications necessary to fulfil the needs of its existing and future customers or to successfully assimilate and train new employees in sufficient numbers could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. These events could in turn affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group's senior management team and other key team members in its various operations are critical to its continued success

The Group is reliant on the retention at group and regional level and in certain countries of key members of its management team. The loss of members of the management team could lead to deterioration in the operations of the Group, particularly where members of management have strong relationships with key customers. In addition, these personnel possess technical and business capabilities that are difficult to replace quickly. There is competition for experienced management personnel and the Group may not be able to retain its key personnel or recruit appropriately qualified replacements. The loss of key members of the Group's management or other key team members could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and therefore affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group could be exposed to certain amounts of volatility associated with pension deficits and employer contributions

Calculating pensions requires the Group's management to make assumptions in relation to various factors, such as expected returns on plan assets and longevity of scheme members. Actual results could differ from the assumptions made. The Group could be required to contribute additional amounts to its pension schemes, which could have a negative impact on the future profitability of the Group.

A prolonged period of poor asset returns and/or unexpected increases in longevity could require increases in the current level of additional cash contributions to defined benefit schemes, which may constrain the Group's ability to invest in acquisitions or capital expenditure and could therefore have a material adverse effect on the Group's business, results of operations, financial condition and prospects. This in turn could affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group's relationships with trade unions could deteriorate resulting in a risk to customer service and increase costs associated with industrial disputes

With approximately 585,000 employees around the world, relationships with employees, works councils, trade unions and other employee representatives are an important part of the Group's strategy. As at 31 December 2016, approximately one third of the Group's employees were covered by formal collective agreements with trade unions. Should these relationships deteriorate, there could be a risk to customer service and increased costs associated with industrial disputes and the Group's ability to perform its contractual obligations may be adversely affected by work stoppages and other labour problems. These factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Failure to deliver the Group's services in line with its culture and values and other expectations including effective sourcing and screening of staff could lead to reputational damage

The Group provides a wide range of controlled services to its customers in many different countries around the world with a diversity of local and national cultures and the nature of the Group's activities means that it can face high inherent reputational risks related to the countries in which it operates, the services which it provides, the customers and suppliers with which it works, its employees, the people in its care and its interactions with members of the public. Having a strong set of corporate values that unite the Group is important to the Group (the **G4S Culture and Values**), and any failure to behave in accordance with the high standards that the Group sets itself could give rise to the risk that the Group may not deliver on its commitments to key stakeholders (as described below) and may fail to comply with legislation and international standards (as described in more detail in the risk factor above "*The Group operates under complex and diverse regulatory frameworks*").

As described above, the Group has approximately 585,000 employees around the world. There are risks associated with recruiting, supervising and training employees on such a large scale. Screening employees is also a particular challenge in some territories which lack supporting infrastructure from the relevant authorities and there is the risk of a rogue employee not complying with the Group's values.

Any incident where the Group fails to adequately meet expectations of key stakeholders, including the effective sourcing, supervising, training and screening of staff, or non-adherence by employees and contractors to the G4S Culture and Values as designed and expected, could lead to reputational damage, which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Due to the increased risk of terrorism and similar activities in the world, individuals may use employment at the Group to perform terrorism or similar activities. This could negatively impact the Group's reputation which in turn could have a material adverse effect on the Group's business, results of operations, financial condition and prospects.

The Group's Cash Solutions business is responsible for cash held on behalf of its customers and any cash losses will have an impact on the profit of the Group and the cost of insurance

The Group's Cash Solutions business operates in numerous countries and is responsible for the cash held on behalf of its customers. The Group provides cash transportation from one site to another in high security vehicles, a range of cash management services including secure storage, counting, reconciliation and sorting of notes for automated teller machines (ATMs); a range of ATM services; and secure storage and international transportation of cash and valuables. There are inherent risks in these activities, including the possibility of external attacks, internal theft and poor cash reconciliation. Cash losses can have a major impact on the Group in respect of loss of profit and increased cost of insurance. The occurrence of any of these risks may have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Cash losses can also have an effect on health and safety considerations for the Group's staff and the general public. See the risk factor "*Health and Safety*" below for more details.

The Group is subject to financial covenants in its debt facilities and non-compliance with such covenants could lead to an acceleration of debt maturities

The Group is subject to financial covenants related to its committed bank facilities and its private loan notes are subject to a financial covenant based on net debt to EBITDA ratio, where net debt to EBITDA should be lower than 3.5 times. Any breach of these financial covenants could impact the Group's access to financing which could in turn impact the going concern basis under which the Group's financial statements have been prepared. Predicting the future covenant compliance and liquidity position of the Group is based on profit and cash flow projections which are inherently judgmental. Should the Group fail to comply with its financial covenants, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group has a high carrying value of goodwill and there is a risk that the Group may recognise impairments in the future

The Group has a significant amount of goodwill recorded on its balance sheet with respect to a number of historical acquisitions. The estimation of the recoverable amount of goodwill supported by the Group's cash generating units requires significant judgement, primarily in relation to the achievability of long-term business plans and future cash flows which is dependent on circumstances both within and outside of management's control, in relation to the discount rates adjusted to reflect risks specific to individual assets used and in relation to the macro-economic assumptions and related modelling assumptions underlying the valuation process. The valuation of goodwill is therefore complex and typically requires a high level of estimates and assumptions.

As a result of the annual review of the carrying value of goodwill, £9 million of goodwill was impaired in the Group's 2016 audited consolidated financial statements compared to £66 million of impaired goodwill in the Group's 2015 audited consolidated financial statements. While there has been a significant improvement in impairment losses compared to the previous financial year, there can be no assurances that that will remain the case. Further significant impairment losses could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group is exposed to foreign currency exchange rate risks

As at the date of this Offering Circular, the Group conducts operations in around 100 countries across the world. While transaction risk is limited since, wherever possible, each business operates and conducts its financing activities in local currency, the Group presents its consolidated financial statements in sterling and it is therefore subject to foreign exchange risk due to the translation of the results and net assets of its foreign subsidiaries. An adverse change in exchange rates against sterling could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. This in turn could

affect the ability of the relevant Issuer and (in the case of Guaranteed Notes) the Guarantor to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Whilst the Group's treasury policy is to manage significant translation risks in respect of net operating assets and its consolidated net debt/EBITDA ratio by holding foreign currency denominated loans, where possible, there can be no assurance that such foreign currency risk management will be effective. If such foreign currency risk management is not effective, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and consequently impact the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

A significant change in interest rates may have an adverse impact on the Group

Changes in prevailing interest rates (including changes in the differences between the levels of prevailing short- and long-term rates) may adversely affect the Group's results of operations and costs of funding which could in turn affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Adequate insurance cover may be difficult to renew and/or obtain

The majority of companies in which G4S has management control are covered by the Group's General Liability (GL) and Cash in Transit (CIT) insurance programmes.

The GL insurance provides cover in respect of the Group's legal liability for personal injury, and loss or damage to third party property. This insurance includes cover for the Group's legal liability for loss or damage to customers' premises or property due to the Group's negligence whilst being guarded, and also includes liability arising in connection with the provision of the Group's security and safety services, or from the products the Group supplies.

The CIT insurance cover is wide and includes cash, securities, bullion and precious stones or jewellery. The CIT insurance programme provides cover for loss or damage to property in the Group's care, custody or control, but only to the extent to which the Group is legally liable under the terms of the Group's contracts with its customers.

The terms, conditions and premiums for these insurance programmes are negotiated each year with the insurance market. The Group also maintains self-insured retentions using captive insurance subsidiaries in order to take advantage of the pooling of risk to obtain optimum coverage and terms as a group, whilst ensuring that each individual company's potential liability is proportionate to the reward afforded by its contracts.

In the U.S., SAFETY Act (The Support Anti-terrorism by Fostering Effective Technologies Act of 2002) designation has been renewed for G4S Secure Solutions Inc. from 22 July 2016. Both the Group and its customers are protected against certain claims for damages being awarded as a result of declared acts of terrorism. No assurance can be given in relation to the scope and extent of such protection.

There can be no assurance that the Group's insurance will cover every eventuality or that the Group will be able to renew or obtain adequate insurance. If an event arises which is not covered by the Group's insurance or the Group is unable to renew or obtain adequate insurance at any time, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

The Group also holds claims reserves with wholly-owned captive insurance subsidiaries in Guernsey and the U.S. which underwrite part of the Group's cash solutions, general liability, workers' compensation and auto liability policies. The exposure of each captive is capped on an annual aggregate basis per risk and reinsured back to insurers.

Should the Group's captive insurance subsidiaries not operate as anticipated, this could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Geopolitical and political risks outside the Group's control may adversely affect the Group's business, financial condition, results of operations and prospects

As at the date of this Offering Circular, the Group operates in around 100 countries across the world with wide-ranging government and political systems, differing cultural landscapes and various degrees of rule of law, and within conflict and post-conflict zones. As a result, present and future operations of the Group could be adversely affected by factors such as general political volatility, revolution, military intervention, insurgency, changes in government, changes in government policies, changes in laws and regulations relating to foreign investment, trade and taxation and by social unrest in addition to other political, economic and social risks. Such events could have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Global macroeconomic conditions outside the Group's control may adversely affect the Group's business, financial condition, results of operations and prospects

The Group's results of operations are materially affected by changes and volatility in global macroeconomic conditions generally.

A decline in outsourcing by clients, a reversal of the trend towards globalisation in large corporations and other socio-economic factors could have a material adverse effect on the Group's business, results of operations, financial condition and prospects, and in turn could impact the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively. Major changes in market dynamics, including new technologies, government legislation or customer consolidation could, particularly if rapid or unpredictable, negatively impact upon the Group's revenues and profitability.

Political, social and macroeconomic risks relating to the United Kingdom's exit from the European Union

On 23 June 2016 the UK voted in a national referendum to withdraw from the European Union. There are a number of uncertainties in connection with the future of the UK and its relationship with the European Union. The negotiation of the UK's exit terms is likely to take a number of years, and is likely to increase volatility in global financial markets as well as in the European Union. The consequences of the referendum and the impact on markets, as well as the impact on G4S' operations, remain highly uncertain, in particular, in respect of the UK's future access to the EU Single Market, its future regulatory environment and the free movement of capital and labour. This market volatility may lead to an increase in the Group's cost of borrowing and / or restrictions on the availability of credit which may have a material adverse effect on the Group's business, results of operations, financial condition and prospects and in turn could affect the ability of the relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Health and Safety

G4S is committed to protecting the health, safety and well-being of those who work for or with the Group as well as those who come into contact with G4S' operations. In addition to other risks, G4S employees, subcontractors and other parties working with the Group may face exposure to high-risk scenarios, often in hostile or dangerous circumstances, including working with firearms, being in charge of security vehicles or vehicles carrying valuables (including cash) which could be targeted, caring for people and other high-risk related activities. The Group also operates a large vehicle fleet in a number of countries with poor road infrastructures which increases the risk of road traffic accidents. G4S uses a systematic approach to managing health and safety which is consistent with internationally recognised standards and also monitors health and safety performance regularly and intervenes if performance does not meet the continual improvement targets it sets.

If there is a serious breach of health and safety controls or obligations, an incident which requires the Group to respond to a health and safety situation or an incident which requires the Group to investigate whether health and safety controls or obligations were appropriately followed it could disrupt the Group's business, have a negative impact on the Group's reputation and lead to financial and regulatory costs. Failure to prevent or respond effectively to such breaches could have a material adverse effect on the Group's business, results of operations, financial condition and prospects. This in turn could affect the

ability of relevant Issuer or the Guarantor (in the case of Guaranteed Notes) to fulfil its obligations under Notes issued under the Programme and the Guarantee, respectively.

Credit Ratings are subject to revision downward or may be withdrawn

G4S has a debt rating of BBB- by Standard & Poor's. Notes issued under the Programme may be rated or unrated. Where an issue of Notes is rated, its rating will not necessarily be the same as the rating applicable to the senior long-term debt of G4S. A rating is not a recommendation to buy, sell or hold securities and may be subject to suspension, change or withdrawal at any time by the assigning rating agency.

Ratings are an important factor in establishing the competitive position of companies and are intended to measure a company's ability to repay its obligations and are based upon criteria established by the rating agencies. Standard & Poor's, with whom G4S maintains an interactive rating relationship, periodically evaluates G4S to confirm that it continues to meet the criteria of the rating assigned to it. G4S's rating may be revised downward or withdrawn at the sole discretion of Standard & Poor's. The rating assigned by Standard & Poor's is based upon a number of factors, some of which are not entirely within G4S's control, including factors impacting the security industry generally. As a result of the economic and financial market downturns, and in particular the impact of those conditions on the security industry, ratings agencies have had and may continue to heighten their scrutiny of rated companies, increase the frequency of and scope of ratings reviews, revise their standards or take other actions that may negatively impact G4S's ratings, which cannot be predicted. G4S cannot predict what actions the rating agencies will take, or what actions it may need to take in response to negative ratings action.

Ratings directly impact the terms, including availability of unsecured financing (potentially impacting both the Group's ability to roll over facilities and obtain new facilities). Any rating downgrades could also have a material adverse effect on the Group's cost of borrowing and limit the access of G4S and G4S Finance to the capital markets. Particularly to the extent that G4S is the issuer of the Notes, any of these factors could have a material adverse impact on the ability of G4S, both in its capacity as Issuer and Guarantor (in the case of Guaranteed Notes) to satisfy its payment obligations under Notes issued under the Programme and the Guarantee, respectively.

ISSUING STRUCTURE RISKS

G4S Finance is a wholly-owned subsidiary of G4S and a finance company for the Group

G4S Finance is a wholly-owned subsidiary of G4S. All of the outstanding capital stock and voting stock of G4S Finance is owned directly by G4S. As a result, G4S effectively controls G4S Finance and is able to directly control the composition of G4S Finance's Board of Directors and direct the management and policies of G4S Finance.

G4S Finance's principal activity is to act as a finance company for the Group. G4S Finance raises funds by issuing notes in the international capital markets which have the benefit of a guarantee provided by G4S and on lends to other Group companies. G4S Finance's role as a financing vehicle exposes it to a variety of financial risks that include credit risk, liquidity risk, interest rate risk and foreign currency exchange rate risk. G4S Finance has in place a risk management programme that seeks to limit the adverse effects on its financial performance of those risks by matching foreign currency assets and liabilities and through the use of financial instruments, including interest rate swaps, cross-currency swaps and foreign currency contracts, to manage interest rate and foreign currency risk. To the extent that G4S Finance is the issuer of the Notes, the ability of G4S Finance to satisfy its payment obligations under Notes issued under the Programme will be dependent upon the financial support provided to it by other members of the Group and G4S's ability to satisfy its obligations as guarantor in relation to the amounts owing under the Notes.

G4S is the holding company of the Group and therefore Notes issued under the Programme may be structurally subordinated

G4S is the holding company of the Group. Accordingly, substantially all of the assets of G4S are comprised of its shareholdings in its subsidiaries. To the extent that G4S is the issuer of the Notes, the ability of G4S to satisfy its payment obligations under Notes issued under the Programme will be dependent upon dividend payments and/or other payments received by G4S from other members of the

Group, and the payment obligations of G4S under Notes issued under the Programme may be structurally subordinated to certain payment obligations owed to creditors of G4S's subsidiaries.

FACTORS WHICH ARE MATERIAL FOR THE PURPOSE OF ASSESSING THE MARKET RISKS ASSOCIATED WITH NOTES ISSUED UNDER THE PROGRAMME

Risks related to the structure of a particular issue of Notes

A range of Notes may be issued under the Programme. A number of these Notes may have features which involve particular risks for potential investors. Set out below is a description of the most common such features:

Notes subject to optional redemption by the relevant Issuer

An optional redemption feature is likely to limit the market value of Notes. During any period when the relevant Issuer may elect to redeem Notes, the market value of those Notes generally will not rise substantially above the price at which they can be redeemed. This also may be true prior to any redemption period.

The relevant Issuer may be expected to redeem Notes when its cost of borrowing is lower than the interest rate on the Notes. At those times, an investor generally would not be able to reinvest the redemption proceeds at an effective interest rate as high as the interest rate on the Notes being redeemed and may only be able to do so at a significantly lower rate. Potential investors should consider reinvestment risk in light of other investments available at that time.

Fixed/Floating Rate Notes

Fixed/Floating Rate Notes are Notes which may bear interest at a rate that converts from a fixed rate to a floating rate, or from a floating rate to a fixed rate. Where the relevant Issuer has the right to effect such a conversion, this will affect the secondary market in, and the market value of, the Notes since the relevant Issuer may be expected to convert the rate when it is likely to result in a lower overall cost of borrowing for the relevant Issuer. If the relevant Issuer converts from a fixed rate to a floating rate in such circumstances, the spread on the Fixed/Floating Rate Notes may be less favourable than then prevailing spreads on comparable Floating Rate Notes tied to the same reference rate. In addition, the new floating rate at any time may be lower than the rates on other Notes. If the relevant Issuer converts from a floating rate to a fixed rate in such circumstances, the fixed rate may be lower than the prevailing market rates.

Notes issued at a substantial discount or premium

The market values of securities issued at a substantial discount from (such as Zero Coupon Notes), or premium to, their principal amount tend to fluctuate more in relation to general changes in interest rates than do prices for more conventional interest-bearing securities. Generally, the longer the remaining term of such securities, the greater the price volatility as compared to more conventional interest-bearing securities with comparable maturities.

Risks related to Notes generally

Set out below is a description of material risks relating to the Notes generally:

Modification, waivers and substitution

The conditions of the Notes contain provisions for calling meetings of Noteholders to consider matters affecting their interests generally. These provisions permit defined majorities to bind all Noteholders including Noteholders who did not attend and vote at the relevant meeting and Noteholders who voted in a manner contrary to the majority.

The conditions of the Notes also provide that the Trustee may, without the consent of Noteholders and without regard to the interests of particular Noteholders, agree to (i) any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or (ii) determine without the consent of the Noteholders that any Event of Default or potential Event of Default shall not be treated as such, in the circumstances described in Condition 15.

Certificates or reports as sufficient evidence for the Trustee

Pursuant to the Trust Deed, the Trustee is able to rely on a certificate or report from the auditors of G4S and/or G4S Finance (as applicable) notwithstanding any limitation of liability that may have been imposed by such auditors.

Change of law

The conditions of the Notes are based on English law in effect as at the date of this Offering Circular. No assurance can be given as to the impact of any possible judicial decision or change to English law or administrative practice after the date of this Offering Circular and any such change could materially adversely impact the value of any Notes affected by it.

Notes where denominations involve integral multiples: definitive Notes

In relation to any issue of Notes which have denominations consisting of a minimum Specified Denomination plus one or more higher integral multiples of another smaller amount, it is possible that such Notes may be traded in amounts in excess of the minimum Specified Denomination that are not integral multiples of such minimum Specified Denomination. In such a case a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system, would not be able to sell the remainder of such holding without first purchasing a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination. Further, a holder who, as a result of trading such amounts, holds an amount which is less than the minimum Specified Denomination in his account with the relevant clearing system at the relevant time may not receive a definitive Note in respect of such holding (should definitive Notes be printed) and would need to purchase a principal amount of Notes at or in excess of the minimum Specified Denomination such that its holding amounts to a Specified Denomination.

If such Notes in definitive form are issued, holders should be aware that definitive Notes which have a denomination that is not an integral multiple of the minimum Specified Denomination may be illiquid and difficult to trade.

Risks related to the market generally

Set out below is a description of material market risks, including liquidity risk, exchange rate risk, interest rate risk and credit risk:

The secondary market generally

Notes may have no established trading market when issued, and one may never develop. If a market for the Notes does develop, it may not be very liquid. Therefore, investors may not be able to sell their Notes easily or at prices that will provide them with a yield comparable to similar investments that have a developed secondary market.

Exchange rate risks and exchange controls

The relevant Issuer will pay principal and interest on the Notes in the Specified Currency. This presents certain risks relating to currency conversions if an investor's financial activities are denominated principally in a currency or currency unit (the **Investor's Currency**) other than the Specified Currency. These include the risk that exchange rates may significantly change (including changes due to devaluation of the Specified Currency or revaluation of the Investor's Currency) and the risk that authorities with jurisdiction over the Investor's Currency may impose or modify exchange controls. An appreciation in the value of the Investor's Currency relative to the Specified Currency would decrease (1) the Investor's Currency-equivalent yield on the Notes, (2) the Investor's Currency-equivalent value of the principal payable on the Notes and (3) the Investor's Currency-equivalent market value of the Notes.

Government and monetary authorities may impose (as some have done in the past) exchange controls that could adversely affect an applicable exchange rate or the ability of the relevant Issuer to make payments in respect of the Notes. As a result, investors may receive less interest or principal than expected, or no interest or principal.

Interest rate risks

Investment in Fixed Rate Notes and Step Up/Step Down Fixed Rate Notes involves the risk that if market interest rates subsequently increase above the rate paid on the Fixed Rate Notes or Step Up/Step Down Fixed Rate Notes, as the case may be, this will adversely affect the value of the Fixed Rate Notes or Step Up/Step Down Fixed Rate Notes, as the case may be.

Reliance on Euroclear and Clearstream, Luxembourg

Notes issued under the Programme will be represented on issue by one or more Global Notes that may be deposited with a common depositary or common safekeeper for Euroclear and Clearstream, Luxembourg (each as defined under "*Form of the Notes*"). Except in the circumstances described in each Global Note, investors will not be entitled to receive Notes in definitive form. Each of Euroclear and Clearstream, Luxembourg and their respective direct and indirect participants will maintain records of the beneficial interests in each Global Note held through it. While the Notes are represented by a Global Note, investors will be able to trade their beneficial interests only through the relevant clearing systems and their respective participants.

While the Notes are represented by Global Notes, the relevant Issuer will discharge its payment obligations under the Notes by making payments through the relevant clearing systems. A holder of a beneficial interest in a Global Note must rely on the procedures of the relevant clearing system and its participants to receive payments under the Notes. Neither the relevant Issuer nor the Guarantor (in the case of Guaranteed Notes) has any responsibility or liability for the records relating to, or payments made in respect of, beneficial interests in any Global Note.

Credit ratings may not reflect all risks

One or more independent credit rating agencies may assign credit ratings to any of the Issuers or the Guarantor of the Notes. The ratings may not reflect the potential impact of all risks related to structure, market, additional factors discussed above, and other factors that may affect the value of the Notes. A credit rating is not a recommendation to buy, sell or hold securities and may be revised, suspended or withdrawn by the rating agency at any time.

In general, European regulated investors are restricted under the CRA Regulation from using credit ratings for regulatory purposes, unless such ratings are issued by a credit rating agency established in the EU and registered under the CRA Regulation (and such registration has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). Such general restriction will also apply in the case of credit ratings issued by non- EU credit rating agencies, unless the relevant credit ratings are endorsed by an EU-registered credit rating agency or the relevant non-EU rating agency is certified in accordance with the CRA Regulation (and such endorsement action or certification, as the case may be, has not been withdrawn or suspended, subject to transitional provisions that apply in certain circumstances). The list of registered and certified rating agencies published by the European Securities and Markets Authority (**ESMA**) on its website in accordance with the CRA Regulation is not conclusive evidence of the status of the relevant rating agency included in such list, as there may be delays between certain supervisory measures being taken against a relevant rating agency and the publication of the updated ESMA list. Certain information with respect to the credit rating agencies and ratings is set out on the cover of this Offering Circular.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have previously been published and have been filed with the Financial Conduct Authority shall be deemed to be incorporated in, and form part of, this Offering Circular:

- (a) the audited consolidated financial statements for the two years ended 31 December 2015 and 31 December 2016 for G4S, in each case together with the independent auditor's report thereon;
- (b) the unaudited consolidated interim financial statements for the six months ended 30 June 2017 for G4S together with the independent auditor's review report thereon; and
- (c) the terms and conditions of the Notes contained in the previous Offering Circulars dated 1 May 2009, pages 37-69 (inclusive) prepared by G4S in connection with the Programme, dated 11 April 2012 pages 36-62 (inclusive) prepared by the Issuers in connection with the Programme and dated 4 October 2016 pages 36 to 62 (inclusive) prepared by the Issuers in connection with the Programme, (together, the **Previous Terms and Conditions**).

Any non-incorporated parts of a document referred to herein are either deemed not relevant for an investor or are otherwise covered elsewhere in this Offering Circular.

Any documents themselves incorporated by reference in the documents incorporated by reference in this Offering Circular shall not form part of this Offering Circular.

SUPPLEMENTS

Following the publication of this Offering Circular a supplement may be prepared by the relevant Issuer and the Guarantor (in the case of Guaranteed Notes) and approved by the UK Listing Authority in accordance with Article 16 of the Prospectus Directive. Statements contained in any such supplement (or contained in any document incorporated by reference therein) shall, to the extent applicable (whether expressly, by implication or otherwise), be deemed to modify or supersede statements contained in this Offering Circular or in a document which is incorporated by reference in this Offering Circular. Any statement so modified or superseded shall not, except as so modified or superseded, constitute a part of this Offering Circular.

Copies of documents incorporated by reference in this Offering Circular are available for viewing at, and copies may be obtained from, the registered office of the relevant Issuer and the Guarantor (in the case of Guaranteed Notes) and the specified office of the Paying Agents in London. In addition, copies of the documents will be available at the website of the Regulatory News Service operated by the London Stock Exchange.

The relevant Issuer and the Guarantor (in the case of Guaranteed Notes) will, in the event of any significant new factor, material mistake or inaccuracy relating to information included in this Offering Circular which is capable of affecting the assessment of any Notes, prepare a supplement to this Offering Circular or publish a new Offering Circular for use in connection with any subsequent issue of Notes.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

Certain statements contained in this Offering Circular are forward-looking. These statements provide current expectations of future events based on certain assumptions and include any statement that does not directly relate to a historical fact or current fact. Forward-looking statements typically are identified by words or phrases such as "anticipate," "assume," "believe," "continue," "estimate," "expect," "foresee," "intend," "may increase" and "may fluctuate" and similar expressions or by future or conditional verbs such as "will," "should," "would" and "could". These forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause actual results, performance, achievements or prospects to be materially different from any future results, performance, achievements or prospects expressed or implied by such statements. Any forward-looking statements are qualified in their entirety by reference to the factors discussed throughout this Offering Circular.

FORM OF THE NOTES

Each Tranche of Notes will be in bearer form and will initially be issued in the form of a temporary global note (a **Temporary Global Note**) or, if so specified in the applicable Final Terms, a permanent global note (a **Permanent Global Note**) which, in either case, will:

- (i) if the Global Notes are intended to be issued in new global note (NGN) form, as stated in the applicable Final Terms, be delivered on or prior to the original issue date of the Tranche to a common safekeeper (the **Common Safekeeper**) for Euroclear Bank SA/NV (**Euroclear**) and Clearstream Banking S.A. (**Clearstream, Luxembourg**); and
- (ii) if the Global Notes are not intended to be issued in NGN Form, be delivered on or prior to the original issue date of the Tranche to a common depository (the **Common Depository**) for Euroclear and Clearstream, Luxembourg.

Where the Global Notes issued in respect of any Tranche are in NGN form, Euroclear and Clearstream, Luxembourg will be notified as to whether or not such Global Notes are intended to be held in a manner which would allow Eurosystem eligibility. Any indication that the Global Notes are to be so held does not necessarily mean that the Notes of the relevant Tranche will be recognised as eligible collateral for Eurosystem monetary policy and intra-day credit operations by the Eurosystem either upon issue or at any times during their life as such recognition depends upon satisfaction of the Eurosystem eligibility criteria. The Common Safekeeper for NGNs will either be Euroclear or Clearstream, Luxembourg or another entity approved by Euroclear and Clearstream, Luxembourg.

Whilst any Note is represented by a Temporary Global Note, payments of principal, interest (if any) and any other amount payable in respect of the Notes due prior to the Exchange Date (as defined below) will be made (against presentation of the Temporary Global Note if the Temporary Global Note is not intended to be issued in NGN form) only to the extent that certification (in a form to be provided) to the effect that the beneficial owners of interests in such Note are not U.S. persons or persons who have purchased for resale to any U.S. person, as required by U.S. Treasury regulations, has been received by Euroclear and/or Clearstream, Luxembourg and Euroclear and/or Clearstream, Luxembourg, as applicable, has given a like certification (based on the certifications it has received) to the Agent.

On and after the date (the **Exchange Date**) which is 40 days after a Temporary Global Note is issued, interests in such Temporary Global Note will be exchangeable (free of charge) upon a request as described therein either for (a) interests in a Permanent Global Note of the same Series or (b) definitive Notes of the same Series with, where applicable, interest coupons and talons attached (as indicated in the applicable Final Terms and subject, in the case of definitive Notes, to such notice period as is specified in the applicable Final Terms), in each case against certification of beneficial ownership as described above unless such certification has already been given. The holder of a Temporary Global Note will not be entitled to collect any payment of interest, principal or other amount due on or after the Exchange Date unless, upon due certification, exchange of the Temporary Global Note for an interest in a Permanent Global Note or for definitive Notes is improperly withheld or refused.

Payments of principal, interest (if any) or any other amounts on a Permanent Global Note will be made through Euroclear and/or Clearstream, Luxembourg (against presentation or surrender (as the case may be) of the Permanent Global Note if the Permanent Global Note is not intended to be issued in NGN form) without any requirement for certification.

The applicable Final Terms will specify that a Permanent Global Note will be exchangeable (free of charge), in whole but not in part, for definitive Notes with, where applicable, interest coupons and talons attached upon either (a) not less than 60 days' written notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) to the Agent as described therein or (b) only upon the occurrence of an Exchange Event. For these purposes, **Exchange Event** means that (i) an Event of Default (as defined in Condition 10) has occurred and is continuing, or (ii) the relevant Issuer has been notified that both Euroclear and Clearstream, Luxembourg have been closed for business for a continuous period of 14 days (other than by reason of holiday, statutory or otherwise) or have announced an intention permanently to cease business or have in fact done so and no successor clearing system satisfactory to the Trustee is available or (iii) the relevant Issuer has or will become subject to adverse tax consequences which would not be suffered were the

Notes represented by the Permanent Global Note in definitive form and a certificate to such effect signed by two Directors of the relevant Issuer is given to the Trustee. The relevant Issuer will promptly give notice to Noteholders in accordance with Condition 14 if an Exchange Event occurs. In the event of the occurrence of an Exchange Event, Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder of an interest in such Permanent Global Note) or the Trustee may give notice to the Agent requesting exchange and, in the event of the occurrence of an Exchange Event as described in (iii) above, the relevant Issuer may also give notice to the Agent requesting exchange. Any such exchange shall occur not later than 45 days after the date of receipt of the first relevant notice by the Agent.

The exchange of a Permanent Global Note for definitive Notes upon notice from Euroclear and/or Clearstream, Luxembourg (acting on the instructions of any holder) or at any time at the request of the relevant Issuer should not be expressed to be applicable in the applicable Final Terms if the Notes are issued with a minimum Specified Denomination such as €100,000 (or its equivalent in another currency) plus one or more higher integral multiples of another smaller amount such as €1,000 (or its equivalent in another currency). Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for definitive Notes.

The following legend will appear on all Notes (other than Temporary Global Notes) and interest coupons relating to such Notes where TEFRA D is specified in the applicable Final Terms:

“ANY UNITED STATES PERSON WHO HOLDS THIS OBLIGATION WILL BE SUBJECT TO LIMITATIONS UNDER THE UNITED STATES INCOME TAX LAWS, INCLUDING THE LIMITATIONS PROVIDED IN SECTIONS 165(j) AND 1287(a) OF THE INTERNAL REVENUE CODE.”

The sections referred to provide that United States holders, with certain exceptions, will not be entitled to deduct any loss on Notes or interest coupons and will not be entitled to capital gains treatment in respect of any gain on any sale, disposition, redemption or payment of principal in respect of such Notes or interest coupons.

Notes which are represented by a Global Note will only be transferable in accordance with the rules and procedures for the time being of Euroclear or Clearstream, Luxembourg, as the case may be.

Pursuant to the Agency Agreement (as defined under “*Terms and Conditions of the Notes*”), the Agent shall arrange that, where a further Tranche of Notes is issued which is intended to form a single Series with an existing Tranche of Notes at a point after the Issue Date of the further Tranche, the Notes of such further Tranche shall be assigned a common code and ISIN which are different from the common code and ISIN assigned to Notes of any other Tranche of the same Series until such time as the Tranches are consolidated and form a single Series, which shall not be prior to the expiry of the distribution compliance period (as defined in Regulation S under the Securities Act) applicable to the Notes of such Tranche.

Any reference herein to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in the applicable Final Terms.

No Noteholder or Couponholder shall be entitled to proceed directly against the relevant Issuer unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

The relevant Issuer and the Guarantor (in the case of Guaranteed Notes) may agree with any Dealer and the Trustee that Notes may be issued in a form not contemplated by the Terms and Conditions of the Notes, in which event, a new Offering Circular will be made available which will describe the effect of the agreement reached in relation to such Notes.

FORM OF FINAL TERMS

[**PROHIBITION OF SALES TO EEA RETAIL INVESTORS** – The Notes[, from 1 January 2018,]¹ are not intended to be offered, sold or otherwise made available to and[, with effect from such date,]² should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (**EEA**). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MiFID II**); (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in the Prospectus Directive (where **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the EEA). Consequently no key information document required by Regulation (EU) No 1286/2014 (the **PRIIPs Regulation**) for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.]³

Set out below is the form of Final Terms which will be completed for each Tranche of Notes issued under the Programme with a denomination of at least EUR 100,000 (or its equivalent in another currency).

[Date]

[G4S plc/G4S International Finance plc]⁴

Issue of [Aggregate Nominal Amount of Tranche] [Title of Notes]

[Guaranteed by G4S plc]⁴
under the £2,500,000,000

Euro Medium Term Note Programme

PART A - CONTRACTUAL TERMS

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions set forth in the Offering Circular dated 13 November 2017 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**). This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular. Full information on the Issuer [and the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on the website of the London Stock Exchange through a regulatory information service (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

[The following alternative language applies if the first tranche of an issue which is being increased was issued under an Offering Circular with an earlier date.

Terms used herein shall be deemed to be defined as such for the purposes of the Conditions (the **Conditions**) set forth in the Offering Circular dated [original date] which Conditions are incorporated by reference in the Offering Circular dated [current date] [and the supplement[s] to it dated [date] [and [date]]. This document constitutes the Final Terms of the Notes described herein for the purposes of Article 5.4 of the Prospectus Directive and must be read in conjunction with the Offering Circular dated 13 November 2017 [and the supplement[s] to it dated [date] [and [date]] which [together] constitute[s] a base prospectus for the purposes of the Prospectus Directive (the **Offering Circular**), including the Conditions incorporated by reference in the Offering Circular. Full information on the Issuer [, the Guarantor] and the offer of the Notes is only available on the basis of the combination of these Final Terms and the Offering Circular. The Offering Circular has been published on the website of the London

¹ This date reference should not be included in Final Terms for offers concluded on or after 1 January 2018

² This date reference should not be included in Final Terms for offers concluded on or after 1 January 2018

³ Legend to be included on front of the Final Terms (i) for offers concluded on or after 1 January 2018 if the Notes potentially constitute “packaged” products and no key information document (**KID**) will be prepared or the issuer wishes to prohibit offers to EEA retail investors for any other reason, in which case the selling restriction should be specified to be “Applicable” (ii) for offers concluded before 1 January 2018 at the option of the parties.

⁴ Delete as appropriate.

Stock Exchange through a regulatory information service (www.londonstockexchange.com/exchange/news/market-news/market-news-home.html).

[Include whichever of the following apply or specify as “Not Applicable”. Note that the numbering should remain as set out below, even if “Not Applicable” is indicated for individual paragraphs or subparagraphs (in which case the sub-paragraphs of the paragraphs can be deleted). Italics denote directions for completing the Final Terms.]

[If the Notes have a maturity of less than one year from the date of their issue, the minimum denomination must be £100,000 or its equivalent in any other currency.]

1. (a) Issuer: [G4S plc/G4S International Finance plc]
(b) [Guarantor: G4S plc]
2. (a) Series Number: []
(b) Tranche Number: []
(c) Date on which Notes will be consolidated and form a single Series: [The Notes will be consolidated and form a single Series with *[identify earlier tranches]* on [the Issue Date/exchange of the Temporary Global Note for interests in the Permanent Global Note, as referred to in paragraph 24 below, which is expected to occur on or about *[insert date]*] [Not Applicable]
3. Specified Currency or Currencies: []
4. Aggregate Nominal Amount:
(a) Series: []
(b) Tranche: []
5. Issue Price: [] per cent. of the Aggregate Nominal Amount [plus accrued interest from *[insert date]* (if applicable)]
6. (a) Specified Denominations: []
*(Note - where multiple denominations above €100,000 or equivalent are being used the following sample wording should be followed:
“[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]. No Notes in definitive form will be issued with a denomination above [€199,000].”)*
(b) Calculation Amount (in relation to calculation of interest in global form see Conditions): []
*(If only one Specified Denomination, insert the Specified Denomination.
If more than one Specified Denomination, insert the highest common factor. Note: There must be a common factor in the case of two or more Specified Denominations.)*
7. (a) Issue Date: []
(b) Interest Commencement Date: [specify/Issue Date/Not Applicable]
(N.B. An Interest Commencement Date will not be

relevant for certain Notes, for example Zero Coupon Notes.)

8. Maturity Date: [Fixed rate - specify date]
[Floating rate - Interest Payment Date falling in or nearest to [specify month and year]]
9. Interest Basis: [[] per cent. Fixed Rate]
[[] per cent. Step Up/Step Down Fixed Rate Note]
[[[] month LIBOR/EURIBOR] +/- [] per cent. Floating Rate]
[Zero coupon]
(see paragraph [14]/[15]/[16] below)
10. Redemption/Payment Basis: Subject to any purchase and cancellation or early redemption the Notes will be redeemed on the Maturity Date at [100] per cent. of their nominal amount.
11. Change of Interest Basis: [Step Up/Step Down Fixed Rate Note provisions apply (See Condition 5.4)]
[Specify the date when any fixed to floating rate change occurs or cross refer to paragraphs 14 and 16 below and identify there][Not Applicable]
12. Put/Call Options: Change of Control Put (see Condition 7.6)
[Investor Put]
[Issuer Call]
[Issuer Residual Call]
[(see paragraphs [19]/[20]/[21] below)]
13. [Date [Board] approval for issuance of Notes [and the Guarantee] obtained: [] [and [], respectively]]
(N.B. Only relevant where Board (or similar) authorisation is required for the particular tranche of Notes)

PROVISIONS RELATING TO INTEREST (IF ANY) PAYABLE

14. Fixed Rate Note Provisions [Applicable/Not Applicable]
(If not applicable, delete the remaining subparagraphs of this paragraph)
- (a) Rate(s) of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
(Amend appropriately in the case of irregular coupons)
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [] per Calculation Amount
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [] [Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]

(Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon

15. Step Up/Step Down Fixed Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Initial Rate of Interest: [] per cent. per annum payable in arrear on each Interest Payment Date
- (b) Interest Payment Date(s): [] in each year up to and including the Maturity Date
- (Amend appropriately in the case of irregular coupons)*
- (c) Fixed Coupon Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [] per Calculation Amount, subject to adjustment in accordance with Condition 5.4
- (d) Broken Amount(s) for Notes in definitive form (and in relation to Notes in global form see Conditions): [[] per Calculation Amount, payable on the Interest Payment Date falling [in/on] [], subject to adjustment in accordance with Condition 5.4][Not Applicable]
- (e) Day Count Fraction: [30/360] [Actual/Actual (ICMA)]
- (f) Determination Date(s): [[] in each year][Not Applicable]
- (Only relevant where Day Count Fraction is Actual/Actual (ICMA). In such a case, insert regular interest payment dates, ignoring issue date or maturity date in the case of a long or short first or last coupon*
- (g) Step Up/Step Down Margin: [] per cent. per annum
16. Floating Rate Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Specified Period(s)/Specified Interest Payment Dates: [[]], subject to adjustment in accordance with the Business Day Convention set out in (b) below/, not subject to any adjustment, as the Business Day Convention in (b) below is specified to be Not Applicable]]
- (b) Business Day Convention: [Floating Rate Convention/Following Business Day Convention/Modified Following Business Day Convention/Preceding Business Day Convention][Not Applicable]
- (c) Additional Business Centre(s): []
- (d) Manner in which the Rate of Interest and Interest Amount is to be determined: [Screen Rate Determination/ISDA Determination]
- (e) Party responsible for calculating the Rate of Interest and Interest Amount (if not the Agent): []

- (f) Screen Rate Determination:
- (i) Reference Rate: [] month [LIBOR/EURIBOR]
- (ii) Interest Determination Date(s): []
- (Second London business day prior to the start of each Interest Period if LIBOR (other than Sterling or euro LIBOR), first day of each Interest Period if Sterling LIBOR and the second day on which the TARGET2 System is open prior to the start of each Interest Period if EURIBOR or euro LIBOR)*
- (iii) Relevant Screen Page: []
- (In the case of EURIBOR, if not Reuters EURIBOR01 ensure it is a page which shows a composite rate or amend the fallback provisions appropriately)*
- (g) ISDA Determination:
- (i) Floating Rate Option: []
- (ii) Designated Maturity: []
- (iii) Reset Date: []
- (In the case of a LIBOR or EURIBOR based option, the first day of the Interest Period)*
- (h) Linear Interpolation: [Not Applicable/Applicable – the Rate of interest for the [long/short] [first/last] Interest Period shall be calculated using Linear Interpolation (specify for each short or long interest period)]
- (i) Margin(s): [+/-] [] per cent. per annum
- (j) Minimum Rate of Interest: [] per cent. per annum
- (k) Maximum Rate of Interest: [] per cent. per annum
- (l) Day Count Fraction: [Actual/Actual (ISDA)][Actual/Actual]
[Actual/365 (Fixed)]
[Actual/365 (Sterling)]
[Actual/360]
[30/360][360/360][Bond Basis]
[30E/360][Eurobond Basis]
[30E/360 (ISDA)]
17. Zero Coupon Note Provisions [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Accrual Yield: [] per cent. per annum
- (b) Reference Price: []
- (c) Day Count Fraction in relation to Early Redemption Amounts: [30/360]
[Actual/360]
[Actual/365]

PROVISIONS RELATING TO REDEMPTION

18. Notice periods for Condition 7.2: Minimum period: [15] days

- Maximum period: [30] days
19. Issuer Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
- (c) If redeemable in part: [Applicable/Not Applicable, as the Notes are not redeemable in part only]
- (i) Minimum Redemption Amount: []
- (ii) Maximum Redemption Amount: []
- (d) Notice periods: Minimum period: [15] days
Maximum period: [30] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 5 business days' notice for a call) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*
20. Issuer Residual Call: [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Residual Call Early Redemption Amount: [] per Calculation Amount
- (b) Notice periods: Minimum period: [15] days
Maximum period: [30] days
21. Investor Put (excluding Change of Control Put (see Condition 7.4)): [Applicable/Not Applicable]
- (If not applicable, delete the remaining subparagraphs of this paragraph)*
- (a) Optional Redemption Date(s): []
- (b) Optional Redemption Amount: [] per Calculation Amount
- (c) Notice periods: Minimum period: [15] days
Maximum period: [30] days
- (N.B. When setting notice periods, the Issuer is advised to consider the practicalities of distribution of information through intermediaries, for example, clearing systems (which require a minimum of 15 business days' notice for a put) and custodians, as well as any other notice requirements which may apply, for example, as between the Issuer and the Agent or Trustee)*
22. Final Redemption Amount: [] per Calculation Amount

23. Early Redemption Amount payable on [] per Calculation Amount redemption for taxation reasons, Put Event or on event of default:

GENERAL PROVISIONS APPLICABLE TO THE NOTES

24. Form of Notes:

(a) Form:

[Temporary Global Note exchangeable for a Permanent Global Note which is exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event]]

[Temporary Global Note exchangeable for Definitive Notes on and after the Exchange Date]

[Permanent Global Note exchangeable for Definitive Notes [on 60 days' notice given at any time/only upon an Exchange Event/at any time at the request of the Issuer]]

(N.B. The exchange upon notice/at any time options should not be expressed to be applicable if the Specified Denomination of the Notes in paragraph 6 includes language substantially to the following effect: "[€100,000] and integral multiples of [€1,000] in excess thereof up to and including [€199,000]." Furthermore, such Specified Denomination construction is not permitted in relation to any issue of Notes which is to be represented on issue by a Temporary Global Note exchangeable for Definitive Notes.)

(b) New Global Note:

[Yes][No]

25. Additional Financial Centre(s):

[Not Applicable/give details] (Note that this paragraph relates to the place of payment and not Interest Period end dates to which subparagraph 16(c) relates)

26. Talons for future Coupons to be attached to Definitive Notes (and dates on which such Talons mature):

[Yes, as the Notes have more than 27 coupon payments, Talons may be required if, on exchange into definitive form, more than 27 coupon payments are still to be made/No.]

THIRD PARTY INFORMATION

[[*Relevant third party information*] has been extracted from [*specify source*]. Each of the]/[The Issuer] [and the Guarantor] confirms that such information has been accurately reproduced and that, so far as it is aware and is able to ascertain from information published by [*specify source*], no facts have been omitted which would render the reproduced information inaccurate or misleading.]

Signed on behalf of [G4S plc]/[G4S Finance plc] as Issuer:

By:

Duly authorised

[Signed on behalf of G4S plc as Guarantor:

By:

Duly authorised]

PART B - OTHER INFORMATION

1. LISTING AND ADMISSION TO TRADING

- (i) Listing and Admission to trading [Application has been made by the Issuer (or on its behalf) for the Notes to be admitted to trading on the London Stock Exchange's regulated market and listed on the Official List of the UK Listing Authority with effect from [].]
- (ii) Estimate of total expenses related to admission to trading: []

2. RATINGS

- Ratings: [The Notes to be issued [[have been]/[are expected to be]] rated][insert details] by [Standard & Poor's]/[The following ratings reflect ratings assigned to Notes of this type issued under the Programme generally]:
- [insert details] by [Standard & Poor's]
- (The above disclosure should reflect the rating allocated to Notes of the type being issued under the Programme generally or, where the issue has been specifically rated, that rating.)*

3. INTERESTS OF NATURAL AND LEGAL PERSONS INVOLVED IN THE ISSUE

[Save for any fees payable to the [Managers/Dealers], so far as the Issuer is aware, no person involved in the issue of the Notes has an interest material to the offer. The [Managers/Dealers] and their affiliates have engaged, and may in future engage, in investment banking and/or commercial banking transactions with, and may perform other services for, the Issuer [and the Guarantor] and [its/their] affiliates in the ordinary course of business. - Amend as appropriate if there are other interests]

[(When adding any other description, consideration should be given as to whether such matters described constitute "significant new factors" and consequently trigger the need for a supplement to the Offering Circular under Article 16 of the Prospectus Directive.)]

4. YIELD *(Fixed Rate Notes and Step Up/Step Down Fixed Rate Notes Only)*

- Indication of yield: []
- The yield is calculated at the Issue Date on the basis of the Issue Price. It is not an indication of future yield.

5. OPERATIONAL INFORMATION

- (i) ISIN: []
- (ii) Common Code: []
- (iii) Any clearing system(s) other than Euroclear Bank SA/NV and Clearstream Banking S.A. and the relevant identification number(s): [Not Applicable/give name(s) and number(s)]
- (iv) Delivery: Delivery [against/free of] payment
- (v) Names and addresses of additional Paying Agent(s) (if any): []

- (vi) Deemed delivery of clearing system notices for the purpose of Condition 14: Any notice delivered to Noteholders through the clearing systems will be deemed to have been given on the [second][business] day after the day on which it was given to Euroclear and Clearstream, Luxembourg.

6. DISTRIBUTION

- (i) Method of distribution: [Syndicated/Non-syndicated]
- (ii) If syndicated, names of Managers: [Not Applicable/give names]
- (iii) Stabilisation Manager(s) (if any): [Not Applicable/give name]
- (iv) If non-syndicated, name of relevant Dealer: [Not Applicable/give name]
- (v) U.S. Selling Restrictions [Reg. S Compliance Category 2; TEFRA D/TEFRA C/TEFRA not applicable]
- (vi) Prohibition of Sales to EEA Retail Investors: [Applicable/Not Applicable]

(If the offer of the Notes is concluded prior to 1 January 2018, or on and after that date the Notes clearly do not constitute “packaged” products, “Not Applicable” should be specified. If the offer of the Notes will be concluded on or after 1 January 2018 and the Notes may constitute “packaged” products and no KID will be prepared, “Applicable” should be specified.)

TERMS AND CONDITIONS OF THE NOTES

The following are the Terms and Conditions of the Notes which will be incorporated by reference into each Global Note (as defined below) and each definitive Note, in the latter case only if permitted by the relevant stock exchange or other relevant authority (if any) and agreed by the relevant Issuer, (in the case of Guaranteed Notes (as defined below)) the Guarantor and the relevant Dealer at the time of issue but, if not so permitted and agreed, such definitive Note will have endorsed thereon or attached thereto such Terms and Conditions. The applicable Final Terms (or the relevant provisions thereof) will be endorsed upon, or attached to, each Global Note and definitive Note. Reference should be made to "Form of Final Terms" for a description of the content of Final Terms which will specify which of such terms are to apply in relation to the relevant Notes.

This Note is one of a Series (as defined below) of Notes issued by the Issuer named in the applicable Final Terms (as defined below) (the **Issuer**) constituted by a Trust Deed dated 1 May 2009, as modified and restated by a First Supplemental Trust Deed dated 22 June 2010, a Second Supplemental Trust Deed dated 11 April 2012 and a Third Supplemental Trust Deed dated 4 October 2016 (such Trust Deed as further modified and/or supplemented and/or restated from time to time, the **Trust Deed**) made between G4S International Finance plc (**G4S Finance**) as an issuer, G4S plc (**G4S**) in its capacity as an issuer and as a guarantor of Notes issued by G4S Finance (in its capacity as such, the **Guarantor**) and Citicorp Trustee Company Limited (the **Trustee**, which expression shall include any successor as Trustee).

References herein to the **Notes** shall be references to the Notes of this Series and shall mean:

- (a) in relation to any Notes represented by a global Note (a **Global Note**), units of each Specified Denomination in the Specified Currency;
- (b) any Global Note; and
- (c) any definitive Notes issued in exchange for a Global Note.

The Notes and the Coupons (as defined below) have the benefit of an Agency Agreement (such Agency Agreement as amended and/or supplemented and/or restated from time to time, the **Agency Agreement**) dated 4 October 2016 and made between G4S Finance as an issuer, G4S as an issuer and as a guarantor of Notes issued by G4S Finance, the Trustee, Citibank, N.A., London Branch as issuing and principal paying agent and agent bank (the **Agent**, which expression shall include any successor agent) and the other paying agents named therein (together with the Agent, the **Paying Agents**, which expression shall include any additional or successor paying agents).

Interest bearing definitive Notes have interest coupons (**Coupons**) and, in the case of Notes which, when issued in definitive form, have more than 27 interest payments remaining, talons for further Coupons (**Talons**) attached on issue. Any reference herein to Coupons or coupons shall, unless the context otherwise requires, be deemed to include a reference to Talons or talons. Global Notes do not have Coupons or Talons attached on issue.

The final terms for this Note (or the relevant provisions thereof) are set out in Part A of the Final Terms attached to or endorsed on this Note which supplement these Terms and Conditions (the **Conditions**). References to the **applicable Final Terms** are to Part A of the Final Terms (or the relevant provisions thereof) attached to or endorsed on this Note.

The expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in a relevant Member State of the European Economic Area.

If this Note is issued by G4S, references in these Terms and Conditions to Guarantor and Guarantee, and related expressions, are not applicable.

All amounts owing in respect of Notes issued by G4S Finance (**Guaranteed Notes**) will be unconditionally and irrevocably guaranteed by the Guarantor pursuant to a guarantee (the **Guarantee**) contained in clause 7 of the Trust Deed.

The Trustee acts for the benefit of the holders for the time being of the Notes (the **Noteholders**, which expression shall, in relation to any Notes represented by a Global Note, be construed as provided below)

and the holders of the Coupons (the **Couponholders**, which expression shall, unless the context otherwise requires, include the holders of the Talons), in accordance with the provisions of the Trust Deed.

As used herein, **Tranche** means Notes which are identical in all respects (including as to listing and admission to trading) and **Series** means a Tranche of Notes together with any further Tranche or Tranches of Notes which (a) are expressed to be consolidated and form a single series and (b) have the same terms and conditions or terms and conditions which are the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue.

Copies of the Trust Deed and the Agency Agreement are available for inspection during normal business hours at the registered office for the time being of the Trustee being at 4 October 2016 at Citigroup Centre, Canada Square, Canary Wharf, London E14 5LB and at the specified office of each of the Paying Agents. If the Notes are to be admitted to trading on the regulated market of the London Stock Exchange, the applicable Final Terms will be published on the website of the London Stock Exchange through a regulatory information service. If this Note is neither admitted to trading on a regulated market in the European Economic Area nor offered in the European Economic Area in circumstances where a prospectus is required to be published under the Prospectus Directive, the applicable Final Terms will only be obtainable by a Noteholder holding one or more Notes and such Noteholder must produce evidence satisfactory to the Issuer, the Trustee and the relevant Paying Agent as to its holding of such Notes and identity. The Noteholders and the Couponholders are deemed to have notice of, and are entitled to the benefit of, all the provisions of the Trust Deed (including the Guarantee), the Agency Agreement, and the applicable Final Terms which are applicable to them. The statements in the Conditions include summaries of, and are subject to, the detailed provisions of the Trust Deed (including the Guarantee) and the Agency Agreement.

Words and expressions defined in the Trust Deed, the Agency Agreement or used in the applicable Final Terms shall have the same meanings where used in the Conditions unless the context otherwise requires or unless otherwise stated and provided that, in the event of inconsistency between the Trust Deed and the Agency Agreement, the Trust Deed will prevail and, in the event of inconsistency between the Trust Deed or the Agency Agreement and the applicable Final Terms, the applicable Final Terms will prevail.

In the Conditions, **euro** means the currency introduced at the start of the third stage of European economic and monetary union pursuant to the Treaty on the Functioning of the European Union, as amended.

1. FORM, DENOMINATION AND TITLE

The Notes are in bearer form and, in the case of definitive Notes, serially numbered, in the currency (the **Specified Currency**) and the denominations (the **Specified Denomination(s)**) specified in the applicable Final Terms. Notes of one Specified Denomination may not be exchanged for Notes of another Specified Denomination.

This Note may be a Fixed Rate Note, a Step Up/Step Down Fixed Rate Note, a Floating Rate Note, a Zero Coupon Note or a combination of any of the foregoing, depending upon the Interest Basis shown in the applicable Final Terms.

Definitive Notes are issued with Coupons attached, unless they are Zero Coupon Notes in which case references to Coupons and Couponholders in the Conditions are not applicable.

Subject as set out below, title to the Notes and Coupons will pass by delivery. The Issuer, the Guarantor, the Paying Agents and the Trustee will (except as otherwise required by law) deem and treat the bearer of any Note or Coupon as the absolute owner thereof (whether or not overdue and notwithstanding any notice of ownership or writing thereon or notice of any previous loss or theft thereof) for all purposes but, in the case of any Global Note, without prejudice to the provisions set out in the next succeeding paragraph.

For so long as any of the Notes is represented by a Global Note held on behalf of Euroclear Bank SA/NV (**Euroclear**) and/or Clearstream Banking S.A. (**Clearstream, Luxembourg**), each person (other than Euroclear or Clearstream, Luxembourg) who is for the time being shown in the records of Euroclear or of Clearstream, Luxembourg as the holder of a particular nominal amount of such

Notes (in which regard any certificate or other document issued by Euroclear or Clearstream, Luxembourg as to the nominal amount of such Notes standing to the account of any person shall be conclusive and binding for all purposes save in the case of manifest error) shall be treated by the Issuer, the Guarantor, the Paying Agents and the Trustee as the holder of such nominal amount of such Notes for all purposes other than with respect to the payment of principal or interest on such nominal amount of such Notes, for which purpose the bearer of the relevant Global Note shall be treated by the Issuer, the Guarantor, any Paying Agent and the Trustee as the holder of such nominal amount of such Notes in accordance with and subject to the terms of the relevant Global Note and the expressions **Noteholder** and **holder of Notes** and related expressions shall be construed accordingly. In determining whether a particular person is entitled to a particular nominal amount of Notes as aforesaid, the Trustee may rely on such evidence and/or information and/or certification as it shall, in its absolute discretion, think fit and, if it does so rely, such evidence and/or information and/or certification shall, in the absence of manifest error, be conclusive and binding on all concerned.

Notes which are represented by a Global Note will be transferable only in accordance with the rules and procedures for the time being of Euroclear and Clearstream, Luxembourg, as the case may be. References to Euroclear and/or Clearstream, Luxembourg shall, whenever the context so permits, be deemed to include a reference to any additional or alternative clearing system specified in Part B of the applicable Final Terms.

2. STATUS

(a) *Status of the Notes*

The Notes and any relative Coupons are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Issuer and rank *pari passu* among themselves and (save for certain obligations required to be preferred by law) equally with all other unsecured obligations (other than subordinated obligations, if any) of the Issuer, from time to time outstanding.

(b) *Status of the Guarantee*

The Guarantor has unconditionally and irrevocably guaranteed the due payment of all sums expressed to be payable by G4S Finance in relation to Guaranteed Notes under the Trust Deed and the Guaranteed Notes and the Coupons relating to them. Its obligations in that respect are contained in clause 7 of the Trust Deed. The obligations of the Guarantor under the Guarantee are direct, unconditional, unsubordinated and (subject to the provisions of Condition 3) unsecured obligations of the Guarantor and (save for certain obligations required to be preferred by law) rank equally with all other unsecured obligations (other than subordinated obligations, if any) of the Guarantor, from time to time outstanding.

3. NEGATIVE PLEDGE

So long as any of the Notes remains outstanding (as defined in the Trust Deed);

- (a) the Issuer will not, and will procure that its Subsidiaries will not, create or have outstanding any mortgage, charge, lien, pledge or other security interest (each a **Security Interest**) upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Issuer or any of its Subsidiaries, to secure any Relevant Indebtedness (as defined below); and
- (b) the Guarantor will not, and will procure that its Subsidiaries will not, create or have outstanding any Security Interest upon, or with respect to, any of the present or future business, undertaking, assets or revenues (including any uncalled capital) of the Guarantor or any of its Subsidiaries, to secure any Relevant Indebtedness (as defined below),

unless, in any such case, the Issuer or the Guarantor, as the case may be, in the case of the creation of a Security Interest, before or at the same time and, in any other case, promptly, takes any and all action necessary to ensure that:

- (i) the obligations of the Issuer under or in respect of the Notes, the Coupons and the Trust Deed or, as the case may be, the obligations of the Guarantor under or in respect of the Notes or the Guarantee are secured by the Security Interest equally and rateably with the Relevant Indebtedness to the satisfaction of the Trustee; or
- (ii) such other Security Interest or other arrangement (whether or not it includes the giving of a Security Interest) is provided either (A) as the Trustee in its absolute discretion deems not materially less beneficial to the interests of the Noteholders or (B) as is approved by an Extraordinary Resolution (which is defined in the Trust Deed as a resolution duly passed by a majority of not less than three-quarters of the votes cast thereon at a meeting of the Noteholders or by a resolution in writing signed by or on behalf of the holders of not less than three quarters of the nominal amount of the Notes) of the Noteholders.

For the purposes of these Conditions:

- (a) **Relevant Indebtedness** means (i) any present or future indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities which have an initial stated maturity of not less than one year and which are, with the agreement of the Issuer or the Guarantor (as the case may be), for the time being quoted, listed or ordinarily dealt in on any stock exchange, over-the-counter or other securities market, and (ii) any guarantee or indemnity in respect of any such indebtedness; and
- (b) **Subsidiary** means, in relation to the Issuer or the Guarantor (as the case may be), any company (i) in which the Issuer or the Guarantor (as the case may be), holds a majority of the voting rights or (ii) of which the Issuer or the Guarantor (as the case may be), is a member and has the right to appoint or remove a majority of the board of directors or (iii) of which the Issuer or the Guarantor (as the case may be), is a member and controls a majority of the voting rights, and includes any company which is a Subsidiary of a Subsidiary of the Issuer or the Guarantor (as the case may be).

4. *This condition has been deleted intentionally*

5. INTEREST

5.1 Interest on Fixed Rate Notes

Each Fixed Rate Note bears interest from (and including) the Interest Commencement Date at the rate(s) per annum equal to the Rate(s) of Interest. Interest will be payable in arrear on the Interest Payment Date(s) in each year up to (and including) the Maturity Date.

If the Notes are in definitive form, except as provided in the applicable Final Terms, the amount of interest payable on each Interest Payment Date in respect of the Fixed Interest Period ending on (but excluding) such date will amount to the Fixed Coupon Amount. Payments of interest on any Interest Payment Date will, if so specified in the applicable Final Terms, amount to the Broken Amount so specified.

As used in the Conditions, **Fixed Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

Except in the case of Notes in definitive form where an applicable Fixed Coupon Amount or Broken Amount is specified in the applicable Final Terms, interest shall be calculated in respect of any period by applying the Rate of Interest to:

- (A) in the case of Fixed Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Fixed Rate Notes represented by such Global Note; or
- (B) in the case of Fixed Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the

Specified Denomination of a Fixed Rate Note in definitive form is a multiple of the Calculation Amount, the amount of interest payable in respect of such Fixed Rate Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.1:

- (a) if “Actual/Actual (ICMA)” is specified in the applicable Final Terms:
 - (i) in the case of Notes where the number of days in the relevant period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (the **Accrual Period**) is equal to or shorter than the Determination Period during which the Accrual Period ends, the number of days in such Accrual Period divided by the product of (I) the number of days in such Determination Period and (II) the number of Determination Dates (as specified in the applicable Final Terms) that would occur in one calendar year; or
 - (ii) in the case of Notes where the Accrual Period is longer than the Determination Period during which the Accrual Period ends, the sum of:
 - (A) the number of days in such Accrual Period falling in the Determination Period in which the Accrual Period begins divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
 - (B) the number of days in such Accrual Period falling in the next Determination Period divided by the product of (x) the number of days in such Determination Period and (y) the number of Determination Dates that would occur in one calendar year; and
- (b) if “30/360” is specified in the applicable Final Terms, the number of days in the period from (and including) the most recent Interest Payment Date (or, if none, the Interest Commencement Date) to (but excluding) the relevant payment date (such number of days being calculated on the basis of a year of 360 days with 12 30-day months) divided by 360.

In the Conditions:

Determination Period means each period from (and including) a Determination Date to (but excluding) the next Determination Date (including, where either the Interest Commencement Date or the final Interest Payment Date is not a Determination Date, the period commencing on the first Determination Date prior to, and ending on the first Determination Date falling after, such date); and

sub-unit means, with respect to any currency other than euro, the lowest amount of such currency that is available as legal tender in the country of such currency and, with respect to euro, one cent.

5.2 Interest on Floating Rate Notes

(a) Interest Payment Dates

Each Floating Rate Note bears interest from (and including) the Interest Commencement Date and such interest will be payable in arrear on either:

- (i) the Specified Interest Payment Date(s) in each year specified in the applicable Final Terms; or
- (ii) if no Specified Interest Payment Date(s) is/are specified in the applicable Final Terms, each date (each such date, together with each Specified Interest Payment Date, an **Interest Payment Date**) which falls the number of months or other period specified as the Specified Period in the applicable Final Terms after the preceding Interest Payment Date or, in the case of the first Interest Payment Date, after the Interest Commencement Date.

Such interest will be payable in respect of each Interest Period. In these Conditions, **Interest Period** means the period from (and including) an Interest Payment Date (or the Interest Commencement Date) to (but excluding) the next (or first) Interest Payment Date.

If a Business Day Convention is specified in the applicable Final Terms and (x) if there is no numerically corresponding day in the calendar month in which an Interest Payment Date should occur or (y) if any Interest Payment Date would otherwise fall on a day which is not a Business Day, then, if the Business Day Convention specified is:

- (A) in any case where Specified Periods are specified in accordance with Condition 5.2(a)(ii) above, the Floating Rate Convention, such Interest Payment Date (a) in the case of (x) above, shall be the last day that is a Business Day in the relevant month and the provisions of (ii) below shall apply *mutatis mutandis* or (b) in the case of (y) above, shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event (i) such Interest Payment Date shall be brought forward to the immediately preceding Business Day and (ii) each subsequent Interest Payment Date shall be the last Business Day in the month which falls the Specified Period after the preceding applicable Interest Payment Date occurred; or
- (B) the Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day; or
- (C) the Modified Following Business Day Convention, such Interest Payment Date shall be postponed to the next day which is a Business Day unless it would thereby fall into the next calendar month, in which event such Interest Payment Date shall be brought forward to the immediately preceding Business Day; or
- (D) the Preceding Business Day Convention, such Interest Payment Date shall be brought forward to the immediately preceding Business Day.

In the Conditions, **Business Day** means a day which is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in London and each (if any) Additional Business Centre (other than the TARGET2 System, as defined below) specified in the applicable Final Terms;
- (b) if TARGET2 System is specified as an Additional Business Centre in the applicable Final Terms, a day on which the Trans-European Automated Real-Time Gross Settlement Express Transfer (TARGET2) System (the **TARGET2 System**) is open; and
- (c) either (1) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (2) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

(b) Rate of Interest

The Rate of Interest payable from time to time in respect of Floating Rate Notes will be determined in the manner specified in the applicable Final Terms.

- (i) ISDA Determination for Floating Rate Notes

Where ISDA Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will be the relevant ISDA Rate plus or minus (as indicated in the applicable Final Terms) the Margin (if any). For the purposes of this subparagraph (i), **ISDA Rate** for an Interest Period means a rate equal to the Floating Rate that would be determined by the Agent under an interest rate swap transaction if the Agent were acting as Calculation Agent for that swap transaction under the terms of an agreement incorporating the 2006 ISDA Definitions, as published by the

International Swaps and Derivatives Association, Inc. and as amended and updated as at the Issue Date of the first Tranche of the Notes (the **ISDA Definitions**) and under which:

- (A) the Floating Rate Option is as specified in the applicable Final Terms;
- (B) the Designated Maturity is a period specified in the applicable Final Terms; and
- (C) the relevant Reset Date is the day specified in the applicable Final Terms.

For the purposes of this subparagraph (i), **Floating Rate, Calculation Agent, Floating Rate Option, Designated Maturity** and **Reset Date** have the meanings given to those terms in the ISDA Definitions.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(ii) Screen Rate Determination for Floating Rate Notes

Where Screen Rate Determination is specified in the applicable Final Terms as the manner in which the Rate of Interest is to be determined, the Rate of Interest for each Interest Period will, subject as provided below, be either:

- (A) the offered quotation; or
- (B) the arithmetic mean (rounded if necessary to the fifth decimal place, with 0.000005 being rounded upwards) of the offered quotations,

(expressed as a percentage rate per annum) for the Reference Rate (being either LIBOR or EURIBOR, as specified in the applicable Final Terms) which appears or appear, as the case may be, on the Relevant Screen Page (or such replacement page on that service which displays the information) as at 11.00 a.m. (London time, in the case of LIBOR, or Brussels time, in the case of EURIBOR) on the Interest Determination Date in question plus or minus (as indicated in the applicable Final Terms) the Margin (if any), all as determined by the Agent. If five or more of such offered quotations are available on the Relevant Screen Page, the highest (or, if there is more than one such highest quotation, one only of such quotations) and the lowest (or, if there is more than one such lowest quotation, one only of such quotations) shall be disregarded by the Agent for the purpose of determining the arithmetic mean (rounded as provided above) of such offered quotations.

The Agency Agreement contains provisions for determining the Rate of Interest in the event that the Relevant Screen Page is not available or if, in the case of (A) above, no such offered quotation appears or, in the case of (B) above, fewer than three such offered quotations appear, in each case as at the time specified in the preceding paragraph.

Unless otherwise stated in the applicable Final Terms the Minimum Rate of Interest shall be deemed to be zero.

(c) **Minimum Rate of Interest and/or Maximum Rate of Interest**

If the applicable Final Terms specifies a Minimum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is less than such Minimum Rate of Interest, the Rate of Interest for such Interest Period shall be such Minimum Rate of Interest.

If the applicable Final Terms specifies a Maximum Rate of Interest for any Interest Period, then, in the event that the Rate of Interest in respect of such Interest Period determined in accordance with the provisions of paragraph (b) above is greater than such Maximum Rate of Interest, the Rate of Interest for such Interest Period shall be such Maximum Rate of Interest.

(d) **Determination of Rate of Interest and calculation of Interest Amounts**

The Agent will at or as soon as practicable after each time at which the Rate of Interest is to be determined, determine the Rate of Interest for the relevant Interest Period.

The Agent will calculate the amount of interest (the **Interest Amount**) payable on the Floating Rate Notes for the relevant Interest Period by applying the Rate of Interest to:

- (A) in the case of Floating Rate Notes which are represented by a Global Note, the aggregate outstanding nominal amount of the Notes represented by such Global Note; or
- (B) in the case of Floating Rate Notes in definitive form, the Calculation Amount;

and, in each case, multiplying such sum by the applicable Day Count Fraction, and rounding the resultant figure to the nearest sub-unit of the relevant Specified Currency, half of any such sub-unit being rounded upwards or otherwise in accordance with applicable market convention. Where the Specified Denomination of a Floating Rate Note in definitive form is a multiple of the Calculation Amount, the Interest Amount payable in respect of such Note shall be the product of the amount (determined in the manner provided above) for the Calculation Amount and the amount by which the Calculation Amount is multiplied to reach the Specified Denomination, without any further rounding.

Day Count Fraction means, in respect of the calculation of an amount of interest in accordance with this Condition 5.2:

- (i) if “Actual/Actual (ISDA)” or “Actual/Actual” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 (or, if any portion of that Interest Period falls in a leap year, the sum of (I) the actual number of days in that portion of the Interest Period falling in a leap year divided by 366 and (II) the actual number of days in that portion of the Interest Period falling in a non-leap year divided by 365);
- (ii) if “Actual/365 (Fixed)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365;
- (iii) if “Actual/365 (Sterling)” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 365 or, in the case of an Interest Payment Date falling in a leap year, 366;
- (iv) if “Actual/360” is specified in the applicable Final Terms, the actual number of days in the Interest Period divided by 360;
- (v) if “30/360”, “360/360” or “Bond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

“Y₁” is the year, expressed as a number, in which the first day of the Interest Period falls;

“Y₂” is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“M₁” is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

“M₂” is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

“D₁” is the first calendar day, expressed as a number, of the Interest Period, unless such number is 31, in which case D₁ will be 30; and

“D₂” is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31 and D₁ is greater than 29, in which case D₂ will be 30;

- (vi) if “30E/360” or “Eurobond Basis” is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless such number would be 31, in which case D₂ will be 30;

- (vii) if "30E/360 (ISDA)" is specified in the applicable Final Terms, the number of days in the Interest Period divided by 360, calculated on a formula basis as follows:

$$\text{Day Count Fraction} = \frac{[360 \times (Y_2 - Y_1)] + [30 \times (M_2 - M_1)] + (D_2 - D_1)}{360}$$

where:

"Y₁" is the year, expressed as a number, in which the first day of the Interest Period falls;

"Y₂" is the year, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"M₁" is the calendar month, expressed as a number, in which the first day of the Interest Period falls;

"M₂" is the calendar month, expressed as a number, in which the day immediately following the last day of the Interest Period falls;

"D₁" is the first calendar day, expressed as a number, of the Interest Period, unless (i) that day is the last day of February or (ii) such number would be 31, in which case D₁ will be 30; and

"D₂" is the calendar day, expressed as a number, immediately following the last day included in the Interest Period, unless (i) that day is the last day of February but not the Maturity Date or (ii) such number would be 31, in which case D₂ will be 30.

(e) Linear Interpolation

Where Linear Interpolation is specified as applicable in respect of an Interest Period in the applicable Final Terms, the Rate of Interest for such Interest Period shall be calculated by the Agent by straight line linear interpolation by reference to two rates based on the relevant Reference Rate (where Screen Rate Determination is specified as applicable in the applicable Final Terms) or the relevant Floating Rate Option (where ISDA Determination is specified as applicable in the applicable Final Terms), one of which shall be determined as if the Designated Maturity were the period of time for which rates are available next shorter than the length of the relevant Interest Period and the other of which shall be determined as if the Designated Maturity were the period of time for which rates are available next longer than the length of the relevant Interest Period provided however that if there is no rate available for a period of time next shorter or, as the case may be, next longer, then the Agent shall determine such rate at such time and by reference to such sources as it determines appropriate.

Designated Maturity means, in relation to Screen Rate Determination, the period of time designated in the Reference Rate.

(f) Notification of Rate of Interest and Interest Amounts

The Agent will cause the Rate of Interest and each Interest Amount for each Interest Period and the relevant Interest Payment Date to be notified to the Issuer, (in the case of Guaranteed Notes) the Guarantor, the Trustee and any stock exchange on which the relevant Floating Rate Notes are for

the time being listed and notice thereof to be published in accordance with Condition 14 as soon as possible after their determination but in no event later than the fourth London Business Day thereafter. Each Interest Amount and Interest Payment Date so notified may subsequently be amended (or appropriate alternative arrangements made by way of adjustment) without prior notice in the event of an extension or shortening of the Interest Period. Any such amendment will promptly be notified to each stock exchange on which the relevant Floating Rate Notes are for the time being listed and to the Noteholders in accordance with Condition 14. For the purposes of this paragraph, the expression **London Business Day** means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.

(g) Determination or Calculation by Trustee

If for any reason at any relevant time the Agent defaults in its obligation to determine the Rate of Interest or in its obligation to calculate any Interest Amount in accordance with subparagraph (b)(i) or subparagraph (b)(ii) above, as the case may be, and in each case in accordance with paragraph (d) above, the Trustee shall determine the Rate of Interest at such rate as, in its absolute discretion (having such regard as it shall think fit to the foregoing provisions of this Condition, but subject always to any Minimum Rate of Interest or Maximum Rate of Interest specified in the applicable Final Terms), it shall deem fair and reasonable in all the circumstances or, as the case may be, the Trustee shall calculate the Interest Amount(s) in such manner as it shall deem fair and reasonable in all the circumstances and each such determination or calculation shall be deemed to have been made by the Agent.

(h) Certificates to be final

All certificates, communications, opinions, determinations, calculations, quotations and decisions given, expressed, made or obtained for the purposes of the provisions of this Condition 5.2 by the Agent shall (in the absence of wilful default, bad faith or manifest error or proven error) be binding on the Issuer, (in the case of Guaranteed Notes) the Guarantor, the Agent, the other Paying Agents and all Noteholders and Couponholders and (in the absence of wilful default or bad faith) no liability to the Issuer, (in the case of Guaranteed Notes) the Guarantor, the Noteholders or the Couponholders shall attach to the Agent or the Trustee in connection with the exercise or non-exercise by it of its powers, duties and discretions pursuant to such provisions.

5.3 Accrual of interest

Each Note (or in the case of the redemption of part only of a Note, that part only of such Note) will cease to bear interest (if any) from the date for its redemption unless payment of principal is improperly withheld or refused. In such event, interest will continue to accrue until whichever is the earlier of:

- (a) the date on which all amounts due in respect of such Note have been paid; and
- (b) as provided in the Trust Deed.

5.4 Interest on Step Up/Step Down Fixed Rate Notes

- (a) Each Step Up/Step Down Fixed Rate Note shall, other than as varied by this Condition 5.4, bear interest in accordance with Condition 5.1 above, as if references therein to “Fixed Rate Note” and “Fixed Rate Notes” were to “Step Up/Step Down Fixed Rate Note” and “Step Up/Step Down Fixed Rate Notes”, respectively.
- (b) The Rate of Interest payable on the Notes will be the Initial Rate of Interest (as set out in the applicable Final Terms), subject to adjustment from time to time in the event of a Step Up Rating Change or a Step Down Rating Change, as the case may be.
- (c) From and including the first Interest Payment Date following the date of a Step Up Rating Change, if any, the Rate of Interest payable on the Notes shall, subject to any adjustment pursuant to a Step Down Rating Change, be increased by the Step Up/Step Down Margin.
- (d) In the event of a Step Down Rating Change following a Step Up Rating Change, with effect from and including the first Interest Payment Date following the date of such Step Down

Rating Change, the Rate of Interest payable on the Notes shall be decreased by the Step Up/Step Down Margin.

- (e) For so long as any of the Notes are outstanding, G4S shall use all reasonable efforts to maintain a credit rating for its senior unsecured long-term debt from the Rating Agency (as defined in Condition 7.6(G) below). If, notwithstanding such reasonable efforts, the Rating Agency fails to or ceases to assign a credit rating to G4S's senior unsecured long-term debt, G4S shall use all reasonable efforts to obtain a credit rating of its senior unsecured long-term debt from a Substitute Rating Agency (as defined below), and references in this Condition 5.4 to the "Rating Agency", or the credit ratings thereof, shall be to such Substitute Rating Agency and, as the case may be, the equivalent credit ratings thereof. Notwithstanding anything else in this Condition 5.4, if there is at any time no current rating by a Rating Agency for a period of 90 consecutive days, the Rate of Interest accruing to the Notes, with effect from and including the first Interest Payment Date immediately following such period of 90 consecutive days shall be as though a Step Up Rating Change had occurred unless such a rating is obtained on or prior to such Interest Payment Date. For the avoidance of doubt, the provisions of this paragraph (e) remain subject in all cases to the provisions relating to the Step Down Rating Change set out in paragraphs (c) and (d) above.
- (f) The Issuer and (in the case of Guaranteed Notes) the Guarantor will cause the occurrence of a Step Up Rating Change or a Step Down Rating Change to be notified to the Trustee and the Agent and notice thereof to be published in accordance with Condition 14 as soon as possible after the occurrence of the Step Up Rating Change or the Step Down Rating Change (as the case may be) but in no event later than the fifth London Business Day thereafter. For the purposes of this paragraph, the expression London Business Day means a day (other than a Saturday or a Sunday) on which banks and foreign exchange markets are open for general business in London.
- (g) The Step Up Rating Change may occur only once during the term of the Notes.
- (h) The Trustee is under no obligation to ascertain whether a change in the rating assigned to the Notes by the Rating Agency or any Substitute Rating Agency has occurred or whether there has been a failure or a ceasing by the Rating Agency or any Substitute Rating Agency to assign a credit rating to G4S's senior unsecured long-term debt and until it shall have actual knowledge or express notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no such change to the credit rating assigned to the Notes has occurred or no such failure or ceasing by the Rating Agency or any Substitute Rating Agency has occurred.
- (i) If the rating designations employed by the Rating Agency are changed from those which are described in this Condition, G4S shall determine, with the agreement of the Trustee (such agreement not to be unreasonably withheld or delayed), the rating designations of the Rating Agency as are most equivalent to the prior rating designations of the Rating Agency, and this Condition shall be construed accordingly.
- (j) For the purposes of these Conditions:

Substitute Rating Agency means one of Moody's Investors Services Limited or Fitch Ratings Ltd or their respective successors or such other rating agency as the Trustee may approve, such approval not to be unreasonably withheld or delayed;

Step Down Rating Change means the first public announcement after a Step Up Rating Change by the Rating Agency of an increase in or, as the case may be, the reinstatement of, the credit rating of G4S's senior unsecured long-term debt with the result that, following such public announcement, the Rating Agency rates G4S's senior unsecured long-term debt as BBB- (or equivalent) or higher. For the avoidance of doubt, any further increases in the credit rating of G4S's senior unsecured long-term debt by the Rating Agency above BBB- shall not constitute a Step Down Rating Change;

Step Up Rating Change means the first public announcement by the Rating Agency of a decrease in the credit rating of G4S's senior unsecured long-term debt to below BBB- (or equivalent). For the avoidance of doubt, any further decrease in the credit rating of G4S's

senior unsecured long- term debt by the Rating Agency from below BBB- (or equivalent) shall not constitute a Step Up Rating Change; and

Step Up/Step Down Margin means the amount (expressed as a percentage rate per annum) by which the Rate of Interest is increased (in the case of a Step Up Rating Change) or decreased (in the case of a Step Down Rating Change), as agreed between the relevant Issuer and the relevant Dealer and specified in the applicable Final Terms.

6. PAYMENTS

6.1 Method of payment

Subject as provided below:

- (a) payments in a Specified Currency other than euro will be made by credit or transfer to an account in the relevant Specified Currency maintained by the payee with a bank in the principal financial centre of the country of such Specified Currency (which, if the Specified Currency is Australian dollars or New Zealand dollars, shall be Sydney and Auckland, respectively); and
- (b) payments in euro will be made by credit or transfer to a euro account (or any other account to which euro may be credited or transferred) specified by the payee.

Payments will be subject in all cases to (i) any fiscal or other laws and regulations applicable thereto in the place of payment, but without prejudice to the provisions of Condition 8 and (ii) any withholding or deduction required pursuant to an agreement described in Section 1471(b) of the U.S. Internal Revenue Code of 1986 (the **Code**) or otherwise imposed pursuant to Sections 1471 through 1474 of the Code, any regulations or agreements thereunder, any official interpretations thereof, or (without prejudice to the provisions of Condition 8) any law implementing an intergovernmental approach thereto. References to “Specified Currency” will include any successor currency under applicable law.

6.2 Presentation of definitive Notes and Coupons

Payments of principal in respect of definitive Notes will (subject as provided below) be made in the manner provided in Condition 6.1 above only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of definitive Notes, and payments of interest in respect of definitive Notes will (subject as provided below) be made as aforesaid only against presentation and surrender (or, in the case of part payment of any sum due, endorsement) of Coupons, in each case at the specified office of any Paying Agent outside the United States (which expression, as used herein, means the United States of America (including the States and the District of Columbia and its possessions)).

Fixed Rate Notes in definitive form (other than Step Up/Step Down Fixed Rate Notes or Long Maturity Notes (as defined below)) should be presented for payment together with all unmatured Coupons appertaining thereto (which expression shall for this purpose include Coupons falling to be issued on exchange of matured Talons), failing which the amount of any missing unmatured Coupon (or, in the case of payment not being made in full, the same proportion of the amount of such missing unmatured Coupon as the sum so paid bears to the sum due) will be deducted from the sum due for payment. Each amount of principal so deducted will be paid in the manner mentioned above against surrender of the relative missing Coupon at any time before the expiry of 10 years after the Relevant Date (as defined in Condition 8) in respect of such principal (whether or not such Coupon would otherwise have become void under Condition 9) or, if later, five years from the date on which such Coupon would otherwise have become due, but in no event thereafter.

Upon any Fixed Rate Note in definitive form becoming due and repayable prior to its Maturity Date, all unmatured Talons (if any) appertaining thereto will become void and no further Coupons will be issued in respect thereof.

Upon the date on which any Step Up/Step Down Fixed Rate Note, Floating Rate Note or Long Maturity Note in definitive form becomes due and repayable, unmatured Coupons and Talons (if any) relating thereto (whether or not attached) shall become void and no payment or, as the case

may be, exchange for further Coupons shall be made in respect thereof. A **Long Maturity Note** is a Fixed Rate Note (other than a Fixed Rate Note which on issue had a Talon attached) whose nominal amount on issue is less than the aggregate interest payable thereon provided that such Note shall cease to be a Long Maturity Note on the Interest Payment Date on which the aggregate amount of interest remaining to be paid after that date is less than the nominal amount of such Note.

If the due date for redemption of any definitive Note is not an Interest Payment Date, interest (if any) accrued in respect of such Note from (and including) the preceding Interest Payment Date or, as the case may be, the Interest Commencement Date shall be payable only against surrender of the relevant definitive Note.

6.3 Payments in respect of Global Notes

Payments of principal and interest (if any) in respect of Notes represented by any Global Note will (subject as provided below) be made in the manner specified above in relation to definitive Notes or otherwise in the manner specified in the relevant Global Note, where applicable, against presentation or surrender, as the case may be, of such Global Note at the specified office of any Paying Agent outside the United States. A record of each payment made, distinguishing between any payment of principal and any payment of interest, will be made either on such Global Note by the Paying Agent to which it was presented or in the records of Euroclear and Clearstream, Luxembourg, as applicable.

6.4 General provisions applicable to payments

The holder of a Global Note shall be the only person entitled to receive payments in respect of Notes represented by such Global Note and the Issuer or, as the case may be, the Guarantor will be discharged by payment to, or to the order of, the holder of such Global Note in respect of each amount so paid. Each of the persons shown in the records of Euroclear or Clearstream, Luxembourg as the beneficial holder of a particular nominal amount of Notes represented by such Global Note must look solely to Euroclear or Clearstream, Luxembourg, as the case may be, for his share of each payment so made by the Issuer to, or to the order of, the holder of such Global Note.

Notwithstanding the foregoing provisions of this Condition, if any amount of principal and/or interest in respect of Notes is payable in U.S. dollars, such U.S. dollar payments of principal and/or interest in respect of such Notes will be made at the specified office of a Paying Agent in the United States if:

- (a) the Issuer and (if applicable) the Guarantor have appointed Paying Agents with specified offices outside the United States with the reasonable expectation that such Paying Agents would be able to make payment in U.S. dollars at such specified offices outside the United States of the full amount of principal and interest on the Notes in the manner provided above when due;
- (b) payment of the full amount of such principal and interest at all such specified offices outside the United States is illegal or effectively precluded by exchange controls or other similar restrictions on the full payment or receipt of principal and interest in U.S. dollars; and
- (c) such payment is then permitted under United States law without involving, in the opinion of the Issuer and (in the case of Guaranteed Notes) the Guarantor, adverse tax consequences to the Issuer and (in the case of Guaranteed Notes) the Guarantor.

6.5 Payment Day

If the date for payment of any amount in respect of any Note or Coupon is not a Payment Day, the holder thereof shall not be entitled to payment until the next following Payment Day in the relevant place and shall not be entitled to further interest or other payment in respect of such delay. For these purposes, **Payment Day** means any day which (subject to Condition 9) is:

- (a) a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in:
 - (i) in the case of Notes in definitive form only, the relevant place of presentation; and

- (ii) each Additional Financial Centre (other than the TARGET2 System) specified in the applicable Final Terms; and
 - (iii) if TARGET2 System is specified as an Additional Financial Centre in the applicable Final Terms, a day on which the TARGET2 System is open; and
- (b) either (A) in relation to any sum payable in a Specified Currency other than euro, a day on which commercial banks and foreign exchange markets settle payments and are open for general business (including dealing in foreign exchange and foreign currency deposits) in the principal financial centre of the country of the relevant Specified Currency (which if the Specified Currency is Australian dollars or New Zealand dollars shall be Sydney and Auckland, respectively) or (B) in relation to any sum payable in euro, a day on which the TARGET2 System is open.

6.6 Interpretation of principal and interest

Any reference in the Conditions to principal in respect of the Notes shall be deemed to include, as applicable:

- (a) any additional amounts which may be payable with respect to principal under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed;
- (b) the Final Redemption Amount of the Notes;
- (c) the Early Redemption Amount of the Notes;
- (d) the Optional Redemption Amount(s) (if any) of the Notes;
- (e) the Residual Call Early Redemption Amount(s) (if any) of the Notes;
- (f) in relation to Zero Coupon Notes, the Amortised Face Amount (as defined in Condition 7.5); and
- (g) any premium and any other amounts (other than interest) which may be payable by the Issuer under or in respect of the Notes.

Any reference in the Conditions to interest in respect of the Notes shall be deemed to include, as applicable, any additional amounts which may be payable with respect to interest under Condition 8 or under any undertaking or covenant given in addition thereto, or in substitution therefor, pursuant to the Trust Deed.

7. REDEMPTION AND PURCHASE

7.1 Redemption at maturity

Unless previously redeemed or purchased and cancelled as specified below, each Note will be redeemed by the Issuer at its Final Redemption Amount specified in the applicable Final Terms in the relevant Specified Currency on the Maturity Date specified in the applicable Final Terms.

7.2 Redemption for tax reasons

Subject to Condition 7.5, the Notes may be redeemed at the option of the Issuer in whole, but not in part, at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), on giving not less than the minimum period and not more than the maximum period of notice specified in the applicable Final Terms to the Trustee and the Agent and, in accordance with Condition 14, the Noteholders (which notice shall be irrevocable), if the Issuer satisfies the Trustee immediately before the giving of such notice that:

- (a) on the occasion of the next payment due under the Notes, (a) the Issuer has or will become obliged to pay additional amounts as provided or referred to in Condition 8 or (b) (in the case of Guaranteed Notes) the Guarantor, if the Guarantee were called would be unable for reasons outside its control to procure payment by the Issuer and in making payment itself would be required to pay such additional amounts, in each case, as a result of any change in, or amendment to, the laws or regulations of a Tax Jurisdiction (as defined in Condition 8) or any change in the application or official interpretation of such laws or regulations, which change

or amendment becomes effective on or after the date on which agreement is reached to issue the first Tranche of the Notes; and

- (b) such obligation cannot be avoided by the Issuer or, as the case may be, the Guarantor taking reasonable measures available to it,

provided that no such notice of redemption shall be given earlier than 90 days prior to the earliest date on which the Issuer or, as the case may be, the Guarantor would be obliged to pay such additional amounts were a payment in respect of the Notes (or the Guarantee, as the case may be) then due.

Prior to the publication of any notice of redemption pursuant to this Condition 7.2, the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders (i) a certificate signed by two Authorised Officers of the Issuer or, as the case may be, the Guarantor, stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the conditions precedent to the right of the Issuer so to redeem have occurred and (ii) an opinion of independent legal advisers of recognised standing to the effect that the Issuer (or the Guarantor, as the case may be) has or will become obliged to pay such additional amounts as a result of such change or amendment and the Trustee shall be entitled to accept the certificate as sufficient evidence of the satisfaction of the conditions precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

Notes redeemed pursuant to this Condition 7.2 will be redeemed at their Early Redemption Amount referred to in Condition 7.5 below together (if appropriate) with interest accrued to (but excluding) the date of redemption.

In these Conditions **Authorised Officer** means any director of the Issuer or the Guarantor, as applicable, or any other officer of the Issuer or the Guarantor authorised to sign on behalf of the Issuer or the Guarantor, as applicable.

7.3 Issuer call options

(a) Redemption at the option of the Issuer (Issuer Call)

If Issuer Call is specified as being applicable in the applicable Final Terms, the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms to the Noteholders in accordance with Condition 14 (which notice shall be irrevocable and shall specify the date fixed for redemption), redeem all or some only of the Notes then outstanding on any Optional Redemption Date and at the Optional Redemption Amount(s) specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the relevant Optional Redemption Date. Any such redemption must be of a nominal amount not less than the Minimum Redemption Amount and not more than the Maximum Redemption Amount, in each case as may be specified in the applicable Final Terms. In the case of a partial redemption of Notes, the Notes to be redeemed (**Redeemed Notes**) will (i) in the case of Redeemed Notes represented by definitive Notes, be selected individually by lot, not more than 30 days prior to the date fixed for redemption and (ii) in the case of Redeemed Notes represented by a Global Note, be selected in accordance with the rules of Euroclear and/or Clearstream, Luxembourg, (to be reflected in the records of Euroclear and Clearstream, Luxembourg as either a pool factor or a reduction in nominal amount, at their discretion). In the case of Redeemed Notes represented by definitive Notes, a list of the serial numbers of such Redeemed Notes will be published in accordance with Condition 14 not less than 15 days prior to the date fixed for redemption.

(b) Redemption at the option of the Issuer (Issuer Residual Call Option)

If Issuer Residual Call is specified as being applicable in the applicable Final Terms and, at any time, the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Notes originally issued (and, for these purposes, any further Notes issued pursuant to Condition 17 and consolidated with this Series of Notes shall be deemed to have been originally issued), the Issuer may, having given not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, redeem all (but not some only)

of the Notes then outstanding at any time (if this Note is not a Floating Rate Note) or on any Interest Payment Date (if this Note is a Floating Rate Note), at the Residual Call Early Redemption Amount specified in the applicable Final Terms together, if appropriate, with interest accrued to (but excluding) the date of redemption.

Prior to the publication of any notice of redemption pursuant to this Condition 7.3(b), the Issuer shall deliver to the Trustee to make available at its specified office to the Noteholders a certificate signed by two Authorised Officers of the Issuer stating that the Issuer is entitled to effect such redemption and setting forth a statement of facts showing that the outstanding aggregate nominal amount of the Notes is 20 per cent. or less of the aggregate nominal amount of the Notes originally issued. The Trustee shall be entitled to accept such certificate as sufficient evidence of the satisfaction of the condition precedent set out above, in which event it shall be conclusive and binding on the Noteholders and the Couponholders.

7.4 Redemption at the option of the Noteholders (Investor Put)

If Investor Put is specified as being applicable in the applicable Final Terms, upon the holder of any Note giving to the Issuer in accordance with Condition 14 not less than the minimum period nor more than the maximum period of notice specified in the applicable Final Terms, the Issuer will, upon the expiry of such notice, redeem such Note on the Optional Redemption Date and at the Optional Redemption Amount together, if appropriate, with interest accrued to (but excluding) the Optional Redemption Date.

To exercise the right to require redemption of this Note the holder of this Note must, if this Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, deliver, at the specified office of any Paying Agent at any time during normal business hours of such Paying Agent falling within the notice period, a duly completed and signed notice of exercise in the form (for the time being current) obtainable from any specified office of any Paying Agent (a **Put Notice**) and in which the holder must specify a bank account to which payment is to be made under this Condition accompanied by this Note or evidence satisfactory to the Paying Agent concerned that this Note will, following delivery of the Put Notice, be held to its order or under its control. If this Note is represented by a Global Note or is in definitive form and held through Euroclear or Clearstream, Luxembourg, to exercise the right to require redemption of this Note the holder of this Note must, within the notice period, give notice to the Agent of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or any common depository or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg from time to time.

7.5 Early Redemption Amounts

For the purpose of Condition 7.2 above, Condition 7.6 and Condition 10:

- (a) each Note (other than a Zero Coupon Note) will be redeemed at its Early Redemption Amount; and
- (b) each Zero Coupon Note, will be redeemed at an Early Redemption Amount (the **Amortised Face Amount**) calculated in accordance with the following formula:

$$\text{Early Redemption Amount} = \text{RP} \times (1 + \text{AY})^y$$

RP means the Reference Price;

AY means the Accrual Yield expressed as a decimal; and

^y is the Day Count Fraction specified in the applicable Final Terms which will be either (i) 30/360 (in which case the numerator will be equal to the number of days (calculated on the basis of a 360-day year consisting of 12 months of 30 days each) from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (ii) Actual/360 (in which case the numerator will be equal to the number of days from (and including) the Issue Date

of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date upon which such Note becomes due and repayable and the denominator will be 360) or (iii) Actual/365 (in which case the numerator will be equal to the actual number of days from (and including) the Issue Date of the first Tranche of the Notes to (but excluding) the date fixed for redemption or (as the case may be) the date on which such Note becomes due and repayable and the denominator will be 365).

7.6 Change of Control Put

(A) A **Put Event** will be deemed to occur if:

- (i) any person or any persons acting in concert (as defined in the City Code on Takeovers and Mergers), other than a holding company (as defined in section 1159 of the Companies Act 2006) whose shareholders are or are to be substantially similar to the pre-existing shareholders of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) of the Guarantor, shall become interested (within the meaning of Part 22 of the Companies Act 2006) in (a) more than 50 per cent. of the issued or allotted ordinary share capital of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) of the Guarantor or (b) shares in the capital of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) of the Guarantor carrying more than 50 per cent. of the voting rights normally exercisable at a general meeting of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) of the Guarantor (each, a **Change of Control**); and
- (ii) on the date (the **Relevant Announcement Date**) that is the earlier of (1) the date of the first public announcement of the relevant Change of Control, and (2) the date of the earliest Relevant Potential Change of Control Announcement (if any),
 - (a) the Notes have been assigned, by the Rating Agency, at the invitation of the Issuer or the Guarantor (as the case may be), an investment grade credit rating (*BBB-*, or *equivalent*, or *better*), and such rating from the Rating Agency is, within a period (the **Change of Control Period**) commencing on the Relevant Announcement Date and ending 120 days after announcement of the Change of Control having occurred (or such longer period as the Notes are under consideration (such consideration having been announced publicly within the period ending 120 days after the announcement of the Change of Control) for rating review or, as the case may be, rating by the Rating Agency, such period not to exceed 90 days after the public announcement of such consideration), either downgraded to a non-investment grade credit rating (*BB+*, or *equivalent*, or *worse*) or withdrawn and is not subsequently (x) (in the case of a downgrade) upgraded by the Rating Agency to an investment grade credit rating (*BBB-*, or *equivalent* or *better*), or (y) (in the case of a withdrawal) reinstated by the Rating Agency to an investment grade credit rating (*BBB-*, or *equivalent*, or *better*), or (z) replaced by an investment grade credit rating (*BBB-*, or *equivalent*, or *better*) by a Substitute Rating Agency (as defined in Condition 5.4(j) above), in each such case within the Change of Control Period (as so extended); or
 - (b) the Notes have been assigned, by the Rating Agency, at the invitation of the Issuer or the Guarantor (as the case may be), a non-investment grade credit rating (*BB+*, or *equivalent*, or *worse*), and such rating from the Rating Agency is, within the Change of Control Period, either downgraded by one or more notches (for illustration, *BB+*, to *BB* being one notch) or withdrawn and is not subsequently (x) (in the case of a downgrade) upgraded to the credit rating that had been assigned to the Notes on the Relevant Announcement Date or better by the Rating Agency, or (y) (in the case of a withdrawal) reinstated to the credit rating that had been assigned to the Notes on the Relevant Announcement Date or better by the Rating Agency,

or (z) replaced by a credit rating from a Substitute Rating Agency that is equivalent to or better than the credit rating that had been assigned to the Notes on the Relevant Announcement Date, in each such case, within the Change of Control period (as so extended); or

- (c) the Notes have not been assigned a credit rating from the Rating Agency at the invitation of the Issuer or the Guarantor (as the case may be) and (I) within the Change of Control Period, the Issuer or the Guarantor (as the case may be) does not, either prior to, or not later than 21 days after, the occurrence of the Change of Control seek, and thereafter throughout the Change of Control Period use all reasonable endeavours to obtain, a credit rating of the Notes from the Rating Agency or (II) if the Issuer or the Guarantor (as the case may be) does so seek and use such endeavours, it is unable to obtain such a credit rating that is an investment grade credit rating (*BBB-, or equivalent, or better*) from the Rating Agency or from a Substitute Rating Agency by the end of the Change of Control Period; and
 - (iii) in making the relevant decision(s) referred to in sub-paragraphs (A)(ii)(a), (b) or (c)(II) above, the Rating Agency or Substitute Rating Agency (as the case may be) announces publicly or confirms in writing to the Issuer or (in the case of Guaranteed Notes) the Guarantor or the Trustee that such decision(s) resulted (including in the case of such Rating Agency or Substitute Rating Agency deciding not to assign a credit rating pursuant to Condition 7.6(A)(ii)(c)(II) above), in whole or in part, from the occurrence of the Change of Control.
- (B) If a Put Event occurs, each Noteholder shall have the option (unless, prior to the giving of the Change of Control Put Notice referred to below, the Issuer gives notice under Condition 7.2) to require the Issuer to redeem or at the Issuer's option to purchase (or procure the purchase of) that Note on the Put Date (as defined below) at its Early Redemption Amount together with interest accrued to but excluding the date of redemption or purchase. Such option shall operate as set out below.
 - (C) Promptly upon the Issuer or the Guarantor, as the case may be, becoming aware that a Put Event has occurred the Issuer or the Guarantor, as the case may be, shall, and at any time upon the Trustee becoming similarly so aware the Trustee may, and if so requested by the holders of at least one-quarter in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution of the Noteholders, shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), give notice (a **Put Event Notice**) to the Noteholders in accordance with Condition 14 specifying the nature of the Put Event and the procedure for exercising the option contained in this Condition 7.6.
 - (D) To exercise the option to require the redemption or, as the case may be, the purchase of a Note under this Condition 7.6 the holder of the Note must, if the Note is in definitive form and held outside Euroclear and Clearstream, Luxembourg, or any alternative clearing system deliver such Note, on any Payment Day (as defined in Condition 6.5) falling within the period (the **Put Period**) of 45 days after a Put Event Notice is given, at the specified office of any Paying Agent, accompanied by a duly signed and completed notice of exercise in the form (for the time being current) obtainable from the specified office of any Paying Agent (a **Change of Control Put Notice**). The Note should be delivered together with all Coupons appertaining thereto maturing after the date which is seven days after the expiration of the Put Period (the **Put Date**) failing which (unless the applicable Final Terms provide that the relative Coupons are to become void upon the due date for redemption of such Note) the Paying Agent will require payment of an amount equal to the face value of any missing such Coupon. Any amount so paid will be reimbursed in the manner provided in Condition 6 against presentation and surrender of the relevant missing Coupon (or any replacement therefore issued pursuant to Condition 11) at any time after such payment, but before the expiry of the period of 10 years from the Relevant Date (as defined in Condition 8) in respect of that Coupon. The Paying Agent to which such Note and Change of Control Put Notice are delivered will issue to the Noteholder concerned a non-transferable receipt in respect of the Note so delivered. If the

Note is represented by a Global Note or is in definitive form and held through Euroclear and/or Clearstream, Luxembourg or any alternative clearing system, to exercise the right to require redemption or, as the case may be, purchase of a Note under this Condition 7.6, the Noteholder must, within the Put Period, give notice of such exercise in accordance with the standard procedures of Euroclear and Clearstream, Luxembourg or the relevant alternative clearing system (which may include notice being given on his instruction by Euroclear or Clearstream, Luxembourg or the relevant alternative clearing system or any common depositary or common safekeeper, as the case may be, for them to the Agent by electronic means) in a form acceptable to Euroclear and Clearstream, Luxembourg or the relevant alternative clearing system from time to time and, at the same time, if the Note is represented by a Global Note, present or procure the presentation of the relevant Global Note to the Agent for notation accordingly. Payment in respect of any Note so delivered will be made, if the holder duly specified a bank account in the Change of Control Put Notice to which payment is to be made, on the Put Date by transfer to that bank account and, in every other case, on or after the Put Date against presentation and surrender or (as the case may be) endorsement of such receipt at the specified office of any Paying Agent. Payment in respect of any Note represented by a Global Note or in definitive form and held through Euroclear and/or Clearstream, Luxembourg or the relevant alternative clearing system in respect of which the relevant Noteholder has exercised the option given under this Condition 7.6 will be made on the Put Date. A Change of Control Put Notice, once given, shall be irrevocable. The Issuer shall redeem or repay or, as the case may be, purchase the relevant Note on the Put Date unless previously redeemed and cancelled.

If 80 per cent. or more in nominal amount of the Notes then outstanding have been redeemed or purchased pursuant to this Condition 7.6, the Issuer may, on not less than 30 or more than 60 days' notice to the Noteholders given within 30 days after the Put Date redeem or, at its option, purchase or procure the purchase of, the remaining Notes as a whole at a redemption price of the Early Redemption Amount thereof plus interest accrued to but excluding the date of such redemption.

- (E) If the rating designations employed by the Rating Agency is changed from that which is described in paragraph (A)(ii) above, or if a rating is procured from its successor or from a Substitute Rating Agency (as the case may be), the Issuer shall determine, with the written approval of the Trustee (not to be unreasonably withheld or delayed), the rating designations of such successor or such Substitute Rating Agency as are most equivalent to the prior rating designations of the Rating Agency and paragraph (A)(ii) shall be read accordingly.
- (F) The Trustee is under no obligation to ascertain whether a Put Event or Change of Control or any event which could lead to the occurrence of or could constitute a Put Event or Change of Control has occurred and, until it shall have actual knowledge or notice pursuant to the Trust Deed to the contrary, the Trustee may assume that no Put Event or Change of Control or other such event has occurred.
- (G) In these Conditions:

Rating Agency means Standard & Poor's Credit Market Services Europe Limited or its successor; and

Relevant Potential Change of Control Announcement means any public announcement or statement by the Issuer, the Guarantor, any actual or potential bidder or any adviser acting on behalf of any actual or potential bidder relating to any potential Change of Control where within 180 days following the date of such announcement or statement, a Change of Control occurs.

7.7 Purchases

The Issuer, (in the case of Guaranteed Notes) the Guarantor or any Subsidiary of the Issuer or (in the case of Guaranteed Notes) the Guarantor may at any time purchase Notes (provided that, in the case of definitive Notes, all unmatured Coupons and Talons appertaining thereto are purchased therewith) at any price in the open market or otherwise.

7.8 Cancellation

The Issuer may at its option retain any Notes which have been redeemed or purchased pursuant to this Condition 7 and any unmatured Coupons attached to or surrendered with such Notes for its own account and/or resell or cancel or otherwise deal with such Notes at its discretion. Any Notes so cancelled may not be reissued or resold and the obligations of the Issuer and (in the case of Guaranteed Notes) the Guarantor shall be discharged.

7.9 Late payment on Zero Coupon Notes

If the amount payable in respect of any Zero Coupon Note upon redemption of such Zero Coupon Note pursuant to Condition 7.1, 7.2, 7.3 or 7.4 above or upon its becoming due and repayable as provided in Condition 10 is improperly withheld or refused, the amount due and repayable in respect of such Zero Coupon Note shall be the amount calculated as provided in Condition 7.5(b) above as though the references therein to the date fixed for the redemption or the date upon which such Zero Coupon Note becomes due and payable were replaced by references to the date which is the earlier of:

- (a) the date on which all amounts due in respect of such Zero Coupon Note have been paid; and
- (b) five days after the date on which the full amount of the moneys payable in respect of such Zero Coupon Notes has been received by the Agent or the Trustee and notice to that effect has been given to the Noteholders in accordance with Condition 14.

8. TAXATION

All payments of principal and interest in respect of the Notes and Coupons by the Issuer or by the Guarantor (in the case of Guaranteed Notes) will be made without withholding or deduction for or on account of any present or future taxes or duties of whatever nature imposed or levied by or on behalf of any Tax Jurisdiction unless such withholding or deduction is required by law. In such event, the Issuer or the Guarantor (in the case of Guaranteed Notes) will pay such additional amounts as shall be necessary in order that the net amounts received by the holders of the Notes or Coupons after such withholding or deduction shall equal the respective amounts of principal and interest which would otherwise have been receivable in respect of the Notes or Coupons, as the case may be, in the absence of such withholding or deduction; except that no such additional amounts shall be payable with respect to any Note or Coupon:

- (a) presented for payment in the United Kingdom; or
- (b) presented for payment by or on behalf of a holder who is liable for such taxes or duties in respect of such Note or Coupon by reason of his having some connection with a Tax Jurisdiction other than the mere holding of such Note or Coupon; or
- (c) presented for payment more than 30 days after the Relevant Date (as defined below) except to the extent that the holder thereof would have been entitled to an additional amount on presenting the same for payment on such thirtieth day assuming that day to have been a Payment Day (as defined in Condition 6.5).

As used herein:

- (i) **Tax Jurisdiction** means the United Kingdom or any political subdivision or any authority thereof or therein having power to tax; and
- (ii) the **Relevant Date** means the date on which such payment first becomes due, except that, if the full amount of the moneys payable has not been duly received by the Trustee or the Agent on or prior to such due date, it means the date on which, the full amount of such moneys having been so received, notice to that effect is duly given to the Noteholders in accordance with Condition 14.

9. PRESCRIPTION

The Notes and Coupons will become void unless claims in respect of principal and/or interest are made within a period of 10 years (in the case of principal) and five years (in the case of interest) after the Relevant Date (as defined in Condition 8) therefor.

There shall not be included in any Coupon sheet issued on exchange of a Talon any Coupon the claim for payment in respect of which would be void pursuant to this Condition or Condition 6.2 or any Talon which would be void pursuant to Condition 6.2.

10. EVENTS OF DEFAULT AND ENFORCEMENT

10.1 Events of Default

The Trustee at its discretion may, and if so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding or if so directed by an Extraordinary Resolution shall (subject in each case to being indemnified and/or secured and/or prefunded to its satisfaction), (but in the case of the happening of any of the events described in paragraphs (b) to (d) (other than the winding up or dissolution of the Issuer or (in the case of Guaranteed Notes) the Guarantor), (e) to (h) inclusive below, only if the Trustee shall have certified in writing to the Issuer and (in the case of Guaranteed Notes) the Guarantor that such event is, in its opinion, materially prejudicial to the interests of the Noteholders), give notice in writing to the Issuer that each Note is, and each Note shall thereupon immediately become, due and repayable at its Early Redemption Amount together with accrued interest as provided in the Trust Deed if any of the following events (each an **Event of Default**) shall occur:

- (a) if default is made in the payment by the Issuer or (in the case of Guaranteed Notes) the Guarantor of any principal or interest due in respect of the Notes or any of them and the default continues for a period of seven days in the case of principal and 14 days in the case of interest; or
- (b) if the Issuer or (in the case of Guaranteed Notes) the Guarantor fails to perform or observe any of its other obligations under the Conditions or the Trust Deed and (except in any case where, in the opinion of the Trustee, the failure is incapable of remedy when no such continuation or notice as is hereinafter mentioned will be required) the failure continues for the period of 30 days next following the service by the Trustee on the Issuer or the Guarantor, as the case may be, of notice requiring the same to be remedied; or
- (c) if (i) any Indebtedness for Borrowed Money (as defined below) of the Issuer, (in the case of Guaranteed Notes) the Guarantor or any Principal Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor becomes due and repayable prematurely by reason of an event of default (however described); (ii) the Issuer, (in the case of Guaranteed Notes) the Guarantor or any Principal Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor fails to make any payment in respect of any Indebtedness for Borrowed Money on the due date for payment as extended by any originally applicable grace period; (iii) any security given by the Issuer, (in the case of Guaranteed Notes) the Guarantor or any Principal Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor for any Indebtedness for Borrowed Money becomes enforceable and steps are taken to enforce the same; or (iv) default is made by the Issuer, (in the case of Guaranteed Notes) the Guarantor or any Principal Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor in making any payment due under any guarantee and/or indemnity given by it in relation to any Indebtedness for Borrowed Money of any other person on the due date for payment as extended by any originally applicable grace period, provided that no event described in this subparagraph 10.1(c) shall constitute an Event of Default unless the Indebtedness for Borrowed Money or other relative liability due and unpaid, either alone or when aggregated (without duplication) with other amounts of Indebtedness for Borrowed Money and/or other liabilities due and unpaid relative to all (if any) other events specified in (i) to (iv) above which have occurred and are continuing, amounts to at least £25,000,000 (or its equivalent in any other currency or currencies); or
- (d) if any order is made by any competent court or resolution passed for the winding up or dissolution of the Issuer, (in the case of Guaranteed Notes) the Guarantor or any Principal Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor, save for the purposes of (i) reorganisation on terms

previously approved in writing by the Trustee or by an Extraordinary Resolution or (ii) in the case of a Principal Subsidiary, a Permitted Reorganisation; or

- (e) if (A) the Issuer, (in the case of Guaranteed Notes) the Guarantor or any Principal Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor ceases or threatens to cease to carry on the whole or substantially the whole of its business, save for the purposes of (i) reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution or (ii) in the case of a Principal Subsidiary, a Permitted Reorganisation, or (B) the Issuer, (in the case of Guaranteed Notes) the Guarantor or any Principal Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor stops or threatens to stop payment of, or is unable to, or admits inability to, pay, its debts (or any class of its debts) as they fall due, or is deemed unable to pay its debts pursuant to or for the purposes of sections 123(1)(b) and/or 123(1)(e) or 123(2) of the Insolvency Act 1986, or any other applicable equivalent law, or is adjudicated or found bankrupt or insolvent; or
- (f) if (A) proceedings are initiated against the Issuer, (in the case of Guaranteed Notes) the Guarantor or any Principal Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor under any applicable liquidation, insolvency, composition, reorganisation or other similar laws, or an application is made (or documents filed with a court) for the appointment of an administrative or other receiver, manager, administrator or other similar official, or an administrative or other receiver, manager, administrator or other similar official is appointed, in relation to the Issuer, (in the case of Guaranteed Notes) the Guarantor or any Principal Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor or, as the case may be, in relation to the whole or a substantial part of the undertaking or assets of any of them, or an encumbrancer takes possession of the whole or a substantial part of the undertaking or assets of any of them, or a distress, execution, attachment, sequestration or other process is levied, enforced upon, sued out or put in force against the whole or a substantial part of the undertaking or assets of any of them and (B) in any case (other than the appointment of an administrator) is not discharged within 14 days; or
- (g) if the Issuer, (in the case of Guaranteed Notes) the Guarantor or any Principal Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor initiates or consents to judicial proceedings relating to itself under any applicable liquidation, insolvency, composition, reorganisation or other similar laws (including the obtaining of a moratorium) or makes a conveyance or assignment for the benefit of, or enters into any composition or other arrangement with, its creditors generally (or any class of its creditors) or any meeting is convened to consider a proposal for an arrangement or composition with its creditors generally (or any class of its creditors) in each case save for the purposes of (i) reorganisation on terms previously approved in writing by the Trustee or by an Extraordinary Resolution or (ii) in the case of a Principal Subsidiary, a Permitted Reorganisation; or
- (h) if any event occurs which, under the laws of any Relevant Jurisdiction, has or may have, in the Trustee's opinion, an analogous effect to any of the events referred to in paragraphs (d) to (g) above.

10.2 Enforcement

The Trustee may at any time, at its discretion and without notice, take such proceedings against the Issuer or (in the case of Guaranteed Notes) the Guarantor as it may think fit to enforce the provisions of the Trust Deed, the Notes and the Coupons, but it shall not be bound to take any such proceedings or any other action in relation to the Trust Deed, the Notes or the Coupons unless (i) it shall have been so directed by an Extraordinary Resolution or so requested in writing by the holders of at least one-fifth in nominal amount of the Notes then outstanding and (ii) it shall have been indemnified and/or secured and/or prefunded to its satisfaction.

No Noteholder or Couponholder shall be entitled to proceed directly against the Issuer or (in the case of Guaranteed Notes) the Guarantor unless the Trustee, having become bound so to proceed, fails so to do within a reasonable period and the failure shall be continuing.

10.3 Definitions

For the purposes of the Conditions:

Consolidated Total Assets means, without duplication, at any time, the aggregate value of the gross assets of the Group, calculated in accordance with GAAP consistent with that applied in the preparation of the Original Financial Statements.

GAAP means (a) with respect to (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor, the Group and any Subsidiary located and incorporated in the United Kingdom, generally accepted accounting principles in the United Kingdom as the same are from time to time in force or applied (including International Financial Reporting Standards at such times as the relevant member of the Group is required to, or chooses to, prepare its accounts in accordance with International Financial Reporting Standards) and (b) with respect to any other Subsidiary, generally accepted accounting principles applicable to such Subsidiary in its jurisdiction of incorporation.

Group means (other than in the case of Guaranteed Notes) the Issuer and its Subsidiaries for the time being or (in the case of Guaranteed Notes) the Guarantor and its Subsidiaries for the time being.

Indebtedness for Borrowed Money means any indebtedness (whether being principal, premium, interest or other amounts) for or in respect of any notes, bonds, debentures, debenture stock, loan stock or other securities or any borrowed money or any liability under or in respect of any acceptance or acceptance credit.

Original Financial Statements means the audited consolidated financial statements of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor for its financial year ended 31 December 2013.

Permitted Reorganisation means an amalgamation, merger, consolidation, reorganisation or other similar arrangement entered into by any Principal Subsidiary (not involving or arising out of the insolvency of the Principal Subsidiary) under which:

- (i) the whole or substantially the whole of the business, undertaking and assets of such Principal Subsidiary are transferred to, and all or substantially all of the liabilities and obligations of such Principal Subsidiary are assumed by, one or more new or surviving entities automatically by operation of applicable law; provided that each person to whom such liabilities and obligations of such Principal Subsidiary are transferred or who is assuming such liabilities and obligations is, or thereby becomes, a member of the Group, or
- (ii) the whole or substantially the whole of the business, undertaking and assets of such Principal Subsidiary are transferred (other than by operation of law) to (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor; or
- (iii) the whole or substantially the whole of the business, undertaking and assets of such Principal Subsidiary are transferred (other than by operation of law) and each transferee is or immediately upon such transfer becomes a Principal Subsidiary; or
- (iv) the whole or substantially the whole of the business, undertaking and assets of such Principal Subsidiary are transferred to a third party for full consideration on an arms' length basis.

a **Principal Subsidiary** means at any time a Subsidiary of (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor:

- (i) whose EBITDA accounts for five per cent. or more of the consolidated EBITDA; or
- (ii) whose gross assets account for five per cent. or more of the Consolidated Total Assets of the Group; or

- (iii) to which has been transferred (whether in a single transaction or in a series of transactions (whether related or not)) the whole or substantially the whole of the assets of a Subsidiary which immediately prior to such transaction(s) was a Principal Subsidiary;

where for these purposes (A) consolidated EBITDA is to be determined in a manner consistent with that used for determining such ratio in the £1,000,000,000 Multi-Currency Revolving Credit Facility Agreement dated 7 January 2015 entered into by, *inter alios*, the Issuer and the Guarantor (as amended and/or supplemented and/or restated from time to time), (B) EBITDA is to be calculated in the same way as consolidated EBITDA but excluding intra-Group items and (C) EBITDA and gross assets are to be determined by reference to such Subsidiary's most recent produced unconsolidated financial statements and the then latest consolidated financial statements for (other than in the case of Guaranteed Notes) the Issuer or (in the case of Guaranteed Notes) the Guarantor.

11. REPLACEMENT OF NOTES, COUPONS AND TALONS

Should any Note, Coupon or Talon be lost, stolen, mutilated, defaced or destroyed, it may be replaced at the specified office of the Agent upon payment by the claimant of such costs and expenses as may be incurred in connection therewith and on such terms as to evidence and indemnity as the Issuer may reasonably require. Mutilated or defaced Notes, Coupons or Talons must be surrendered before replacements will be issued.

12. PAYING AGENTS

The initial Agents are set out above. If any additional Paying Agents are appointed in connection with any Series, the names of such Paying Agents will be specified in Part B of the applicable Final Terms.

The Issuer is entitled, with the prior written approval of the Trustee, to vary or terminate the appointment of any Paying Agent and/or appoint additional or other Paying Agents and/or approve any change in the specified office through which any Paying Agent acts, provided that:

- (a) there will at all times be an Agent;
- (b) so long as the Notes are listed on any stock exchange or admitted to listing by any other relevant authority, there will at all times be a Paying Agent with a specified office in such place as may be required by the rules and regulations of the relevant stock exchange or other relevant authority; and
- (c) there will at all times be a Paying Agent in a jurisdiction within Europe, other than the jurisdiction in which the Issuer is incorporated.

In addition, the Issuer shall forthwith appoint a Paying Agent having a specified office in New York City in the circumstances described in Condition 6.4. Notice of any variation, termination, appointment or change in Paying Agents will be given to the Noteholders promptly by the Issuer in accordance with Condition 14.

In acting under the Agency Agreement, the Paying Agents act solely as agents of the Issuer and the Guarantor and, in certain circumstances specified therein, of the Trustee and do not assume any obligation to, or relationship of agency or trust with, any Noteholders or Couponholders. The Agency Agreement contains provisions permitting any entity into which any Paying Agent is merged or converted or with which it is consolidated or to which it transfers all or substantially all of its assets to become the successor paying agent.

13. EXCHANGE OF TALONS

On and after the Interest Payment Date on which the final Coupon comprised in any Coupon sheet matures, the Talon (if any) forming part of such Coupon sheet may be surrendered at the specified office of the Agent or any other Paying Agent in exchange for a further Coupon sheet including (if such further Coupon sheet does not include Coupons to (and including) the final date for the payment of interest due in respect of the Note to which it appertains) a further Talon, subject to the provisions of Condition 9.

14. NOTICES

All notices regarding the Notes will be deemed to be validly given if published in a leading English language daily newspaper of general circulation in London. It is expected that any such publication in a newspaper will be made in the *Financial Times* in London. The Issuer shall also ensure that notices are duly published in a manner which complies with the rules of any stock exchange or other relevant authority on which the Notes are for the time being listed or by which they have been admitted to trading. Any such notice will be deemed to have been given on the date of the first publication or, where required to be published in more than one newspaper, on the date of the first publication in all required newspapers. If publication as provided above is not practicable, a notice will be given in such other manner, and will be deemed to have been given on such date, as the Trustee shall approve.

Until such time as any definitive Notes are issued, there may, so long as any Global Notes representing the Notes are held in their entirety on behalf of Euroclear and/or Clearstream, Luxembourg, be substituted for such publication in such newspaper(s) the delivery of the relevant notice to Euroclear and/or Clearstream, Luxembourg for communication by them to the holders of the Notes and, in addition, for so long as any Notes are listed on a stock exchange or are admitted to trading by another relevant authority and the rules of that stock exchange or relevant authority so require, such notice will be published in a daily newspaper of general circulation in the place or places required by those rules. Any such notice shall be deemed to have been given to the holders of the Notes on such day as is specified in the applicable Final Terms after the day on which the said notice was given to Euroclear and/or Clearstream, Luxembourg.

Notices to be given by any Noteholder shall be in writing and given by lodging the same, together (in the case of any Note in definitive form) with the relative Note or Notes, with the Agent. Whilst any of the Notes are represented by a Global Note, such notice may be given by any holder of a Note to the Agent through Euroclear and/or Clearstream, Luxembourg, as the case may be, in such manner as the Agent and Euroclear and/or Clearstream, Luxembourg, as the case may be, may approve for this purpose.

15. MEETINGS OF NOTEHOLDERS, MODIFICATION, WAIVER AND SUBSTITUTION

The Trust Deed contains provisions for convening meetings of the Noteholders to consider any matter affecting their interests, including the sanctioning by Extraordinary Resolution of a modification of the Notes, the Coupons or any of the provisions of the Trust Deed. Such a meeting may be convened by the Issuer or (in the case of Guaranteed Notes) the Guarantor or the Trustee and shall be convened by the Issuer or (in the case of Guaranteed Notes) the Guarantor if required in writing by Noteholders holding not less than 10 per cent. in nominal amount of the Notes for the time being remaining outstanding. The quorum at any such meeting for passing an Extraordinary Resolution is one or more persons holding or representing not less than 50 per cent. in nominal amount of the Notes for the time being outstanding, or at any adjourned meeting one or more persons being or representing Noteholders whatever the nominal amount of the Notes so held or represented, except that at any meeting the business of which includes the modification of certain provisions of the Notes or the Coupons or the Trust Deed (including modifying the date of maturity of the Notes or any date for payment of interest thereon, reducing or cancelling the amount of principal or the rate of interest payable in respect of the Notes or altering the currency of payment of the Notes or the Coupons), the quorum shall be one or more persons holding or representing not less than two-thirds in nominal amount of the Notes for the time being outstanding, or at any adjourned such meeting one or more persons holding or representing not less than one-quarter in nominal amount of the Notes for the time being outstanding. The Trust Deed provides that (i) a

resolution passed at a meeting duly convened and held in accordance with the Trust Deed by a majority consisting of not less than three-quarters of the votes cast on such resolution, (ii) a resolution in writing signed by or on behalf of the holders of not less than three-quarters in nominal amount of the Notes for the time being outstanding or (iii) consent given by way of electronic consents through the relevant clearing system(s) (in a form satisfactory to the Trustee) by or on behalf of the holders of not less than three-quarters in nominal amount of the Notes for the time being outstanding, shall, in each case, be effective as an Extraordinary Resolution of the Noteholders. An Extraordinary Resolution passed by the Noteholders shall be binding on all the Noteholders, whether or not they are present at any meeting, and whether or not they voted on the resolution and on all Couponholders.

The Trustee may agree, without the consent of the Noteholders or Couponholders, to any modification of, or to the waiver or authorisation of any breach or proposed breach of, any of the provisions of the Notes or the Trust Deed, or determine, without any such consent as aforesaid, that any Event of Default or potential Event of Default shall not be treated as such, where, in any such case, it is not, in the opinion of the Trustee, materially prejudicial to the interests of the Noteholders so to do or may agree, without any such consent as aforesaid, to any modification which is of a formal, minor or technical nature or to correct a manifest error or an error which, in the opinion of the Trustee, is proven. Any such modification shall be binding on the Noteholders and the Couponholders and any such modification shall be notified to the Noteholders in accordance with Condition 14 as soon as practicable thereafter.

In connection with the exercise by it of any of its trusts, powers, authorities and discretions (including, without limitation, any modification, waiver, authorisation or determination), the Trustee shall have regard to the general interests of the Noteholders as a class (but shall not have regard to any interests arising from circumstances particular to individual Noteholders or Couponholders whatever their number) and, in particular but without limitation, shall not have regard to the consequences of any such exercise for individual Noteholders or Couponholders (whatever their number) resulting from their being for any purpose domiciled or resident in, or otherwise connected with, or subject to the jurisdiction of, any particular territory or any political sub-division thereof and the Trustee shall not be entitled to require, nor shall any Noteholder or Couponholder be entitled to claim, from the Issuer or (in the case of Guaranteed Notes) the Guarantor, the Trustee or any other person any indemnification or payment in respect of any tax consequences of any such exercise upon individual Noteholders or Couponholders except to the extent already provided for in Condition 8 and/or any undertaking or covenant given in addition to, or in substitution for, Condition 8 pursuant to the Trust Deed.

The Trustee may, without the consent of the Noteholders, agree with the Issuer and (in the case of Guaranteed Notes) the Guarantor to the substitution in place of the Issuer (or of any previous substitute under this Condition) as the principal debtor under the Notes, the Coupons and the Trust Deed of another company, being either the Guarantor (where the Issuer is G4S Finance or another Subsidiary of the Guarantor) or a Subsidiary of the Guarantor, subject to (a) where the new principal debtor is a Subsidiary of the Guarantor the Notes being unconditionally and irrevocably guaranteed by the Guarantor, (b) the Trustee being satisfied that the interests of the Noteholders will not be materially prejudiced by the substitution and (c) certain other conditions set out in the Trust Deed being complied with.

16. INDEMNIFICATION OF THE TRUSTEE AND TRUSTEE CONTRACTING WITH THE ISSUER

The Trust Deed contains provisions for the indemnification of the Trustee and for its relief from responsibility, including provisions relieving it from taking action unless indemnified and/or secured and/or prefunded to its satisfaction.

The Trust Deed also contains provisions pursuant to which the Trustee is entitled, *inter alia*, (a) to enter into business transactions with the Issuer and/or the Guarantor and/or any Subsidiary of the Issuer and/or the Guarantor and to act as trustee for the holders of any other securities issued or guaranteed by, or relating to, the Issuer and/or the Guarantor and/or any Subsidiary of the Issuer and/or the Guarantor, (b) to exercise and enforce its rights, comply with its obligations and perform

its duties under or in relation to any such transactions or, as the case may be, any such trusteeship without regard to the interests of, or consequences for, the Noteholders or Couponholders and (c) to retain and not be liable to account for any profit made or any other amount or benefit received thereby or in connection therewith.

17. FURTHER ISSUES

The Issuer shall be at liberty from time to time without the consent of the Noteholders or the Couponholders to create and issue further notes having terms and conditions the same as the Notes or the same in all respects save for the amount and date of the first payment of interest thereon and the date from which interest starts to accrue and so that the same shall be consolidated and form a single Series with the outstanding Notes.

18. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

No person shall have any right to enforce any term or condition of this Note under the Contracts (Rights of Third Parties) Act 1999, but this does not affect any right or remedy of any person which exists or is available apart from that Act.

19. GOVERNING LAW AND SUBMISSION TO JURISDICTION

19.1 Governing Law

The Trust Deed (including the Guarantee), the Agency Agreement, the Notes and the Coupons and any non-contractual obligations arising out of or in connection with them shall be governed by, and construed in accordance with, English law.

19.2 Submission to jurisdiction

- (a) Subject to Condition 19.2(c) below, the English courts have exclusive jurisdiction to settle any dispute arising out of or in connection with the Trust Deed, the Notes and/or the Coupons, including any dispute as to their existence, validity, interpretation, performance, breach or termination or the consequences of their nullity and any dispute relating to any non-contractual obligations arising out of or in connection with the Trust Deed, the Notes and/or the Coupons (a **Dispute**) and accordingly each of the Issuer and the Trustee and any Noteholders or Couponholders in relation to any Dispute submits to the exclusive jurisdiction of the English courts.
- (b) For the purposes of this Condition 19.2, the Issuer waives any objection to the English courts on the grounds that they are an inconvenient or inappropriate forum to settle any Dispute.
- (c) To the extent allowed by law, the Trustee, the Noteholders and the Couponholders may, in respect of any Dispute or Disputes, take (i) proceedings in any other court with jurisdiction; and (ii) concurrent proceedings in any number of jurisdictions.

USE OF PROCEEDS

The net proceeds from each issue of Notes will be applied by the relevant Issuer for its general corporate purposes.

DESCRIPTION OF G4S PLC

Introduction

G4S plc (G4S together with its subsidiaries, the **Group**) was originally incorporated and registered in England and Wales under the name PreciS (2395) Limited on 11 December 2003 under the Companies Act 1985 as a private limited company. The Company changed its name to Group 4 Securicor Limited with effect from 19 February 2004, and was re-registered as a public limited company on 14 May 2004, changing its name to G4S plc with effect from 1 June 2007. The principal legislation under which G4S operates are the Companies Act 1985, as amended and, as applicable, the Companies Act 2006, as amended (together, the Companies Acts) and the regulations made thereunder. The Company's registered office and principal place of business is 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT, with the telephone number +44 (0) 207 963 3100. The Company's registered number is 04992207.

G4S is a major global, integrated security company specialising in the delivery of security and related services to governments and major corporate customers around the world. The current business of G4S was created by the merger in July 2004 of Securicor plc and Group 4 Falck A/S's security business. G4S is listed on the London Stock Exchange plc (stock symbol: GFS) with a secondary listing in Copenhagen. It is a member of the FTSE100 index (an index consisting of the 1st to the 100th largest companies listed on the London Stock Exchange plc).

G4S is one of the world's largest employers and as at 31 December 2016 it had a presence in around 100 countries and over 585,000 employees around the world.

For the financial year-ended 31 December 2016, G4S generated total revenue of £7.6 billion (2015: £6.9 billion) and profit of £217 million (2015: £26 million). The Group's total assets were £5.61 billion (2015: £4.88 billion).

For the financial half-year-ended 30 June 2017, G4S generated total revenue of £4.0 billion (2016: £3.5 billion) and profit of £160 million (2016: £80 million). The Group's total assets were £5.4 billion (2016: £5.5 billion).

Business Segments

The Group is organised into two business segments: Secure Solutions (84 per cent. of total revenues, as of 31 December 2016) and Cash Solutions (16 per cent. of total revenues, as of 31 December 2016). Secure Solutions covers a wide range of security services, from the provision of manned security services, integrated security and facilities management services through to sophisticated electronic security solutions and care and justice services. Cash Solutions offers cash management services from cash in transit and cash processing services through to the full outsourcing of cash cycle management provided for banks, financial institutions and retailers.

Secure Solutions

G4S' Secure Solutions segment is broken down into two business units, comprising:

- Security Services and Systems; and
- Care and Justice Services.

Through this segment, the Group aims to use its expertise, service delivery and integration alongside its geographic coverage to differentiate the business to customers, and to drive outsourcing and enhance the value of traditional security services through greater use of technology.

Security Services and Systems is the largest business unit of G4S generating more than 75 per cent. of the Group's total revenues and covers a wide range of services including:

- Risk services and consultancy;
- Monitoring and response;
- Secure facilities management services; and
- Manned and mobile security services.

- Security installation and maintenance – such as CCTV and video-imaging analytics software, as well as advanced access control systems; and
- System software and integration – software such as RISK360, GIS, and TravelAware.

The services also include aviation security, mobile patrols, traditional guarding and reception services and other guarding services.

Care and Justice Services offers highly specialised facility management and monitoring services to central and local governments, as well as government agencies and authorities, such as:

- adult custody and rehabilitation;
- prisoner escorting;
- immigration services; and
- electronic monitoring.

Cash Solutions

G4S' Cash Solutions segment provides a range of cash management services to financial institutions, retail establishments and other markets. It contains one business unit, Cash Solutions and Secure Logistics, which provides a wide range of services including:

- Cash management outsourcing;
- Cash consulting;
- Automated teller machine (ATM) management;
- Retail cash management – including G4S' innovative and proprietary Cash360™ and Retail Solutions platforms; and
- Secure international transportation of cash and valuables.

Specific services include armoured cash transportation, which is typically facilitated between cash centres and customer outlets, as well as counterfeit detection, cash redistribution to banks and ATMs, ATM management, including cash forecasting, replenishment, reconciliation and maintenance, counting and reconciliation, and secure international transportation of cash and valuables, including, but not limited to, currency, gems and precious metals.

Diversified Customer Base

G4S has a large and diversified customer base, and it serves customers across a wide variety of sectors including governments, financial institutions, private energy and utilities, transport and logistics, ports and airports, leisure and tourism, retail, major corporates and industrials and consumers.

The UK government remains the Group's largest client, with G4S working with both local and central government departments.

Group Strategy

The Group's strategic plan is focused on combining growth, productivity, active portfolio management and disciplined financial and risk management.

The Company builds valuable, long-term relationships with its customers by combining a deep understanding of their businesses with the Company's expertise in designing and delivering industry-leading, innovative services that protect and create value for their organisations.

The Group's strategic priorities are: investing in its people and values, growth and innovation, customers and service excellence, productivity and operational excellence and financial and commercial discipline.

In 2013, as part of the Group's strategic plan, G4S's management announced the start of a portfolio review programme, the aim of which was to improve the strategic focus and performance of the Group.

The Group now has three distinct components:

- Continuing businesses, which are making tangible strategic, operational and financial progress, as G4S implements its strategy. The continuing businesses form the core of G4S today and in the future;
- Onerous contracts to be managed to an effective conclusion; and
- Businesses sold or to be sold, or closed under the portfolio programme.

The implementation of our business portfolio programme is fundamentally changing the shape of G4S, improving the strategic, commercial and operational focus, and strengthening the financial position and performance of our continuing businesses.

From November 2013 to 30 June 2017, the Group has divested 35 businesses, and is in the process of selling or exiting a further 15 to 20 businesses.

Corporate Structure

G4S is the parent company and operates its global business through a large number of subsidiaries, associated undertakings and joint ventures. The main holding companies under which the trading companies sit are G4S UK Holdings Limited, G4S US Holdings Limited and G4S International Holdings Limited.

The Board of Directors

The board of directors of G4S (the **Board**) is comprised of a Chairman, two executive directors, and six non-executive directors (all of whom are considered to be independent). Further biographical information on the Board is provided below:

1. John Connolly

Chairman of the Board

Appointed in June 2012, John is the Chairman of the Board and focuses on developing the Board and its governance of the Group. He has extensive experience working in a global business environment and in sectors with strategic relevance to the Group. A chartered accountant, John spent his career until May 2011 with global professional services firm, Deloitte, where he was Global Chairman between 2007 and 2011, and prior to this Global Managing Director between 2003 and 2007. He was Senior Partner and Chief Executive Officer of the UK partnership from 1999 until his retirement from the firm.

John's current external commitments include his role as a director of a number of private companies. Beyond commercial business roles, he is the chairman of the Great Ormond Street Hospital Charity board of trustees.

2. Ashley Almanza

Chief Executive Officer / Executive Director

Appointed in May 2013, Ashley has extensive board and executive management experience in complex international businesses. He held a number of senior executive roles at BG Group from 1993 to 2012, including Chief Financial Officer from 2002 to 2011 and Executive Vice President from 2009 to 2012. As Executive Vice President he was accountable during 2009 and 2010 for BG Group's UK, European and Central Asian businesses. He was a non-executive director of Schroder plc between 2011 and 2016, Ashley holds an MBA from London Business School.

Ashley's current external commitments include his role as a non-executive director at Noble Corporation and board member of The Ligue Internationale des Societes de Surveillance.

3. John Daly

Non-Executive Director

John was appointed to the Board as a non-executive director in June 2015. After an early career in sales and marketing with Schering-Plough, Pennwalt Corporation, Bristol-Myers Pharmaceuticals and Johnson & Johnson, John joined British American Tobacco plc (BAT) in 1994. There he held various executive leadership positions over the course of 20 years in Europe, the Middle East and Asia. His most recent positions at BAT were Chief Operating Officer (from 2010 to 2014) and regional director for Asia Pacific, based in Hong Kong (from 2004 to 2010).

His current external commitments include his role as chairman of Britvic plc and non-executive director of Ferguson plc (formerly Wolseley plc).

4. Winnie Kin Wah Fok

Non-Executive Director

Appointed to the Board in October 2010, Winnie has extensive international board and senior management experience with extensive knowledge of Asian markets and strong involvement in Scandinavia. An auditor by training, Winnie was involved in management positions in finance, audit and corporate advisory work and a wide range of roles in asset management firms investing with a focus in Asia. She was a senior partner of EQT and Chief Executive Officer of EQT Partners Asia Limited, and a managing director of CEF New Asia Partners Limited.

Winnie's current external commitments include her role as senior advisor to Wallenberg Foundations AB and as non-executive director of Volvo Car Corporation and SEB AB. She is also an investment committee member for the HOPU Investment Fund.

5. Steve Mogford

Senior Independent Director / Non-Executive Director

Steve was appointed to the Board in May 2016, and also undertakes the role of Senior Independent Director. Steve has extensive experience of delivery of complex programmes in the defence, infrastructure and utilities market, and is a serving FTSE 100 CEO. After graduating in astrophysics, mathematics and physics, Steve served a 30-year career with British Aerospace, later BAE Systems, during which time he held several senior management positions before being appointed Chief Operating Officer, with particular responsibility for programmes, major projects and customer support, and a member of the BAE Systems plc board. He was Chief Executive of SELEX Galileo, the defence electronics company owned by Italian aerospace and defence organisation Finmeccanica for four years prior to joining United Utilities Group plc (a UK based water and waterservice company) in 2011 as CEO.

Steve's current external commitments include his role as Chief Executive Officer of United Utilities Group plc.

6. Paul Spence

Non-Executive Director

Paul was appointed to the Board in January 2013. He has in-depth knowledge of outsourcing in both the public and private sectors and extensive international experience in key developing countries such as India, China and Brazil. A graduate of the Wharton School at the University of Pennsylvania with a degree in economics and decision sciences, Paul had a 30-year career with Capgemini and its predecessors. Having started in the USA and becoming Managing Partner of mid-Atlantic information and technology for Ernst & Young, Paul went on to gain significant international experience for 16 years as Managing Partner of Ernst & Young Consulting Australia, Chief Executive Officer of Capgemini Ernst & Young in Asia, and Chief Executive Officer of Capgemini Ernst & Young UK. He then spent eight years serving on Capgemini's executive management committee during which time his roles included deputy Group Chief Executive Officer and Chief Executive Officer of Capgemini Global Outsourcing Services.

His current external commitments include his role as non-executive director of Actual Experience plc.

7. Clare Spottiswoode

Non-Executive Director

Appointed to the Board in June 2010, Clare has considerable experience in the public sector, the energy markets and the financial services sector. A mathematician and economist by training, Clare worked for the UK Treasury and served as Director General of Ofgas, the UK gas regulator; she was a policyholder advocate for Norwich Union's with-profits policyholders at Aviva and a member of the Independent Commission on Banking and the Future of Banking Commission.

Clare's current external commitments include her roles as non-executive director of Ilika plc, Just Group plc and BW Offshore Limited as well as director of a number of private companies.

8. Barbara Thoralfsson

Non-Executive Director

Member of Nomination and Remuneration Committee

Appointed to the Board in July 2016, Barbara Thoralfsson has international executive and senior management experience and strong knowledge of North America, Latin America, Scandinavia and Asia.

After an early career in marketing, Barbara held senior management roles in the consumer goods and telecommunications sectors including CEO of NetCom ASA, Norway's second largest mobile network operator, between 2001 and 2005. She holds an MBA in marketing and finance from Columbia University in New York; and a BA in psychology from Duke University in North Carolina.

She currently serves as a Non-Executive chair of ColArt Holdings Limited and non-executive director of Norfolier Greentec AS, Svenska Cellulosa Aktiebolaget SCA (publ), Essity Aktiebolag (publ) and Hilti AG.

9. Tim Weller

Non-Executive Director

Tim was appointed to the Board in April 2013, and as Chief Financial Officer since October 2016. He has significant experience in the energy and utilities sectors. An accountant by training, Tim joined KPMG in 1985, rising to partnership in 1997 before joining Granada plc as Director of Financial Control. Between 2002 and 2010, he gained significant further experience in the energy and utilities sectors holding Chief Financial Officer positions with Innogy plc (one of the UK's leading integrated energy companies at the time), RWE Thames Water (the world's third largest water and wastewater service company) and United Utilities Group PLC (a UK-based water and wastewater service company). He was Chief Financial Officer of Cable & Wireless Worldwide plc between 2010 and 2011 and Chief Financial Officer of Petrofac Limited (the international oil and gas service provider) between 2011 and October 2016.

He is a non-executive director on the board of The Carbon Trust.

The business address of each of member of the Board is 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

Ms Winnie Fok is also a non-executive director of SEB AB. As a result, conflicts of interest may from time to time arise between the duties Ms Fok owes to G4S plc and duties in respect of such additional directorship. G4S's Articles of Association allow directors to disclose and, where appropriate, for the board to authorise potential conflicts of interest and the Board has in place a policy and procedures for managing and, where appropriate, authorising potential conflicts of interest. Save as provided above, there are no potential conflicts of interest between the duties to G4S plc of the members of the Board and their private interests or other duties.

DESCRIPTION OF G4S INTERNATIONAL FINANCE PLC

G4S International Finance plc (**G4S Finance**) was incorporated on 14 May 2010, for an unlimited duration as a public limited company under the law of England and Wales. G4S Finance has been registered with Companies House in England and Wales since 14 May 2010. The business address of G4S Finance is 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT, with the telephone number +44 (0) 207 963 3100. G4S Finance's registered number is 7254591.

On 31 December 2016, G4S Finance had 15,012,500 ordinary shares issued and outstanding, with a par value of £1 each, with a fully called-up share capital of £15,012,500. All of the 15,012,500 ordinary shares issued and outstanding are held by G4S. G4S Finance does not hold any of its own equity securities.

As of 31 December 2016 G4S Finance had no outstanding convertible securities or warrants.

As of 31 December 2016 G4S Finance had three series of notes in issue, its €600m notes maturing 2 May 2017 (which were subsequently repaid on maturity), its €500m notes maturing 6 December 2018, and its €500m notes maturing 9 January 2023. In June 2017 it issued €500m notes maturing 2 June 2024.

G4S Finance is a finance subsidiary formed to fund the operations of its parent and affiliated entities. G4S Finance is not dependent on any patents or licences which are material to the Notes.

G4S Finance has a board of directors, currently consisting of three directors. The directors at present are:

| Name | Position |
|-------------------------|----------|
| Celine Barroche | Director |
| Søren Lundsberg-Nielsen | Director |
| Tim Weller | Director |

The board of directors of G4S Finance is generally responsible for managing the business and affairs of G4S Finance. The business address of the members of G4S Finance's board of directors is 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

There are no potential conflicts of interest between the duties to G4S Finance of the persons listed in this section and their private interests or other duties.

G4S Finance has no management body.

PricewaterhouseCoopers LLP, London, are the auditors of G4S Finance. The registered address of PricewaterhouseCoopers LLP is 1 Embankment Place, London, WC2N 6RH.

TAXATION

UK Taxation

The following is a summary of the Issuers' understanding of current United Kingdom law and published HM Revenue and Customs' practice relating only to the United Kingdom withholding tax treatment of payments of interest (as that term is understood for United Kingdom tax purposes) in respect of Notes. It does not deal with any other United Kingdom taxation implications of acquiring, holding or disposing of Notes. The United Kingdom tax treatment of prospective Noteholders depends on their individual circumstances and may be subject to change in the future. Prospective Noteholders who may be subject to tax in a jurisdiction other than the United Kingdom or who may be unsure as to their tax position should seek their own professional advice.

Payments of interest on the Notes may be made without deduction of or withholding on account of United Kingdom income tax provided that the Notes are and continue to be listed on a "recognised stock exchange" within the meaning of section 1005 of the Income Tax Act 2007. The London Stock Exchange is a recognised stock exchange. Securities will be treated as listed on the London Stock Exchange if they are included in the Official List (within the meaning of and in accordance with the provisions of Part 6 of the Financial Services and Markets Act 2000) and admitted to trading on the London Stock Exchange. Provided, therefore, that the Notes carry a right to interest and are and remain so listed, interest on the Notes will be payable without withholding or deduction on account of United Kingdom income tax.

Interest on the Notes may also be paid without withholding or deduction on account of United Kingdom tax where the maturity of the Notes is less than 365 days and those Notes do not form part of a scheme or arrangement of borrowing intended to be capable of remaining outstanding for more than 364 days.

In other cases, an amount must generally be withheld from payments of interest on the Notes that has a United Kingdom source on account of United Kingdom income tax at the basic rate (currently 20 per cent.), subject to any other available exemptions and reliefs. However, where an applicable double tax treaty provides for no tax to be withheld (or for a lower rate of withholding tax) in relation to a Noteholder, HMRC can issue a notice to the relevant Issuer to pay interest to the Noteholder without deduction of tax (or, as the case may be, for interest to be paid with tax deducted at the rate provided for in the relevant double tax treaty).

The above description of the United Kingdom withholding tax position assumes that there will be no substitution of the Issuer pursuant to Condition 15 of the Notes (*Meetings of Noteholders; Modification, Waiver and Substitution*) or otherwise and does not consider the tax consequences of any such substitution.

The United Kingdom withholding tax treatment of payments by the Guarantor under the terms of the Guarantee which have a United Kingdom source is uncertain. In particular, such payments by the Guarantor may not be eligible for the exemptions described above in relation to payments of interest. Accordingly, if the Guarantor makes any such payments, these may be subject to United Kingdom withholding tax at the basic rate.

Foreign Account Tax Compliance Act

Pursuant to certain provisions of the U.S. Internal Revenue Code of 1986, commonly known as FATCA, a **foreign financial institution** (as defined by FATCA) may be required to withhold on certain payments it makes (**foreign passthru payments**) to persons that fail to meet certain certification, reporting or related requirements. The relevant Issuer may be a foreign financial institution for these purposes. A number of jurisdictions (including the United Kingdom) have entered into, or have agreed in substance to, intergovernmental agreements (**IGAs**) with the United States to implement FATCA, which modify the way in which FATCA applies in their jurisdictions. Under the provisions of IGAs as currently in effect, a foreign financial institution in an IGA jurisdiction would generally not be required to withhold under FATCA or an IGA from payments that it makes. Certain aspects of the application of the FATCA provisions and IGAs to instruments such as Notes, including whether withholding would ever be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, are

uncertain and may be subject to change. Even if withholding would be required pursuant to FATCA or an IGA with respect to payments on instruments such as Notes, such withholding would not apply prior to 1 January 2019 and Notes characterised as debt (or which are not otherwise characterised as equity and have a fixed term) for U.S. federal tax purposes that are issued on or prior to the date that is six months after the date on which final regulations defining foreign passthru payments are filed with the U.S. Federal Register generally would be grandfathered for purposes of FATCA withholding unless materially modified after such date (including by reason of a substitution of the relevant Issuer). However, if further Notes (as described under Condition 17 (*Further Issues*)) that are not distinguishable from previously issued Notes are issued after the expiration of the grandfathering period and are subject to withholding under FATCA, then withholding agents may treat all Notes, including the Notes offered prior to the expiration of the grandfathering period, as subject to withholding under FATCA. Holders should consult their own tax advisers regarding how these rules may apply to their investment in Notes.

The Proposed Financial Transactions Tax

The European Commission has published a proposal (the **Commission's Proposal**) for a Directive for a common Financial Transactions Tax (**FTT**) which is being considered by Belgium, Germany, Greece, Spain, France, Italy, Austria, Portugal, Slovenia and Slovakia (the **participating Member States**).

The Commission's Proposal has very broad scope and could, if introduced, apply to certain dealings in the Notes (including secondary market transactions) in certain circumstances. Primary market transactions referred to in Article (5)(c) of Regulation (EC) No 1287/2006 are expected to be exempt.

Under the Commission's Proposal, the FTT could apply in certain circumstances to persons both within and outside of the participating Member States. Generally, it would apply to certain dealings in the Notes where at least one party is a financial institution, and at least one party is established in a participating Member State. A financial institution may be, or be deemed to be, "established" in a participating Member State in a broad range of circumstances, including (a) by transacting with a person established in a participating Member State or (b) where the financial instrument which is subject to the dealings is issued in a participating Member State.

The European Commission were expected to present draft legislation for consideration by the participating Member States by the end of 2016, but this has not yet been published. The FTT proposal remains subject to negotiation between participating Member States. It may therefore be altered prior to any implementation, the timing of which remains unclear. Additional EU Member States may decide to participate.

Prospective holders of the Notes are advised to seek their own professional advice in relation to the FTT.

SUBSCRIPTION AND SALE

The Dealers have, in an amended and restated programme agreement (such programme agreement as modified and/or supplemented and/or restated from time to time, the **Programme Agreement**) dated 13 November 2017, agreed with the Issuers and the Guarantor a basis upon which they or any of them may from time to time agree to purchase Notes. Any such agreement will extend to those matters stated under “*Form of the Notes*” and “*Terms and Conditions of the Notes*”. In the Programme Agreement, the Issuers and the Guarantor have agreed to reimburse the Dealers for certain of their expenses in connection with the establishment and any future update of the Programme and the issue of Notes under the Programme and to indemnify the Dealers against certain liabilities incurred by them in connection therewith.

United States

The Notes and the Guarantee have not been and will not be registered under the Securities Act or the securities laws of any state or other jurisdiction of the United States and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except in certain transactions exempt from or not subject to the registration requirements of the Securities Act. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

The Notes are subject to U.S. tax law requirements and may not be offered, sold or delivered within the United States or its possessions or to a United States person, except in certain transactions permitted by U.S. Treasury regulations. Terms used in this paragraph have the meanings given to them by the U.S. Internal Revenue Code of 1986 and Treasury regulations promulgated thereunder. The applicable Final Terms will identify whether TEFRA C rules or TEFRA D rules apply or whether TEFRA is not applicable.

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer, sell or deliver Notes (a) as part of their distribution at any time or (b) otherwise until 40 days after the completion of the distribution, as determined and certified by the relevant Dealer or, in the case of an issue of Notes on a syndicated basis, the relevant lead manager, of all Notes of the Tranche of which such Notes are a part, within the United States or to, or for the account or benefit of, U.S. persons except in accordance with Regulation S of the Securities Act. Each Dealer has further agreed, and each further Dealer appointed under the Programme will be required to agree, that it will send to each dealer to which it sells any Notes during the distribution compliance period a confirmation or other notice setting forth the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S under the Securities Act.

Until 40 days after the commencement of the offering of any Series of Notes, an offer or sale of such Notes within the United States by any dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an available exemption from registration under the Securities Act.

Prohibition of sales to EEA Retail Investors

From 1 January 2018, unless the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it has not offered, sold or otherwise made available and will not offer, sell or otherwise make available any Notes which are the subject of the offering contemplated by the Offering Circular as completed by the Final Terms in relation thereto to any retail investor in the European Economic Area (the **EEA**). For the purposes of this provision:

- (a) the expression **retail investor** means a person who is one (or more) of the following:
 - (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, **MIFID II**); or
 - (ii) a customer within the meaning of Directive 2002/92/EC (as amended, the **Insurance Mediation Directive**), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or

- (iii) not a qualified investor as defined in the Prospectus Directive; and
- (b) the expression an **offer** includes the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes.

Prior to 1 January 2018, and from that date if the Final Terms in respect of any Notes specifies “Prohibition of Sales to EEA Retail Investors” as “Not Applicable”, in relation to each Member State of the EEA which has implemented the Prospectus Directive (each, a **Relevant Member State**), each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that with effect from and including the date on which the Prospectus Directive is implemented in that Relevant Member State (the **Relevant Implementation Date**) it has not made and will not make an offer of Notes which are the subject of the offering contemplated by this Offering Circular as completed by the final terms in relation thereto to the public in that Relevant Member State except that it may, with effect from and including the Relevant Implementation Date, make an offer of such Notes to the public in that Relevant Member State:

- (a) at any time to any legal entity which is a qualified investor as defined in the Prospectus Directive;
- (b) at any time to fewer than 150 natural or legal persons (other than qualified investors as defined in the Prospectus Directive) subject to obtaining the prior consent of the relevant Dealer or Dealers nominated by the relevant Issuer for any such offer; or
- (c) at any time in any other circumstances falling within Article 3(2) of the Prospectus Directive,

provided that no such offer of Notes referred to in (a) to (c) above shall require the relevant Issuer or any Dealer to publish a prospectus pursuant to Article 3 of the Prospectus Directive, or supplement a prospectus pursuant to Article 16 of the Prospectus Directive.

For the purposes of this provision:

- the expression an **offer of Notes to the public** in relation to any Notes in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and the Notes to be offered so as to enable an investor to decide to purchase or subscribe the Notes, as the same may be varied in that Member State by any measure implementing the Prospectus Directive in that Member State; and
- the expression **Prospectus Directive** means Directive 2003/71/EC (as amended, including by Directive 2010/73/EU), and includes any relevant implementing measure in the Relevant Member State.

United Kingdom

Each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that:

- (a) in relation to any Notes which have a maturity of less than one year, (i) it is a person whose ordinary activities involve it in acquiring, holding, managing or disposing of investments (as principal or agent) for the purposes of its business and (ii) it has not offered or sold and will not offer or sell any Notes other than to persons whose ordinary activities involve them in acquiring, holding, managing or disposing of investments (as principal or as agent) for the purposes of their businesses or who it is reasonable to expect will acquire, hold, manage or dispose of investments (as principal or agent) for the purposes of their businesses where the issue of the Notes would otherwise constitute a contravention of Section 19 of the FSMA by the relevant Issuer;
- (b) it has only communicated or caused to be communicated and will only communicate or cause to be communicated an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) received by it in connection with the issue or sale of any Notes in circumstances in which Section 21(1) of the FSMA does not apply to the relevant Issuer or (in the case of Guaranteed Notes) the Guarantor; and
- (c) it has complied and will comply with all applicable provisions of the FSMA with respect to anything done by it in relation to any Notes in, from or otherwise involving the United Kingdom.

Japan

The Notes have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No.25 of 1948, as amended; the **FIEA**) and each Dealer has represented and agreed, and each further Dealer appointed under the Programme will be required to represent and agree, that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (as defined under Item 5, Paragraph 1, Article 6 of the Foreign Exchange and Foreign Trade Act (Act No. 228 of 1949, as amended)), or to others for re-offering or resale, directly or indirectly, in Japan or to, or for the benefit of, a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the FIEA and any other applicable laws, regulations and ministerial guidelines of Japan.

General

Each Dealer has agreed and each further Dealer appointed under the Programme will be required to agree that it will (to the best of its knowledge and belief) comply with all applicable securities laws and regulations in force in any jurisdiction in which it purchases, offers, sells or delivers Notes or possesses or distributes this Offering Circular and will obtain any consent, approval or permission required by it for the purchase, offer, sale or delivery by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers, sales or deliveries and neither the Issuers, the Guarantor, the Trustee nor any of the other Dealers shall have any responsibility therefor.

None of the Issuers, the Guarantor, the Trustee and the Dealers represents that Notes may at any time lawfully be sold in compliance with any applicable registration or other requirements in any jurisdiction, or pursuant to any exemption available thereunder, or assumes any responsibility for facilitating such sale.

GENERAL INFORMATION

Authorisation

The establishment of the Programme was duly authorised by a resolution of the Board of Directors of G4S dated 23 April 2009. The accession of G4S Finance as an issuer under the Programme was duly authorised by a resolution of its Board of Directors dated 14 June 2010. The giving of the Guarantee was duly authorised by a resolution of the Board of Directors of the Guarantor dated 27 April 2010. The update of the Programme on 13 November 2017 and the issue of Notes after such date have been duly authorised by resolutions of the Board of Directors of G4S dated 4 August 2016 and the Board of Directors of G4S Finance dated 21 September 2016 and resolutions of a committee of the Board of Directors of G4S and a committee of the Board of Directors of G4S Finance each dated 11 May 2017.

Listing of Notes

It is expected that each Tranche of Notes which is to be admitted to the Official List and to trading on the London Stock Exchange's regulated market will be admitted separately as and when issued, subject only to the issue of a Global Note or Notes initially representing the Notes of such Tranche. Application has been made to the UK Listing Authority for Notes issued under the Programme to be admitted to the Official List and to the London Stock Exchange for such Notes to be admitted to trading on the London Stock Exchange's regulated market. The listing of the Programme in respect of Notes is expected to be granted on or around 16 November 2017.

Documents Available

For the period of 12 months following the date of this Offering Circular, copies of the following documents will, when published, be available for inspection from the registered office of the Issuers and the Guarantor and from the specified offices of the Paying Agents for the time being in London:

- (a) the constitutional documents of each of the Issuers and the Guarantor;
- (b) the consolidated audited financial statements of G4S in respect of the financial years ended 31 December 2015 and 31 December 2016 and the unconsolidated audited financial statements of G4S Finance in respect of the financial years ended 31 December 2015 and 31 December 2016, in each case together with the audit reports prepared in connection therewith. G4S currently prepares audited consolidated accounts on an annual basis. G4S Finance currently prepares audited unconsolidated accounts on an annual basis;
- (c) the most recently published audited annual financial statements of each of the Issuers and the Guarantor and the most recently published unaudited interim financial statements (if any) of each of the Issuers and the Guarantor, in each case together with any audit or review reports prepared in connection therewith. G4S currently prepares unaudited consolidated interim accounts on a semi-annual basis. G4S Finance currently prepares unaudited unconsolidated interim accounts on a semi-annual basis;
- (d) the Trust Deed, the Agency Agreement and the forms of the Global Notes, the Notes in definitive form, the Coupons and the Talons;
- (e) a copy of this Offering Circular;
- (f) the Previous Terms and Conditions; and
- (g) any future offering circulars, prospectuses, information memoranda, supplements and Final Terms to this Offering Circular and any other documents incorporated herein or therein by reference.

In addition to the above, the Offering Circular and the Final Terms relating to each Tranche of Notes which is admitted to the Official List and to trading on the London Stock Exchange's regulated market, are available for viewing at www.londonstockexchange.com/exchange/news/market-news/market-news-home.html.

Clearing Systems

The Notes have been accepted for clearance through Euroclear and Clearstream, Luxembourg (which are the entities in charge of keeping the records). The appropriate Common Code and ISIN for each Tranche

of Notes allocated by Euroclear and Clearstream, Luxembourg will be specified in the applicable Final Terms. If the Notes are to clear through an additional or alternative clearing system the appropriate information will be specified in the applicable Final Terms.

The address of Euroclear is Euroclear Bank SA/NV, 1 Boulevard du Roi Albert II, B-1210 Brussels and the address of Clearstream, Luxembourg is Clearstream Banking, 42 Avenue JF Kennedy, L-1855 Luxembourg.

Conditions for Determining Price

The price and amount of Notes to be issued under the Programme will be determined by the relevant Issuer and each relevant Dealer at the time of issue in accordance with prevailing market conditions.

Significant or Material Change

There has been no significant change in the financial or trading position of the Group since 30 June 2017 and there has been no material adverse change in the financial position or prospects of the Group since 31 December 2016.

Other than the matters described below under the paragraph headed "G4S Finance", there has been no significant change in the financial or trading position of G4S Finance since 31 December 2016 and there has been no material adverse change in the financial position or prospects of G4S Finance since 31 December 2016.

G4S Finance

As at 30 September 2017 the net liabilities of G4S Finance were £(18 million) (unaudited), compared to £(11 million) (audited) as at 31 December 2016. As at 30 September 2017 the profit or loss before tax of G4S Finance was £(14 million) (unaudited), compared to £(6 million) (audited) as at 31 December 2016. These movements are in the ordinary course of business for this type of entity.

Litigation

Neither G4S nor G4S Finance nor any other member of the Group is or has been involved in any governmental, legal or arbitration proceedings (including any such proceedings which are pending or threatened of which either G4S or G4S Finance is aware) in the 12 months preceding the date of this document which may have or have in such period had a significant effect on the financial position or profitability G4S, G4S Finance or the Group.

Auditors

The auditors of G4S are PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors (Members of the Institute of Chartered Accountants in England and Wales), who have audited G4S's accounts, without qualification, in accordance with International Financial Reporting Standards as adopted by the European Union for each of the two financial years ended on 31 December 2015 and 31 December 2016. The auditors of G4S have no material interest in G4S.

The auditors of G4S Finance are PricewaterhouseCoopers LLP, Chartered Accountants and Registered Auditors (Members of the Institute of Chartered Accountants in England and Wales), who have audited G4S Finance's accounts, without qualification, in accordance with International Financial Reporting Standards as adopted by the European Union for each of the two financial years ended on 31 December 2015 and 31 December 2016. The auditors of G4S Finance have no material interest in G4S Finance.

Post-issuance Information

Neither G4S nor G4S Finance intends to provide any post-issuance information in relation to any issues of Note.

Dealers Transacting with the Issuers and the Guarantor

Certain of the Dealers and their affiliates have engaged, and may in the future engage, in investment banking and/or commercial banking transactions with, and may perform other services for the Issuers, the Guarantor and their respective affiliates in the ordinary course of business.

In addition, in the ordinary course of their business activities, the Dealers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative

securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of the Issuers, the Guarantor or their respective affiliates. Certain of the Dealers or their affiliates that have a lending relationship with the Issuers and/or the Guarantor routinely hedge their credit exposure to the Issuers and/or the Guarantor consistent with their customary risk management policies. Typically, such Dealers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in securities, including potentially the Notes issued under the Programme. Any such short positions could adversely affect future trading prices of Notes issued under the Programme. The Dealers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments.

Trustee's Action

The Conditions and the Trust Deed provide for the Trustee to take action on behalf of the Noteholders in certain circumstances, but only if the Trustee is indemnified and/or secured and/or pre-funded to its satisfaction. It may not always be possible for the Trustee to take certain actions, notwithstanding the provision of an indemnity and/or security and/or pre-funding to it. Where the Trustee is unable to take any action, the Noteholders are permitted by the Conditions and the Trust Deed to take the relevant action directly.

[THIS PAGE IS INTENTIONALLY LEFT BLANK]

FINANCIAL INFORMATION IN RESPECT OF G4S FINANCE

Set out below are the audited unconsolidated financial statements of G4S Finance for each of the two financial years ended on 31 December 2015 and 31 December 2016.

G4S INTERNATIONAL FINANCE PLC

**AUDITED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2016**

(PAGES 1 TO 6 (INCLUSIVE) ARE DELIBERATELY OMITTED)

G4S International Finance plc
Independent Auditors' Report to the members of G4S International Finance plc

Report on the financial statements

Our opinion

In our opinion, G4S International Finance plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2016 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- Statement of Financial Position as at 31 December 2016;
- Income Statement and Statement of Comprehensive Income for the year then ended;
- Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

G4S International Finance plc

Independent Auditors' Report to the members of G4S International Finance plc

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006, we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006, we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISA (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

G4S International Finance plc

Independent Auditors' Report to the members of G4S International Finance plc

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies, we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

.....
Giles Hannam (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
London

8 May 2017

G4S International Finance plc
Income Statement for the Year Ended 31 December 2016

| | Note | 2016 £ m | 2015 £ m |
|--------------------------------------|------|-------------------|-----------------|
| Operating result | 5 | - | - |
| Finance income | 6 | 43 | 42 |
| Finance expense | 7 | <u>(49)</u> | <u>(37)</u> |
| (Loss)/profit before taxation | | (6) | 5 |
| Tax on (loss)/profit | 10 | <u>1</u> | <u>(1)</u> |
| (Loss)/profit for the financial year | | <u><u>(5)</u></u> | <u><u>4</u></u> |

All revenues and results in the income statement derived only from continuing operations.

The notes on pages 14 to 33 form an integral part of these financial statements.

G4S International Finance plc
Statement of Comprehensive Income for the Year Ended 31 December 2016

| | Note | 2016 £ m | 2015 £ m |
|--|------|--------------------|-----------------|
| (Loss)/profit for the financial year | | <u>(5)</u> | <u>4</u> |
| Other comprehensive income/(loss) | | | |
| Items that are or may be reclassified to profit or loss: | | | |
| Change in fair value of cash flow hedging financial instruments | | 59 | (26) |
| Cash flow hedging fair value transferred to income statement | | (66) | 26 |
| Tax on items taken directly to equity | | <u>1</u> | <u>-</u> |
| Total other comprehensive (loss)/result, net of tax | | <u>(6)</u> | <u>-</u> |
| Total comprehensive (loss)/ income for the financial year | | <u><u>(11)</u></u> | <u><u>4</u></u> |

The notes on pages 14 to 33 form an integral part of these financial statements.

G4S International Finance plc
Statement of Changes in Equity for the Year Ended 31 December 2016

| | Share capital £ m | Hedging reserve £ m | Accumulated loss £ m | Total equity £ m |
|---|----------------------|---------------------------|----------------------------|---------------------|
| At 1 January 2016 | 15 | 5 | (20) | - |
| Comprehensive income/(loss): | | | | |
| Loss for the financial year | - | - | (5) | (5) |
| Other comprehensive income/(loss): | | | | |
| Change in fair value of cash flow hedging financial instruments | - | 59 | - | 59 |
| Cash flow hedging fair value transferred to income statement | - | (66) | - | (66) |
| Tax on items taken directly to equity | - | 1 | - | 1 |
| Total comprehensive loss for the financial year | <u>-</u> | <u>(6)</u> | <u>(5)</u> | <u>(11)</u> |
| At 31 December 2016 | <u>15</u> | <u>(1)</u> | <u>(25)</u> | <u>(11)</u> |
| At 1 January 2015 | 15 | 5 | (24) | (4) |
| Comprehensive income/(loss): | | | | |
| Profit for the financial year | - | - | 4 | 4 |
| Other comprehensive (loss)/income: | | | | |
| Change in fair value of cash flow hedging financial instruments | - | (26) | - | (26) |
| Cash flow hedging fair value transferred to income statement | - | 26 | - | 26 |
| Total comprehensive income for the financial year | <u>-</u> | <u>-</u> | <u>4</u> | <u>4</u> |
| At 31 December 2015 | <u>15</u> | <u>5</u> | <u>(20)</u> | <u>-</u> |

The notes on pages 14 to 33 form an integral part of these financial statements.

G4S International Finance plc
(Registration number: 07254591)
Statement of Financial Position as at 31 December 2016

| | Note | 2016 £ m | 2015 £ m |
|--------------------------------|------|----------------|----------------|
| ASSETS | | | |
| Non-current assets | | | |
| Trade and other receivables | 11 | 24 | 5 |
| Deferred tax assets | 10 | <u>2</u> | <u>1</u> |
| | | <u>26</u> | <u>6</u> |
| Current assets | | | |
| Trade and other receivables | 11 | 1,872 | 1,819 |
| Cash and cash equivalents | | <u>1</u> | <u>-</u> |
| | | <u>1,873</u> | <u>1,819</u> |
| Total assets | | <u>1,899</u> | <u>1,825</u> |
| LIABILITIES | | | |
| Current liabilities | | | |
| Bank overdrafts | 12 | (45) | (49) |
| Bank loans | 12 | - | (60) |
| Loan notes | 12 | (513) | - |
| Trade and other payables | 13 | (485) | (542) |
| Current tax liabilities | | <u>-</u> | <u>(3)</u> |
| | 12 | <u>(1,043)</u> | <u>(654)</u> |
| Non-current liabilities | | | |
| Bank loans | 12 | - | (321) |
| Loan notes | 12 | (853) | (812) |
| Trade and other payables | 13 | <u>(14)</u> | <u>(38)</u> |
| | | <u>(867)</u> | <u>(1,171)</u> |
| Total liabilities | | <u>(1,910)</u> | <u>(1,825)</u> |
| Net liabilities | | <u>(11)</u> | <u>-</u> |
| EQUITY | | | |
| Share capital | 16 | 15 | 15 |
| Hedging reserve | | (1) | 5 |
| Accumulated loss | | <u>(25)</u> | <u>(20)</u> |
| Total equity | | <u>(11)</u> | <u>-</u> |

The financial statements on pages 10 to 33 were approved by the Board of directors on 8 May 2017 and signed on its behalf by:

.....
Timothy Peter Weller
Director

The notes on pages 14 to 33 form an integral part of these financial statements.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

1 General information

G4S International Finance plc (the 'Company') is incorporated in the United Kingdom, registered in England and Wales, and domiciled in the UK. It is a public company, limited by shares. The Company's registered office is 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

The financial statements are presented in sterling, which is the Company's functional currency, and in millions of pounds unless stated otherwise.

2 Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard ('FRS') 101 'Reduced Disclosure Framework'.

3 Significant accounting policies

Basis of preparation

The financial statements have been prepared under the going concern basis and using the historical cost convention, except for the revaluation of certain financial instruments, in accordance with Companies Act 2006 and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice ('UK GAAP')). The principal accounting policies and measurement bases adopted are set out below and have been applied consistently to all the years presented, unless stated otherwise. Judgements made by the directors in the application of these accounting policies which have a significant effect on the financial statements, and estimates with a significant risk of material adjustment, have been disclosed in note 4.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the Company's net liabilities, which the directors believe to be appropriate for the following reasons. The Company received a financial support letter from its parent company to provide sufficient financial assistance to the Company if and when it is needed to enable the Company to continue its operations and fulfil its currently anticipated financial obligations now and in the future. This undertaking is provided for a period of at least 12 months provided the Company remains a member of its parent Company's Group.

The Company's bank and loan note borrowings are supported by guarantees from its parent company without which it would not be able to make such borrowings.

This should enable the Company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on its parent undertaking for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of the approval of these financial statements, they have no reason to believe that it will not do so and in respect of the guarantee support, the lenders would have to provide their consent to release these guarantees and this consent would not be expected to be forthcoming.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

3 Significant accounting policies (continued)

Exemptions

The Company has taken advantage of certain disclosure exemptions in FRS 101, in part because its financial statements are included in the publicly available consolidated financial statements of G4S plc. Copies of the consolidated financial statements of G4S plc may be obtained by writing to the Company Secretary, G4S plc, 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

These disclosure exemptions relate to:

- the requirements of IAS 7 'Statement of Cash Flows';
- the statement of compliance with adopted IFRSs;
- new IFRSs that have been issued but are not yet effective and which have not been applied by the Company;
- comparative information for the movements from the beginning to the end of the year in respect of the number of shares, and certain other additional comparative information; and
- certain related party disclosures on key management compensation and transactions entered into between two or more wholly-owned members of a group.

Finance income and expense

Finance income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's net carrying amount.

Finance costs are recognised as an expense in the income statement on the same basis.

Foreign currencies

The financial statements are presented in sterling, which is the Company's functional currency. Transactions in currencies other than the functional currency are translated at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities which are denominated in other currencies are retranslated at the rates prevailing on that date. Non-monetary items measured at historical cost denominated in other currencies are not retranslated. Gains and losses arising on retranslation are included in the income statement.

Income taxes

Tax is recognised in the income statement except to the extent that it relates to items recognised in equity, in which case it is recognised in equity or other comprehensive income. The tax expense represents the sum of current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of each deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. Tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. In situations where uncertainties exist, provision is made for contingent tax liabilities and assets on the basis of management judgement following consideration of the available relevant information.

Impairment

The carrying value of the Company's assets, with the exception of financial receivables and deferred tax assets, is reviewed on an ongoing basis for any indication of impairment and, if any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying value of an asset or its cash-generating unit exceeds its recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine its recoverable amount. The amount of the reversal is limited such that the asset's carrying amount does not exceed that which would have been determined (after depreciation and amortisation) if no impairment loss had been recognised.

The Company provides for impairments in financial assets when there is objective evidence of impairment as a result of one or more events that impact the estimated future cash flows of the financial assets.

Financial instruments

Financial assets and financial liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments.

Amounts owed by/to group undertaking

Amounts owed by/to group undertakings are recognised initially at fair value, net of transaction costs incurred. Amounts owed by/to group undertakings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the loans using the effective interest method.

Trade receivables

Trade receivables do not carry interest and are stated initially at their fair value. The carrying amount of trade receivables is reduced through the use of a bad debt allowance account. The Company provides for bad debts based upon an analysis of those that are past due, in accordance with local conditions and past default experience.

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Bank loans, overdrafts and loan notes

Interest-bearing bank overdrafts, loans and loan notes are recognised at the value of proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in the income statement on an accrual basis using the effective interest rate method.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

Trade payables

Trade payables are not interest-bearing and are stated initially at fair value.

Equity instruments

Equity instruments and financial liabilities are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that provides a residual interest in the assets of a business after deducting all other liabilities. Shares issued by the Company classified as equity instruments are recorded at the value of proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting

In accordance with the G4S Group treasury policy, the Company only holds or issues derivative financial instruments to manage its and the G4S Group's exposure to financial risk and not for trading purposes. See note 15 for a description of these risks and how they are managed.

Derivative financial instruments are recognised in the statement of financial position as financial assets or liabilities at fair value.

The gain or loss on re-measurement to fair value is recognised immediately in the income statement, unless the derivatives qualify for hedge accounting where the treatment of any resultant gain or loss depends on the nature of the item being hedged as described below:

Fair value hedges - the change in the fair value of both the hedging instrument and the related portion of the hedged item that is attributable to the hedged risk is recognised immediately in the income statement; and

Cash flow hedges - the change in the fair value of the portion of the hedging instrument that is determined to be an effective hedge is recognised in equity and subsequently recycled to the income statement when the hedged cash flow impacts the income statement. The ineffective portion of the fair value of the hedging instrument is recognised immediately in the income statement.

Hedging reserve

Cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

4 Accounting estimates, judgements and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of the company's accounting policies. These judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including current and expected economic conditions, and in some cases, actuarial techniques.

Although these judgements, estimates and associated assumptions are based on management's best knowledge of current events and circumstances, the actual results may differ.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The judgements, estimates and assumptions which are of most significance in preparing the company's accounts are detailed below:

Collectability of amounts due from group undertakings

The Company holds amounts due from other subsidiaries of its ultimate parent undertaking, G4S plc. Whether to recognise a provision against such debtors requires judgement in respect of the underlying operational performance and economic risks faced by such entities. An impairment provision has not been recognised against such balances in the current year.

Fair value of derivative financial instruments

The fair value of derivative financial instruments is calculated using a discounted cash flow approach and using inputs based on observable market data. Judgement is used to determine the relevant inputs, currency yield curves and discount rates.

Deferred taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

5 Operating segments

It is considered that the Company has only one operating segment, as its principal activities are to engage in external debt funding arrangements and risk management hedging activities to support fellow subsidiary companies in the wider G4S Group. As a result, no additional operating segment information has been disclosed.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

6 Finance income

| | 2016 £ m | 2015 £ m |
|---|-------------|-------------|
| Interest receivable from group undertakings | 43 | 42 |
| Gain arising from fair value adjustment to the hedged loan note items | 1 | 1 |
| Loss arising from change in the fair value of derivative financial instruments hedging loan notes | (1) | (1) |
| | <u>43</u> | <u>42</u> |

7 Finance expense

| | 2016 £ m | 2015 £ m |
|---------------------------------------|-------------|-------------|
| Interest on bank overdrafts and loans | (8) | (6) |
| Interest on loan notes | (28) | (22) |
| Net interest rate swap expense | (2) | (5) |
| Bank arrangement fees | (5) | (4) |
| Foreign exchange loss * | (6) | - |
| | <u>(49)</u> | <u>(37)</u> |

* including the release from cash flow hedge reserve

8 Staff costs

There were no employees employed directly by the company in the current and prior year.

The directors received no remuneration or accrued pension benefits in respect of their services to the company during both the current and prior year.

9 Auditors' remuneration

The audit fee for the company of £25,000 (2015: £25,000) was borne by another Group company. The Company did not incur any non-audit fees in the current and prior year.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

10 Income tax

Tax (credited)/charged in the income statement

| | 2016 | 2015 |
|--|-------------|-------------|
| | £ m | £ m |
| Current taxation | | |
| UK corporation tax adjustment to prior periods | (1) | 3 |
| Deferred taxation | | |
| Deferred tax adjustment to prior periods | <u>-</u> | <u>(2)</u> |
| Total tax (credit)/charge | <u>(1)</u> | <u>1</u> |

The tax rate applied on loss before tax is the standard effective rate of corporation tax in the UK of 20% (2015: 20.25%).

The differences are reconciled below:

| | 2016 | 2015 |
|--|-------------|-------------|
| | £ m | £ m |
| (Loss)/profit before tax | <u>(6)</u> | <u>5</u> |
| Corporation tax at standard rate | (1) | 1 |
| (Decrease)/increase in current tax from adjustment for prior periods | (1) | 3 |
| Deferred tax adjustment to prior periods | - | (2) |
| Increase (decrease) from effect of imputed guarantee fee | <u>1</u> | <u>(1)</u> |
| Total tax (credit)/charge | <u>(1)</u> | <u>1</u> |

The UK corporation tax reduced from 21% to 20% with effect from 1 April 2015. Further reductions in the UK corporation tax rate will apply from 1 April 2017 when the rate reduces to 19% and from 1 April 2020 when the rate reduces to 17%. All of these changes were enacted at the balance sheet date.

Under UK transfer pricing rules, the Company should impute interest on any inter-company loans which are not on arm's length terms. As a result, a taxable interest income of £695,000 (2015: £2,519,000) has been claimed on its non-interest bearing inter-company loans with the corresponding interest deduction recognised in other UK Group companies. Similarly, as the Company functions as a limited risk finance intermediary, it should earn no more than an arm's length margin on its finance administration activities. As a result, a taxable income of £7,166,000 (2015: 6,041,000 deduction) has been imputed, with the corresponding deduction recognised in another UK Group company

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

Deferred tax

Deferred tax assets and liabilities on timing differences expected to reverse in the period from 1 January 2016 to 31 March 2017 have been provided at 20%. Deferred tax assets and liabilities on timing differences expected to reverse in the period from 1 April 2017 to 31 March 2020 have been provided at 19%. Deferred tax assets and liabilities on timing differences expected to reverse on or after 1 April 2020 have been provided at 17%

Deferred tax assets and liabilities

Deferred tax movement during the year:

| | At 1 January 2016 £ m | Recognised in equity £ m | At 31 December 2016 £ m |
|---------------------------|-----------------------------|--------------------------------|----------------------------------|
| Derivatives | (1) | 1 | - |
| Tax losses carry-forwards | 2 | - | 2 |
| Net tax assets | <u>1</u> | <u>1</u> | <u>2</u> |

Deferred tax movement during the prior year:

| | At 1 January 2015 £ m | Recognised in income £ m | At 31 December 2015 £ m |
|------------------------------|-----------------------------|--------------------------------|----------------------------------|
| Derivatives | (1) | - | (1) |
| Tax losses carry-forwards | - | 2 | 2 |
| Net tax (liabilities)/assets | <u>(1)</u> | <u>2</u> | <u>1</u> |

G4S International Finance plc
Notes to the Financial Statements for the Year Ended 31 December 2016

11 Trade and other receivables

| | 2016 | 2015 |
|---|--------------|--------------|
| | £ m | £ m |
| Within current assets | | |
| Amounts owed from group undertakings (members of the G4S Group) | 1,853 | 1,809 |
| Other receivables | 4 | 5 |
| Derivative financial instruments at fair value (Note 14) | 15 | 4 |
| Other prepayments | - | 1 |
| Total trade and other receivables within current assets | <u>1,872</u> | <u>1,819</u> |
| Within non-current assets | | |
| Derivative financial instruments at fair value (Note 14) | 21 | 3 |
| Prepayments | 3 | 2 |
| Total trade and other receivables within non-current assets | <u>24</u> | <u>5</u> |

Amounts owed by group undertakings are unsecured, interest-free or interest-bearing based on market rates and repayable on demand.

Credit risk on receivables

Financial instruments in receivables relate primarily to amounts owed from group undertakings. The Company's largest debtors are G4S plc and G4S Finance Limited which comprise approximately 63% and 29% respectively (2015: 64% and 29% respectively) of the total non-derivative financial instruments balance as at 31 December 2016.

As noted above, the Company does not hold any collateral over these balances and they are repayable on demand. The Company follows the G4S Group Finance Manual guidelines with respect to assessing these balances for impairment. As at 31 December 2016, there was no allowance for doubtful debts (2015: £nil).

Further information on credit risk is detailed in note 15.

The directors believe that the fair value of trade and other receivables, being the present value of future cash flows, approximates to their book value.

G4S International Finance plc
Notes to the Financial Statements for the Year Ended 31 December 2016

12 Bank overdrafts, bank loans and loan notes

| | 2016 | 2015 |
|--|---------------------|---------------------|
| | £m | £m |
| Bank overdrafts | 45 | 49 |
| Bank loans | - | 381 |
| Loan notes | 1,366 | 812 |
| Total bank overdrafts, bank loans and loan notes | <u><u>1,411</u></u> | <u><u>1,242</u></u> |

The borrowings are repayable as follows:

| | | |
|--|---------------------|---------------------|
| On demand or within one year | 558 | 109 |
| In the second year | 428 | 442 |
| In the third to fifth years inclusive | - | 370 |
| After five years | 425 | 321 |
| Total bank overdrafts, bank loans and loan notes | <u><u>1,411</u></u> | <u><u>1,242</u></u> |

Less amount due for settlement within 12 months
(shown under current liabilities):

| | | |
|---|-------------------|---------------------|
| Bank overdrafts | (45) | (49) |
| Bank loans | - | (60) |
| Loan notes | (513) | - |
| | <u>(558)</u> | <u>(109)</u> |
| Amount due for settlement after 12 months | <u><u>853</u></u> | <u><u>1,133</u></u> |

Analysis of bank overdrafts, bank loans and loan notes by currency:

| | Sterling £m | Euros £m | US dollars £m | Total £m |
|---------------------|-----------------------|---------------------|-------------------------|---------------------|
| Bank overdrafts | - | - | 45 | 45 |
| Bank loans | - | - | - | - |
| Loan notes | - | 1,366 | - | 1,366 |
| At 31 December 2016 | <u><u>-</u></u> | <u><u>1,366</u></u> | <u><u>45</u></u> | <u><u>1,411</u></u> |
| Bank overdrafts | 41 | - | 8 | 49 |
| Bank loans | 215 | - | 166 | 381 |
| Loan notes | - | 812 | - | 812 |
| At 31 December 2015 | <u><u>256</u></u> | <u><u>812</u></u> | <u><u>174</u></u> | <u><u>1,242</u></u> |

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

12 Bank overdrafts, bank loans and loan notes (continue)

The weighted average interest rates on bank overdrafts, bank loans and public loan notes at 31 December 2016 adjusted for hedging were as follows:

| | 2016 | 2015 |
|-----------------|------|------|
| | % | % |
| Bank overdrafts | 1.4 | 1.1 |
| Bank loans | - | 1.8 |
| Loan notes | 2.7 | 3.0 |

At 31 December 2016, the Company's bank borrowings comprised overdrafts.

The Company's committed bank loans comprised a £1bn multi-currency revolving credit facility with £964m maturing in January 2022 and the remainder in January 2021. As at 31 December 2016, this committed facility was undrawn (2015: drawings of US\$245m and £155m). The facility can be accessed by the Company and by its parent, G4S plc. Any Company's borrowings from this facility are guaranteed by G4S plc.

Interest on the committed bank borrowing facility is at prevailing Libor or Euribor rates (with a floor of zero), dependent upon the period of drawdown, plus an agreed margin, and re-priced within one year or less.

The Company also has three public loan notes. A €500m 1.5% note issued on 9 November 2016 maturing 9 January 2023, a €600m 2.875% note issued on 2 May 2012 and repaid on 2 May 2017 and a €500m 2.625% note issued on 6 December 2012 maturing 6 December 2018.

€510m of the loan notes issued in May 2012, €380m of the loan notes issued in December 2012 and the loan notes issued in November 2016 are stated at amortised cost. €90m of the loan notes issued in May 2012 and €120m of the loan notes issued in December 2012 are stated at amortised cost but are designated in a fair value hedge relationship which has a fair value adjustment in relation to the hedged interest rate risk. Information on the significant assumptions underlying the valuation model used and the interest rates on the borrowings are disclosed in note 15.

The cross-currency swaps with a nominal value of €325m relating to the loan notes issued in May 2012 have a fair value mark-to-market gain of £12m (2015: loss £27m) predominately resulting from fixing the sterling value of this portion of the loan notes at an exchange rate of 1.2217 and partly resulting from fixing the sterling and euro interest rates.

The cross-currency swaps with a nominal value of €350m relating to the loan notes issued in December 2012 have a fair value mark-to-market gain of £20m (2015: loss £19m) predominately resulting from the cross-currency swaps fixing the sterling value of this portion of the loan notes at an exchange rate of 1.2332 and partly resulting from the cross-currency swaps fixing the sterling and euro interest rates.

The cross-currency swaps with a nominal value of €270m relating to the loan notes issued in November 2016 have a fair value mark-to-market loss of £18m predominately resulting from fixing the sterling value of this portion of the loan notes at an exchange rate of 1.109 and partly resulting from fixing the sterling and euro interest rates.

The management of currency risk and interest rate risk is detailed in note 15.

G4S International Finance plc
Notes to the Financial Statements for the Year Ended 31 December 2016

13 Trade and other payables

| | 2016 | 2015 |
|---|-------------|-------------|
| | £ m | £ m |
| Within current liabilities | | |
| Amounts owed to group undertakings (members of the G4S Group) | 466 | 519 |
| Other payables | 14 | 11 |
| Derivative financial instruments at fair value (Note 14) | 5 | 12 |
| Total trade and other payables within current liabilities | <u>485</u> | <u>542</u> |
| Within non-current liabilities | | |
| Derivative financial instruments at fair value (Note 14) | 14 | 38 |
| Total trade and other payables within non-current liabilities | <u>14</u> | <u>38</u> |

Amounts owed to group undertakings are unsecured, interest-free or interest-bearing based on market rates and repayable on demand.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

14 Derivative financial instruments

The carrying values of derivative financial instruments at the reporting date are presented below:

| | Assets 2016 £m | Assets 2015 £m | Liabilities 2016 £m | Liabilities 2015 £m |
|--|-------------------------------|-------------------------------|------------------------------------|------------------------------------|
| Forward foreign exchange contracts | 1 | - | 1 | - |
| Cross currency swaps designated as cash flow hedges | 32 | - | 17 | 46 |
| Interest rate swaps designated as cash flow hedges | - | - | 1 | 1 |
| Interest rate swaps designated as fair value hedges | 3 | 4 | - | - |
| Commodity swaps | - | 3 | - | 3 |
| Total | <u>36</u> | <u>7</u> | <u>19</u> | <u>50</u> |
| Less: amount due for settlement within 12 months (shown under current assets and liabilities): | | | | |
| Forward foreign exchange contracts | (1) | - | (1) | - |
| Cross currency swaps designated as cash flow hedges | (12) | - | (4) | (8) |
| Interest rate swaps designated as cash flow hedges | - | - | - | (1) |
| Interest rate swaps designated as fair value hedges | (2) | (1) | - | - |
| Commodity swaps | - | (3) | - | (3) |
| | <u>(15)</u> | <u>(4)</u> | <u>(5)</u> | <u>(12)</u> |
| Amount due for settlement after 12 months | <u><u>21</u></u> | <u><u>3</u></u> | <u><u>14</u></u> | <u><u>38</u></u> |

The mark-to-market valuation of the derivatives has increased by £59m (2015: decreased £27m). Fair value losses of £nil (2015: loss of £1m) were included directly in the income statement and gains of £59m (2015: losses £26m) included in the hedging reserve.

| | Income statement 2016 £m | Income statement 2015 £m | Equity 2016 £m | Equity 2015 £m |
|---|---|---|-------------------------------|-------------------------------|
| Cross currency swaps designated as cash flow hedges | - | - | 59 | (26) |
| Interest rate swaps designated as fair value hedges | - | 1 | - | - |
| | <u>-</u> | <u>1</u> | <u>59</u> | <u>(26)</u> |

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

Derivative financial instruments are stated at fair value, measured using techniques consistent with Level 2 of the valuation hierarchy (inputs other than quoted prices in active markets that are observable for the asset and liability, either directly or indirectly). The source of the market prices is Bloomberg and in addition the third party relationship counterparty banks. The relevant currency yield curve is used to forecast the floating rate cash flows anticipated under the instrument which are discounted back to the reporting date. This value is compared to the original transaction value giving a fair value of the instrument at the reporting date.

The fair value of derivative financial instruments is calculated using a discounted cash flow approach and using inputs based on observable market data. Judgement is used to determine the relevant inputs, currency yield curves and discount rates. Although these judgements, estimates and associated assumptions are based on management's best knowledge of current events and circumstances, the actual results may differ.

The interest rate, cross currency, foreign exchange and commodity swaps treated as cash flow hedges have the following maturities:

| | Assets 2016 £m | Assets 2015 £m | Liabilities 2016 £m | Liabilities 2015 £m |
|------------------------------|-------------------------------|-------------------------------|------------------------------------|------------------------------------|
| Within one year | 12 | 3 | 1 | 4 |
| In the second year | 20 | - | - | 26 |
| In the third year | - | - | - | 19 |
| In the fourth year | - | - | 1 | - |
| In the fifth year or greater | - | - | 17 | - |
| Total carrying value | <u>32</u> | <u>3</u> | <u>19</u> | <u>49</u> |

The projected settlement of cash flows (including accrued interest) associated with derivatives treated as cash flow hedges:

| | Assets 2016 £m | Assets 2015 £m | Liabilities 2016 £m | Liabilities 2015 £m |
|--------------------|-------------------------------|-------------------------------|------------------------------------|------------------------------------|
| Within one year | 15 | 3 | 6 | 9 |
| In the second year | 20 | - | 4 | 22 |
| In the third year | - | - | 3 | 15 |
| In the fourth year | - | - | 3 | - |
| In the fifth year | - | 3 | 3 | - |
| Total cash flows | <u>35</u> | <u>6</u> | <u>19</u> | <u>46</u> |

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

15 Financial risk

Capital management

The second extension option in the Company's £1bn multi-currency revolving credit facility was exercised during the year by all but one of the sixteen participant banks, extending the maturity date on £964m of the facility to 7 January 2022. The remaining £36m matures on 7 January 2021. The Group issued a new €500m Eurobond in November 2016. The bond matures in January 2023 and pays an annual coupon of 1.5%.

At 31 December 2016 the Company had no drawings from its committed £1bn bank facility. The debt maturity of €600m Eurobond was repaid in May 2017. Overall the debt portfolio has a medium to long-term debt maturity profile. With the support of G4S plc, the Company is currently well placed to access finance from the debt capital markets and the bank market if required. Borrowings are principally in sterling, US dollars and euros reflecting the geographies of significant operational assets and profits of the wider G4S Group.

Liquidity risk

The Company mitigates liquidity risk by ensuring there are sufficient undrawn committed facilities available to it. For more details of the Company's bank overdrafts, bank loans and loan notes see note 12.

To reduce re-financing risk, Group Treasury obtains finance with a range of maturities and hence minimises the impact of a single material source of finance terminating on a single date.

Re-financing risk is further reduced by Group Treasury opening negotiations to either replace or extend any major medium-term facility at least 12 months before its termination date.

Maturity profile of loans and borrowings

The contractual maturities of financial assets and liabilities, together with the carrying amounts in the statement of financial position, including interest payments, estimated based on expectations at the reporting date, are shown below in millions:

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

15 Financial risk (continue)

| 31 December 2016 | | Carrying amount £m | Fair value £m | Total contractual cash flows £m | Within 1 year £m | 2-5 years £m | Over 5 years £m |
|--|------|--------------------------|---------------------|---|------------------------|--------------------|--------------------------|
| | Note | | | | | | |
| Derivative financial instruments (interest rate swaps) | 14 | 3 | 3 | 4 | 3 | 1 | - |
| Derivative financial instruments (foreign-exchange forwards) | 14 | <u>1</u> | <u>1</u> | <u>1 175</u> | <u>(174)</u> | <u>-</u> | <u>-</u> |
| Financial assets designated at fair value through profit or loss | | 4 | 4 | 5 | 4 | 1 | - |
| Derivative financial instruments (cross-currency swaps) | 14 | <u>32</u> | <u>32</u> | <u>35 295</u> | <u>(280)</u> | <u>313</u> | <u>(293)</u> |
| Financial assets designated as cash flow hedges | | 32 | 32 | 35 | 15 | 20 | - |
| Trade and other receivables | 11 | 1,857 | 1,857 | 1,857 | 1,857 | - | - |
| Cash and cash equivalents | | <u>1</u> | <u>1</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Loans and receivables | | 1,858 | 1,858 | 1,857 | 1,857 | - | - |
| Derivative financial instruments (foreign-exchange forwards) | 14 | <u>(1)</u> | <u>(1)</u> | <u>(1)</u> | <u>34</u> | <u>(35)</u> | <u>-</u> |
| Financial liabilities designated at fair value through profit or loss | | (1) | (1) | (1) | (1) | - | - |
| Derivative financial instruments (cross currency swaps) | 14 | (17) | (17) | (17) | 1+(-5) | 14+(27) | 254+(254) |
| Derivative financial instruments (interest-rate swaps) | 14 | <u>(1)</u> | <u>(1)</u> | <u>(1)</u> | <u>-</u> | <u>(1)</u> | <u>-</u> |
| Financial liabilities designated as cash flow hedges | | (18) | (18) | (18) | (4) | (14) | - |
| Loan notes (issued May 2012, 2.875%, maturing 2017)* | 12 | (513) | (518) | (527) | (527) | - | - |
| Loan notes (issued December 2012, 2.625%, maturing 2018)* | 12 | (428) | (446) | (450) | (11) | (439) | - |
| Loan notes (issued in November 2016, 1.5%, maturing 2023) | 12 | (425) | (429) | (459) | (6) | (26) | (427) |
| Overdrafts | 12 | (45) | (45) | (45) | (45) | - | - |
| Trade and other payables | 13 | <u>(479)</u> | <u>(479)</u> | <u>(479)</u> | <u>(479)</u> | <u>-</u> | <u>-</u> |
| Financial liabilities measured at amortised cost | | (1,890) | (1,917) | (1,960) | (1,068) | (465) | (427) |

* €90m (£77m) of May 2012 public loan notes and €120m (£103m) of December 2012 public loan notes are held in fair value hedge relationships.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

15 Financial risk (continue)

| 31 December 2015 | | Carrying amount £m | Fair value £m | Total contractual cash flows £m | Within 1 year £m | 2-5 years £m | Over 5 years £m |
|---|------|--------------------------|---------------------|---|------------------------|--------------------|--------------------------|
| | Note | | | | | | |
| Derivative financial instruments (interest rate swaps) | 14 | 4 | 4 | 5 | 2 | 3 | - |
| Financial assets designated at fair value through profit or loss | | 4 | 4 | 5 | 2 | 3 | - |
| Derivative financial instruments (foreign exchange forwards) | 14 | - | - | - | 5+(5) | - | - |
| Derivative financial instruments (commodity swaps) | 14 | 3 | 3 | 3 | 3 | - | - |
| Financial assets designated as cash flow hedges | | 3 | 3 | 3 | 3 | - | - |
| Trade and other receivables | 11 | 1,814 | 1,814 | 1,814 | 1,814 | - | - |
| Loans and receivables | | 1,814 | 1,814 | 1,814 | 1,814 | - | - |
| Derivative financial instruments (foreign exchange forwards) | 14 | - | - | - | (5)+5 | - | - |
| Derivative financial instruments (cross currency swaps) | 14 | (46) | (46) | (43) | 14+(19)534+(572) | - | - |
| Derivative financial instruments (interest rate swaps) | 14 | (1) | (1) | (1) | (1) | - | - |
| Derivative financial instruments (commodity swaps) | 14 | (3) | (3) | (3) | (3) | - | - |
| Financial liabilities designated as cash flow hedges | | (50) | (50) | (47) | (9) | (38) | - |
| Loan notes (issued May 2012, 2.875%, maturing 2017)* | 12 | (442) | (456) | (468) | (13) | (455) | - |
| Loan notes (issued December 2012, 2.625%, maturing 2018)* | 12 | (370) | (388) | (398) | (10) | (388) | - |
| Bank loans | 12 | (381) | (381) | (381) | (60) | - | (321) |
| Overdrafts | 12 | (49) | (49) | (49) | (49) | - | - |
| Trade and other payables | 13 | (530) | (530) | (530) | (530) | - | - |
| Financial liabilities measured at amortised cost | | (1,772) | (1,804) | (1,826) | (662) | (843) | (321) |

* €90m (£66m) of May 2012 public loan notes and €120m (£89m) of December 2012 public loan notes are held in fair value hedge relationships.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

15 Financial risk (continue)

The fair values of the financial instruments above have been measured on the following bases.

- Derivative financial instruments: using techniques consistent with Level 2 of the valuation hierarchy, as disclosed in Note 14.
- Trade and other receivables, trade and other payables and overdrafts: these approximate to their book values, being the present value of future cash flows, given the short-term nature of these balances.
- Public loan notes: using techniques consistent with Level 1 of the valuation hierarchy (quoted prices, unadjusted, in active markets for identical assets or liabilities).
- Bank loans: these approximate to their book values, being the present value of future cash flows as bank loans, whilst drawn from a long dated facility, are reset every three months.

The gross cash flows disclosed in the tables above represent the contractual undiscounted cash flows relating to derivative financial assets and liabilities held for risk management purposes and which are usually not closed out before contractual maturity. The disclosure shows net cash flow amount for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement - e.g. forward exchange contracts.

Market risk

Currency risk, forward foreign exchange contracts and cross currency swaps

The G4S Group conducts business in many currencies. Transaction risk is limited since, wherever possible, each company operates and conducts its activities in local currency. However, certain companies are subject to foreign exchange risk due to the translation of their foreign currency balances. G4S International Finance plc acts as a market intermediary arranging forward foreign exchange contracts with its relationship banks, and has back to back deals on identical terms with fellow subsidiary companies in the G4S Group to fix synthetically part of their exposure and reduce their currency risk volatility. The forward foreign exchange contracts in place at 31 December 2016 all mature in 2017.

The G4S Group presents its consolidated financial statements in sterling and as a consequence is subject to foreign exchange risk due to the translation of the results and net assets of its foreign subsidiaries. The Company, together with its parent G4S plc, hedges a substantial portion of the G4S Group's exposure to fluctuations in the translation into sterling of the G4S Group's overseas net assets by holding loans in foreign currencies and to a lesser extent foreign exchange forward transactions. On consolidation, exchange differences arising on the translation of foreign currency loans and the foreign exchange forward transactions meeting hedge accounting criteria are recognised in equity to match translation adjustments on foreign currency equity investments as they qualify as net investment hedges. However, in the company's own financial statements, exchange differences arising on the translation of foreign currency loans are recognised in the income statement and are in part hedged by cross currency swaps and foreign currency inter-company receivables.

Cross-currency swaps with a nominal value of £266m were arranged to hedge the foreign currency risk on €325m of the Euro public loan notes issued in May 2012, effectively fixing the sterling value of this portion of debt at an exchange rate of 1.2217. These swaps will mature in May 2017.

Cross-currency swaps with a nominal value of £284m were arranged to hedge the foreign currency risk on €350m of the Euro public loan notes issued in December 2012, effectively fixing the sterling value of this portion of debt at an exchange rate of 1.2332. These swaps will mature in December 2018.

Cross-currency swaps with a nominal value of £244m were arranged to hedge the foreign currency risk on €270m of the Euro public notes issued in November 2016, effectively fixing the sterling value of this portion of debt at an exchange rate of 1.1088.

Assuming the 2016 US dollar and the Euro foreign exchange rate market movements against sterling in 2016 were repeated in 2017, the fair value net gain on the fx element of the cross currency swaps which hedge part of the currency loan notes would be expected to increase by £92m (2015: £25m).

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

15 Financial risk (continue)

Interest rate risk and interest rate swaps

Borrowings at floating rates expose the company to cash flow interest rate risk and borrowings issued at fixed rates expose the company to fair value interest rate risk. The company manages these risks within policy limits approved by the directors. When fixed/floating interest rate debt in the preferred mix is unavailable directly from investors, interest rate swaps are utilised to create the desired blend and meet Treasury policy, with the proportion of fixed interest rate held reducing on a sliding scale over forward periods generally up to ten years.

At 31 December 2016 the nominal value of cash flow interest rate swaps was £nil (in respect of US dollar) (2015: £109m) and £60m (in respect of Euro) (2015: £52m). Their weighted-average interest rate was 0.6% (Euro) (2015: 0.6% Euro, 1.3% US Dollar), and their weighted-average period to maturity was three years (2015: two years). All the interest rate hedging instruments are designated and fully effective as cash flow hedges and movements in their fair value have been deferred in equity.

The interest on €90m of the public loan notes issued in May 2012 and €120m of the public loan notes issued in December 2012 was swapped from fixed to floating until the maturity of these loan notes in May 2017 and December 2018, respectively, using fair value interest rate swaps. Following the swaps the resulting average coupon on these loan notes was six month Euribor + 149bps and six month Euribor + 157bps, respectively (2015: six month Euribor + 149bps and six month Euribor + 157bps, respectively). These swaps have been documented as fair value hedges of the fixed interest public loan notes, with movements in their fair value posted to the income statement at the same time as the movement in the fair value of the public loan notes.

The public loan notes issued in May 2012, December 2012 and November 2016 have a coupon step up of 1.25% which is triggered should the credit rating of G4S plc fall below investment grade. G4S plc's credit rating at 31 December 2016 was BBB - with a negative outlook, one rating notch above the subinvestment grade coupon step up trigger.

The core Company borrowings are held in US dollar, Euro and sterling. Although the impact of rising interest rates is partly shielded by fixed rate loans and interest rate swaps which provide certainty on the majority of the exposure, some interest rate risk remains. A 1% increase in interest rates across the yield curve in each of these currencies with the 31 December 2016 debt position constant throughout 2017, would lead to an expectation of an additional interest charge of £2m in the 2017 financial year (2015: £5m).

Commodity risk and commodity swaps

The G4S Group's principal commodity risk relates to the fluctuating level of diesel prices. The Company on occasions acts as a market intermediary arranging commodity swaps with its relationship banks, and has back to back deals on identical terms with fellow subsidiary companies in the G4S Group to fix synthetically part of their exposure and reduce their associated cost volatility. The hedging programme is under evaluation and as a consequence there was no commodity hedging in place at 31 December 2016.

Counterparty credit risk

The Company's strategy for credit risk management is to set minimum credit ratings for counterparties and monitor these on a regular basis.

For treasury-related transactions, the policy limits the aggregate credit risk assigned to a counterparty. The utilisation of a credit limit is calculated by applying a weighting to the notional value of each transaction outstanding with each counterparty based on the type and duration of the transaction. The total mark-to-market value outstanding with each counterparty is also closely monitored against policy limits assigned to each counterparty. For short-term transactions (under one year), at inception of the transaction, the financial counterparty must be investment grade rated by either the Standard & Poor's or Moody's rating agencies. For long-term transactions, at inception of the transaction, the financial counterparty must have a minimum rating of BBB+/Baa1 from Standard & Poor's or Moody's.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2016

15 Financial risk (continue)

Treasury transactions are dealt with the Company's relationship banks, all of which have a strong investment grade rating. At 31 December 2016 the largest two counterparty exposures related to treasury transactions were £7.34m and £4.38m held with institutions with a long term Standard & Poor's credit rating of BBB+ and AA-respectively. These exposures represent 21% and 12% of the carrying values of the Company's treasury transactions, with a fair value gain at the reporting date. Both of these banks had significant loan commitments outstanding to the company at 31 December 2016.

16 Share capital

Allotted, called up and fully paid shares

| | 2016 | | 2015 | |
|----------------------------|-----------|-----------|-----------|-----------|
| | No. m | £ m | No. m | £ m |
| Ordinary shares of £1 each | <u>15</u> | <u>15</u> | <u>15</u> | <u>15</u> |

17 Parent and ultimate parent undertaking

In the opinion of the directors, the Company's ultimate parent company and ultimate controlling party is G4S plc, a company incorporated in the United Kingdom.

The parent undertaking of both the largest and smallest group, which included the Company and for which group financial statements are prepared is G4S plc. G4S plc is also the Company's immediate controlling parent.

Copies of the group financial statements for G4S plc are available upon request from the Company Secretary, 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

18 Non adjusting events after the financial period

The Company repaid in full the Euro 600m public loan note on its scheduled maturity of 2nd May 2017. Repayment was funded through new bank borrowings.

G4S INTERNATIONAL FINANCE PLC

**AUDITED UNCONSOLIDATED FINANCIAL STATEMENTS FOR THE
FINANCIAL YEAR ENDED 31 DECEMBER 2015**

(PAGES 1 TO 6 (INCLUSIVE) ARE DELIBERATELY OMITTED)

G4S International Finance plc
Independent Auditors' Report to the members of G4S International Finance plc

Report on the financial statements

Our opinion

In our opinion, G4S International Finance plc's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 December 2015 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

What we have audited

The financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), comprise:

- Statement of Financial Position as at 31 December 2015;
- Income Statement and Statement of Comprehensive Income for the year then ended;
- Statement of Changes in Equity for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies and other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is United Kingdom Accounting Standards, comprising FRS 101 "Reduced Disclosure Framework", and applicable law (United Kingdom Generally Accepted Accounting Practice).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

In addition, in light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we are required to report if we have identified any material misstatements in the Strategic Report and the Directors' Report. We have nothing to report in this respect.

G4S International Finance plc

Independent Auditors' Report to the members of G4S International Finance plc

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- we have not received all the information and explanations we require for our audit; or
- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. We have no exceptions to report arising from this responsibility.

Respective responsibilities of directors and auditors

Our responsibilities and those of the directors

As explained more fully in the Statement of Directors' Responsibilities (set out on page 6), the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISA (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

What an audit of financial statements involves

We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

G4S International Finance plc

Independent Auditors' Report to the members of G4S International Finance plc

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report. With respect to the Strategic Report and Directors' Report, we consider whether those reports include the disclosures required by applicable legal requirements.

.....
Giles Hannam (Senior Statutory Auditor)
For and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors

1 Embankment Place
London
WC2N 6RH

Date: 13 June 2016

G4S International Finance plc
Income Statement for the Year Ended 31 December 2015

| | Note | 2015 £ m | (As restated)* 2014 £ m |
|---------------------|------|-----------------|-------------------------------|
| Operating profit | 5 | - | - |
| Finance income | 6 | 42 | 42 |
| Finance expense | 7 | <u>(37)</u> | <u>(39)</u> |
| Profit before tax | | 5 | 3 |
| Tax on profit | 10 | <u>(1)</u> | <u>3</u> |
| Profit for the year | | <u><u>4</u></u> | <u><u>6</u></u> |

All revenues and results in the income statement derived only from continuing operations.

*See note 18 for an explanation of prior year adjustments.

G4S International Finance plc
Statement of Comprehensive Income for the Year Ended 31 December 2015

| | Note | 2015 £ m | (As restated)* 2014 £ m |
|---|------|-------------|-------------------------------|
| Profit for the year | | 4 | 6 |
| Other comprehensive income | | | |
| Items that are or may be reclassified to profit or loss: | | | |
| Change in fair value of cash flow hedging financial instruments | | (26) | (40) |
| Cash flow hedging fair value transferred to income statement | | 26 | 38 |
| Other comprehensive income/(loss), net of tax | | - | (2) |
| Total comprehensive income for the year | | 4 | 4 |

*See note 18 for an explanation of prior year adjustments.

G4S International Finance plc
Statement of Changes in Equity for the Year Ended 31 December 2015

| | Share capital £ m | Hedging reserve £ m | Retained earnings £ m | Total equity £ m |
|---|----------------------|---------------------------|-----------------------------|---------------------|
| At 1 January 2015 (as restated)* | 15 | 5 | (24) | (4) |
| Comprehensive income: | | | | |
| Profit for the year | - | - | 4 | 4 |
| Other comprehensive income: | | | | |
| Change in fair value of cash flow hedging financial instruments | - | (26) | - | (26) |
| Cash flow hedging fair value transferred to income statement | - | 26 | - | 26 |
| Total comprehensive income | - | - | 4 | 4 |
| At 31 December 2015 | 15 | 5 | (20) | - |
| At 1 January 2014 (as restated)* | 15 | 7 | (30) | (8) |
| Comprehensive income: | | | | |
| Profit for the year (as restated)* | - | - | 6 | 6 |
| Other comprehensive income: (as restated)* | | | | |
| Change in fair value of cash flow hedging financial instruments | - | (40) | - | (40) |
| Cash flow hedging fair value transferred to income statement | - | 38 | - | 38 |
| Total comprehensive (loss)/income | - | (2) | 6 | 4 |
| At 31 December 2014 (as restated)* | 15 | 5 | (24) | (4) |

* see note 18 for an explanation of prior year adjustments.

The notes on pages 14 to 41 form an integral part of these financial statements.

G4S International Finance plc
(Registration number: 07254591)
Statement of Financial Position as at 31 December 2015

| | Note | 2015 £ m | (As restated)* 2014 £ m |
|--------------------------------|------|-------------|-------------------------------|
| ASSETS | | | |
| Non-current assets | | | |
| Trade and other receivables | 11 | 5 | 5 |
| Deferred tax assets | 10 | 1 | - |
| | | 6 | 5 |
| Current assets | | | |
| Trade and other receivables | 11 | 1,819 | 1,672 |
| | | 1,819 | 1,672 |
| Total assets | | 1,825 | 1,677 |
| LIABILITIES | | | |
| Current liabilities | | | |
| Bank overdrafts | 12 | (49) | (227) |
| Bank loans | 12 | (60) | (48) |
| Trade and other payables | 13 | (542) | (437) |
| Current tax liabilities | | (3) | - |
| | | (654) | (712) |
| Non-current liabilities | | | |
| Bank loans | 12 | (321) | (103) |
| Loan notes | 12 | (812) | (853) |
| Trade and other payables | 13 | (38) | (12) |
| Deferred tax liabilities | 10 | - | (1) |
| | | (1,171) | (969) |
| Total liabilities | | (1,825) | (1,681) |
| Net liabilities | | - | (4) |
| EQUITY | | | |
| Share capital | 16 | 15 | 15 |
| Hedging reserve | | 5 | 5 |
| Retained earnings | | (20) | (24) |
| Total equity | | - | (4) |

*See note 18 for an explanation of prior year adjustments.

The financial statements on pages 10 to 41 were approved by the Board of directors on 13 June 2016 and signed on its behalf by:

.....
H Raja
Director

The notes on pages 14 to 41 form an integral part of these financial statements.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

1 General information

G4S International Finance plc (the 'company') is incorporated in the United Kingdom, registered in England and Wales, and domiciled in the UK. It is a public company, limited by shares. The company's registered office is 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

The financial statements are presented in sterling, which is the company's functional currency, and in millions of pounds unless stated otherwise. The financial statements for the year ended 31 December 2014 and 31 December 2013 were presented in thousands of pounds. There is no material impact from this change.

2 Statement of compliance

These financial statements were prepared in accordance with Financial Reporting Standard ('FRS') 101 'Reduced Disclosure Framework'.

3 Significant accounting policies

Basis of preparation

The financial statements have been prepared under the going concern basis and using the historical cost convention, except for the revaluation of certain financial instruments, in accordance with Companies Act 2006 and applicable United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice ('UK GAAP')). The principal accounting policies and measurement bases adopted are set out below and have been applied consistently to all the years presented, unless stated otherwise. Judgements made by the directors in the application of these accounting policies which have a significant effect on the financial statements, and estimates with a significant risk of material adjustment, have been disclosed in note 4.

The company has early-adopted certain amendments to FRS 100 'Application of Financial Reporting Requirements' and to FRS 101 issued in July 2015 by the Financial Reporting Council. These amendments related to changes made to the Companies Act 2006 to maintain consistency with company law and the early-adoption of The Companies, Partnerships, and Groups (Accounts and Reports) Regulations 2015 ('SI 2015/980'). SI 2015/980 allowed, among other items, the format of the financial statements to be presented in accordance with International Financial Reporting Standards adopted by the European Union ('adopted IFRSs') instead of the Companies Act 2006.

Going concern

The financial statements have been prepared on a going concern basis, notwithstanding the company's net liabilities, which the directors believe to be appropriate for the following reasons. The company received a financial support letter from its parent company to provide sufficient financial assistance to the company if and when it is needed to enable the company to continue its operations and fulfil its currently anticipated financial obligations now and in the future. This undertaking is provided for a period of at least 12 months provided the company remains a member of its parent company's group.

The company's bank and loan note borrowings are supported by guarantees from its parent company without which it would not be able to make such borrowings.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

This should enable the company to continue in operational existence for the foreseeable future by meeting its liabilities as they fall due for payment. As with any company placing reliance on its parent undertaking for financial support, the directors acknowledge that there can be no certainty that this support will continue, although at the date of the approval of these financial statements, they have no reason to believe that it will not do so and in respect of the guarantee support, the lenders would have to provide their consent to release these guarantees and this consent would not be expected to be forthcoming.

Based on this undertaking the directors believe that it remains appropriate to prepare the financial statements on a going concern basis.

Transition to FRS 101

These financial statements were prepared by the directors in accordance with FRS 101 for the first time. FRS 101 grants elections and certain exemptions from its full requirements when preparing the first financial statements that conform to FRS 101. An explanation of these and how the transition affected the previously reported financial position and financial performance of the company has been disclosed in note 18 to the financial statements. The date of transition from the previous accounting standards to FRS 101 was 1 January 2014. Comparable historical financial information has therefore been provided in accordance with FRS 101 as at 1 January 2014 and as at, and for the year ended, 31 December 2014.

Exemptions

The company has taken advantage of certain disclosure exemptions in FRS 101, in part because its financial statements are included in the publicly available consolidated financial statements of G4S plc. Copies of the consolidated financial statements of G4S plc may be obtained by writing to the Company Secretary, G4S plc, 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

These disclosure exemptions relate to:

- the presentation of a third or opening statement of financial position at the date of transition to FRS 101 and related notes;
- the requirements of IAS 7 'Statement of Cash Flows';
- the statement of compliance with adopted IFRSs;
- new IFRSs that have been issued but are not yet effective and which have not been applied by the company;
- comparative information for the movements from the beginning to the end of the year in respect of the number of shares, and certain other additional comparative information; and
- certain related party disclosures on key management compensation and transactions entered into between two or more wholly-owned members of a group.

Finance income and expense

Finance income is accrued on a time basis by reference to the principal outstanding and at the effective interest rate applicable. This is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset's net carrying amount.

Finance costs are recognised as an expense in the income statement on the same basis.

Foreign currencies

The financial statements are presented in sterling, which is the company's functional currency. Transactions in currencies other than the functional currency are translated at the rates of exchange prevailing on the dates of the transactions. At each reporting date, monetary assets and liabilities which are denominated in other currencies are retranslated at the rates prevailing on that date. Non-monetary items measured at historical cost denominated in other currencies are not retranslated. Gains and losses arising on retranslation are included in the income statement.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

Income taxes

Tax is recognised in the income statement except to the extent that it relates to items recognised in equity, in which case it is recognised in equity or other comprehensive income. The tax expense represents the sum of current tax and deferred tax.

Current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

The carrying amount of each deferred tax asset is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is measured based on the tax rates that have been enacted or substantively enacted by the end of the reporting period. Tax liabilities or refunds may differ from those anticipated due to changes in tax legislation, differing interpretations of tax legislation and uncertainties surrounding the application of tax legislation. In situations where uncertainties exist, provision is made for contingent tax liabilities and assets on the basis of management judgement following consideration of the available relevant information.

Impairment

The carrying value of the company's assets, with the exception of financial receivables and deferred tax assets, is reviewed on an ongoing basis for any indication of impairment and, if any such indication exists, the assets' recoverable amount is estimated. An impairment loss is recognised in the income statement whenever the carrying value of an asset or its cash-generating unit exceeds its recoverable amount.

An impairment loss is reversed if there has been a change in the estimates used to determine its recoverable amount. The amount of the reversal is limited such that the asset's carrying amount does not exceed that which would have been determined (after depreciation and amortisation) if no impairment loss had been recognised.

The company provides for impairments in financial assets when there is objective evidence of impairment as a result of one or more events that impact the estimated future cash flows of the financial assets.

Financial instruments

Financial assets and financial liabilities are recognised when the company becomes a party to the contractual provisions of the instruments.

Amounts owed by/to group undertaking

Amounts owed by/to group undertakings are recognised initially at fair value and subsequently stated at amortised cost.

Trade receivables

Trade receivables do not carry interest and are stated initially at their fair value. The carrying amount of trade receivables is reduced through the use of a bad debt allowance account. The company provides for bad debts based upon an analysis of those that are past due, in accordance with local conditions and past default experience.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

Cash and cash equivalents

Cash and cash equivalents comprise cash balances and call deposits.

Bank loans, overdrafts and loan notes

Interest-bearing bank overdrafts, loans and loan notes are recognised at the value of proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are recognised in the income statement on an accrual basis using the effective interest rate method.

Trade payables

Trade payables are not interest-bearing and are stated initially at fair value.

Equity instruments

Equity instruments and financial liabilities are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that provides a residual interest in the assets of a business after deducting all other liabilities. Shares issued by the company classified as equity instruments are recorded at the value of proceeds received, net of direct issue costs.

Derivative financial instruments and hedge accounting

In accordance with the G4S plc group treasury policy, the company only holds or issues derivative financial instruments to manage its and the G4S plc group's exposure to financial risk and not for trading purposes. See note 15 for a description of these risks and how they are managed.

Derivative financial instruments are recognised in the statement of financial position as financial assets or liabilities at fair value.

The gain or loss on re-measurement to fair value is recognised immediately in the income statement, unless the derivatives qualify for hedge accounting where the treatment of any resultant gain or loss depends on the nature of the item being hedged as described below:

Fair value hedges - the change in the fair value of both the hedging instrument and the related portion of the hedged item that is attributable to the hedged risk is recognised immediately in the income statement; and

Cash flow hedges - the change in the fair value of the portion of the hedging instrument that is determined to be an effective hedge is recognised in equity and subsequently recycled to the income statement when the hedged cash flow impacts the income statement. The ineffective portion of the fair value of the hedging instrument is recognised immediately in the income statement.

Hedging reserve

Cash flow hedge reserve comprises the effective portion of the cumulative net change in the fair value of cash flow hedging instruments related to hedged transactions that have not yet occurred.

Share capital

Ordinary shares are classified as equity. Equity instruments are measured at the fair value of the cash or other resources received or receivable, net of the direct costs of issuing the equity instruments. If payment is deferred and the time value of money is material, the initial measurement is on a present value basis.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

4 Accounting estimates, judgements and assumptions

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of the company's accounting policies. These judgements, estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, including current and expected economic conditions, and in some cases, actuarial techniques.

Although these judgements, estimates and associated assumptions are based on management's best knowledge of current events and circumstances, the actual results may differ.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

The judgements, estimates and assumptions which are of most significance in preparing the company's accounts are detailed below:

Collectability of amounts due from group undertakings

The company holds amounts due from other subsidiaries of its ultimate parent undertaking, G4S plc. Whether to recognise a provision against such debtors requires judgement in respect of the underlying operational performance and economic risks faced by such entities. An impairment provision has not been recognised against such balances in the current year.

Fair value of derivative financial instruments

The fair value of derivative financial instruments is calculated using a discounted cash flow approach and using inputs based on observable market data. Judgement is used to determine the relevant inputs, currency yield curves and discount rates.

Deferred taxation

Management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and level of future taxable profits together with an assessment of the effect of future tax planning strategies.

5 Operating segments

It is considered that the company has only one operating segment, as its principal activities are to engage in external debt funding arrangements and risk management hedging activities to support fellow subsidiary companies in the wider G4S plc group. As a result, no additional operating segment information has been disclosed.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

6 Finance income

| | 2015 £ m | (As restated)* 2014 £ m |
|---|-------------|-------------------------------|
| Interest receivable from group undertakings | 42 | 40 |
| Gain arising from fair value adjustment to the hedged loan note items | 1 | - |
| Loss arising from change in the fair value of derivative financial instruments hedging loan notes | (1) | - |
| Foreign exchange gain | - | 2 |
| | <u>42</u> | <u>42</u> |

* See note 18 for an explanation of prior year adjustments. The prior year balances for interest rate swap income and expense have also been represented to be consistent with current year disclosures to show these balances net instead of gross.

7 Finance expense

| | 2015 £ m | 2014 * £ m |
|---|-------------|---------------|
| Interest on bank overdrafts and loans | (6) | (5) |
| Interest on loan notes | (22) | (25) |
| Net interest rate swap expense | (5) | (4) |
| Gain arising from change in fair value of derivative financial instruments hedging loan notes | - | 4 |
| Loss arising from fair value adjustment to the hedged loan note items | - | (4) |
| Bank arrangement fees | (4) | (5) |
| | <u>(37)</u> | <u>(39)</u> |

* The prior year balances for interest rate swap income and expense have been represented to be consistent with current year disclosures to show these balances net instead of gross.

8 Staff costs

There were no employees employed directly by the company in the current and prior year.

The directors received no remuneration or accrued pension benefits in respect of their services to the company during both the current and prior year.

9 Auditors' remuneration

The audit fee for the company of £25,000 (2014: £2,200) was borne by another group company. The company did not incur any non-audit fees in the current and prior year.

G4S International Finance plc
Notes to the Financial Statements for the Year Ended 31 December 2015

10 Income tax

Tax charged/(credited) in the income statement

| | 2015 | * 2014 |
|--|-----------------|-------------------|
| | £ m | £ m |
| Current taxation | | |
| UK corporation tax adjustment to prior periods | 3 | (3) |
| Deferred taxation | | |
| Deferred tax adjustment to prior periods | <u>(2)</u> | <u>-</u> |
| Total tax charge/(credit) | <u><u>1</u></u> | <u><u>(3)</u></u> |

The tax rate applied on profit before tax is the standard effective rate of corporation tax in the UK of 20.25% (2014: 21.5%).

The standard effective rate of corporation tax in the UK reduced from 21.5% in 2014 to 20.25% for 2015 in accordance with legislation enacted by the UK Government during 2013.

The differences are reconciled below:

| | 2015 | (As restated) 2014 |
|--|-----------------|-------------------------------|
| | £ m | £ m |
| Profit before tax | <u>5</u> | <u>3</u> |
| Corporation tax at standard rate | 1 | 1 |
| Increase (decrease) in current tax from adjustment for prior periods | 3 | (3) |
| Deferred tax adjustment to prior periods | (2) | - |
| Decrease from effect of imputed guarantee fee | <u>(1)</u> | <u>(1)</u> |
| Total tax charge/(credit) | <u><u>1</u></u> | <u><u>(3)</u></u> |

*See note 18 for an explanation of prior year adjustments.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

Deferred tax

A change to the UK corporation tax rate was announced in the Chancellor's Budget on 16 March 2016. The change announced is to reduce the main rate to 17% from 1 April 2020. As the change to 17% had not been substantively enacted at the balance sheet date its effects are not included in these financial statements.

Management have assessed that the change in rate to 17% would have an immaterial impact on the closing deferred tax position.

Deferred tax assets and liabilities on timing differences have been calculated using the UK corporation tax rate which will apply in the period during which they are expected to reverse.

Deferred tax liabilities on timing differences have been provided at 18%, being the expected rate upon reversal.

Deferred tax assets and liabilities

Deferred tax movement during the year:

| | At 1 January 2015 £ m | Recognised in income £ m | At 31 December 2015 £ m |
|------------------------------|-----------------------------|--------------------------------|----------------------------------|
| Derivatives | (1) | - | (1) |
| Tax losses carry-forwards | - | 2 | 2 |
| Net tax (liabilities)/assets | <u>(1)</u> | <u>2</u> | <u>1</u> |

Deferred tax movement during the prior year:

| | At 1 January 2014 £ m | At 31 December 2014 £ m |
|---------------------------|-----------------------------|----------------------------------|
| Derivatives | (1) | (1) |
| Tax losses carry-forwards | - | - |
| Net tax liabilities | <u>(1)</u> | <u>(1)</u> |

G4S International Finance plc
Notes to the Financial Statements for the Year Ended 31 December 2015

11 Trade and other receivables

| | 2015 | (As restated)* |
|---|-------------|-----------------------|
| | £ m | 2014 |
| | | £ m |
| Within current assets | | |
| Amounts owed from group undertakings (members of the G4S plc group) | 1,809 | 1,661 |
| Other receivables | 5 | 5 |
| Prepayments | 1 | 1 |
| Derivative financial instruments at fair value (Note 14) | 4 | 5 |
| Total trade and other receivables within current assets | 1,819 | 1,672 |
| Within non-current assets | | |
| Derivative financial instruments at fair value (Note 14) | 3 | 5 |
| Prepayments | 2 | - |
| Total trade and other receivables within non-current assets | 5 | 5 |

*See note 18 for an explanation of prior year adjustments.

Amounts owed by group undertakings are unsecured, interest-free or interest-bearing based on market rates and repayable on demand.

Credit risk on receivables

Financial instruments in receivables relate primarily to amounts owed from group undertakings. The company's largest debtors are G4S plc and G4S Finance Limited which comprise approximately 64% and 29% respectively (2014: 67% and 24% respectively) of the total non-derivative financial instruments balance as at 31 December 2015.

As noted above, the company does not hold any collateral over these balances and they are repayable on demand. The company follows the G4S plc Group Finance Manual guidelines with respect to assessing these balances for impairment. As at 31 December 2015, there was no allowance for doubtful debts (2014: £nil).

Further information on credit risk is detailed in note 15.

The directors believe that the fair value of trade and other receivables, being the present value of future cash flows, approximates to their book value.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

12 Bank overdrafts, bank loans and loan notes

| | 2015 | 2014 |
|--|---------------------|---------------------|
| | £m | £m |
| Bank overdrafts | 49 | 227 |
| Bank loans | 381 | 151 |
| Loan notes | 812 | 853 |
| Total bank overdrafts, bank loans and loan notes | <u>1,242</u> | <u>1,231</u> |

The borrowings are repayable as follows:

| | | |
|--|---------------------|---------------------|
| On demand or within one year | 109 | 275 |
| In the second year | 442 | 103 |
| In the third to fifth years inclusive | 370 | 853 |
| After five years | 321 | - |
| Total bank overdrafts, bank loans and loan notes | <u>1,242</u> | <u>1,231</u> |

Less amount due for settlement within 12 months
(shown under current liabilities):

| | | |
|---|---------------------|-------------------|
| Bank overdrafts | (49) | (227) |
| Bank loans | (60) | (48) |
| Loan notes | - | - |
| | <u>(109)</u> | <u>(275)</u> |
| Amount due for settlement after 12 months | <u>1,133</u> | <u>956</u> |

Analysis of bank overdrafts, bank loans and loan notes by currency:

| | Sterling | Euros | US dollars | Total |
|---------------------|-------------------|-------------------|-------------------|---------------------|
| | £m | £m | £m | £m |
| Bank overdrafts | 41 | - | 8 | 49 |
| Bank loans | 215 | - | 166 | 381 |
| Loan notes | - | 812 | - | 812 |
| At 31 December 2015 | <u>256</u> | <u>812</u> | <u>174</u> | <u>1,242</u> |
| Bank overdrafts | 126 | - | 101 | 227 |
| Bank loans | 48 | - | 103 | 151 |
| Loan notes | - | 853 | - | 853 |
| At 31 December 2014 | <u>174</u> | <u>853</u> | <u>204</u> | <u>1,231</u> |

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

The weighted average interest rates on bank overdrafts, bank loans and public loan notes at 31 December 2015 adjusted for hedging were as follows:

| | 2015 | 2014 |
|-----------------|------|------|
| | % | % |
| Bank overdrafts | 1.1 | 0.8 |
| Bank loans | 1.8 | 2.3 |
| Loan notes | 3.0 | 3.0 |

At 31 December 2015, the company's bank borrowings comprised overdrafts, and uncommitted and committed bank loans.

The company's uncommitted bank loans related to £60m of short-term loans.

The company's committed bank loans comprised a new £1bn multi-currency revolving credit facility with a maturity date of January 2021. The company, with the lenders' permission, has an option to further extend maturity by one year to January 2022. As at 31 December 2015 the drawings were US\$245m and £155m. The facility can be accessed by the company and by its parent, G4S plc. The company's borrowings on this facility are guaranteed by G4S plc. At 31 December 2015, undrawn committed available facilities amounted to £683m (2014: £998m).

Interest on the committed bank borrowing facility is at prevailing Libor or Euribor rates, dependent upon the period of drawdown, plus an agreed margin, and re-priced within one year or less.

The company also has two public loan notes. A €600m 2.875% note issued on 2 May 2012 maturing 2 May 2017 and a €500m 2.625% note issued on 6 December 2012 maturing 6 December 2018.

€10m of the loan notes issued in May 2012 and €380m of the loan notes issued in December 2012 are stated at amortised cost. €90m of the loan notes issued in May 2012 and €120m of the loan notes issued in December 2012 are stated at amortised cost but are designated in a fair value hedge relationship which has a fair value adjustment in relation to the hedged interest rate risk. Information on the significant assumptions underlying the valuation model used and the interest rates on the borrowings are disclosed in note 15.

Derivatives related to €325m of the loan notes issued in May 2012 have a fair value market loss of £27m (2014: £14m) predominately resulting from the cross currency swaps fixing the sterling value of this portion of the loan notes at an exchange rate of 1.2217 and partly resulting from the cross currency swaps fixing the sterling and euro interest rates.

Derivatives related to €350m of the loan notes issued in December 2012 have a fair value market loss of £19m (2014: £5m) predominately resulting from the cross currency swaps fixing the sterling value of this portion of the loan notes at an exchange rate of 1.2332 and partly resulting from the cross currency swaps fixing the sterling and euro interest rates.

The management of currency risk and interest rate risk is detailed in note 15.

G4S International Finance plc
Notes to the Financial Statements for the Year Ended 31 December 2015

13 Trade and other payables

| | 2015 | (As restated)* |
|---|-------------|-----------------------|
| | £ m | 2014 |
| | | £ m |
| Within current liabilities | | |
| Amounts owed to group undertakings (members of the G4S plc group) | 519 | 411 |
| Other payables | 11 | 12 |
| Derivative financial instruments at fair value (Note 14) | 12 | 14 |
| Total trade and other payables within current liabilities | <u>542</u> | <u>437</u> |
| Within non-current liabilities | | |
| Derivative financial instruments at fair value (Note 14) | 38 | 12 |
| Total trade and other payables within non-current liabilities | <u>38</u> | <u>12</u> |

*See note 18 for an explanation of prior year adjustments.

Amounts owed to group undertakings are unsecured, interest-free or interest-bearing based on market rates and repayable on demand.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

14 Derivative financial instruments

The carrying values of derivative financial instruments at the reporting date are presented below:

| | Assets 2015 £m | Assets 2014 £m | Liabilities 2015 £m | Liabilities 2014 £m |
|--|-------------------------------|-------------------------------|------------------------------------|------------------------------------|
| Forward foreign exchange contracts | - | 1 | - | 1 |
| Cross currency swaps designated as cash flow hedges | - | - | 46 | 19 |
| Interest rate swaps designated as cash flow hedges | - | - | 1 | 1 |
| Interest rate swaps designated as fair value hedges | 4 | 4 | - | - |
| Commodity swaps | 3 | 5 | 3 | 5 |
| Total | <u>7</u> | <u>10</u> | <u>50</u> | <u>26</u> |
| Less: amount due for settlement within 12 months (shown under current assets and liabilities): | | | | |
| Cross currency swaps designated as cash flow hedges | - | - | (8) | (8) |
| Interest rate swaps designated as cash flow hedges | - | - | (1) | (1) |
| Interest rate swaps designated as fair value hedges | (1) | (1) | - | (1) |
| Commodity swaps | (3) | (4) | (3) | (4) |
| | <u>(4)</u> | <u>(5)</u> | <u>(12)</u> | <u>(14)</u> |
| Amount due for settlement after 12 months | <u><u>3</u></u> | <u><u>5</u></u> | <u><u>38</u></u> | <u><u>12</u></u> |

The mark to market valuation of the derivatives has decreased by £27m (2014: £36m). Fair value losses of £1m (2014: gain of £4m) were included directly in the income statement and losses of £26m (2014: £40m) included in the hedging reserve.

| | Income statement 2015 £m | Income statement 2014 £m | Equity 2015 £m | Equity 2014 £m |
|---|---|---|-------------------------------|-------------------------------|
| Cross currency swaps designated as cash flow hedges | - | - | (26) | (40) |
| Interest rate swaps designated as fair value hedges | 1 | 4 | - | - |
| | <u>1</u> | <u>4</u> | <u>(26)</u> | <u>(40)</u> |

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

Derivative financial instruments are stated at fair value, measured using techniques consistent with Level 2 of the valuation hierarchy (inputs other than quoted prices in active markets that are observable for the asset and liability, either directly or indirectly). The source of the market prices is Bloomberg and in addition the third party relationship counterparty banks. The relevant currency yield curve is used to forecast the floating rate cash flows anticipated under the instrument which are discounted back to the reporting date. This value is compared to the original transaction value giving a fair value of the instrument at the reporting date.

The fair value of derivative financial instruments is calculated using a discounted cash flow approach and using inputs based on observable market data. Judgement is used to determine the relevant inputs, currency yield curves and discount rates. Although these judgements, estimates and associated assumptions are based on management's best knowledge of current events and circumstances, the actual results may differ.

The interest rate, cross currency, foreign exchange and commodity swaps treated as cash flow hedges have the following maturities:

| | Assets 2015 £m | Assets 2014 £m | Liabilities 2015 £m | Liabilities 2014 £m |
|----------------------|---|---|--|--|
| Within one year | 3 | 5 | 4 | 5 |
| In the second year | - | 1 | 26 | 2 |
| In the third year | - | - | 19 | 14 |
| In the fourth year | - | - | - | 5 |
| Total carrying value | <u>3</u> | <u>6</u> | <u>49</u> | <u>26</u> |

The projected settlement of cash flows (including accrued interest) associated with derivatives treated as cash flow hedges:

| | Assets 2015 £m | Assets 2014 £m | Liabilities 2015 £m | Liabilities 2014 £m |
|--------------------|---|---|--|--|
| Within one year | 3 | 5 | 9 | 10 |
| In the second year | - | 1 | 22 | 5 |
| In the third year | - | - | 15 | 7 |
| In the fourth year | - | - | - | 1 |
| Total cash flows | <u>3</u> | <u>6</u> | <u>46</u> | <u>23</u> |

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

15 Financial risk

Capital management

The company refinanced its £1.1bn multi-currency revolving credit facility with a £1bn facility signed on 7 January 2015. Access to this facility is shared with its parent, G4S plc. Any drawings from the facility are guaranteed by its parent. The new facility was for five years with two extension options exercisable by the banks. The first of these was exercised during the year extending the facility maturity date to 7 January 2021. Execution of the second option during 2016 would extend the facility to January 2022.

At 31 December 2015 the company had £683m of available and undrawn facilities from its committed £1bn bank facility. Following the successful refinancing of its committed bank facility in January 2015, the company has no significant maturity until May 2017 and has a medium to long-term debt maturity profile. With the continued support of G4S plc, the company is currently well placed to access finance from the debt capital markets and the bank market if required. Borrowings are principally in sterling, US dollars and Euros reflecting the geographies of significant operational assets and profits of the wider G4S plc group.

Liquidity risk

The company mitigates liquidity risk by ensuring there are sufficient undrawn committed facilities available to it. For more details of the company's bank overdrafts, bank loans and loan notes see note 12.

To reduce re-financing risk, group treasury obtains finance with a range of maturities and hence minimises the impact of a single material source of finance terminating on a single date.

Re-financing risk is further reduced by group treasury opening negotiations to either replace or extend any major medium-term facility at least 6-12 months before its termination date.

Maturity profile of loans and borrowings

The contractual maturities of financial assets and liabilities, together with the carrying amounts in the statement of financial position, including interest payments, estimated based on expectations at the reporting date, are shown below in millions:

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

| 31 December 2015 | | | | Total contractual | | | |
|---|-------|--------------------------|---------------------|----------------------|------------------------|--------------------|--------------------------|
| | Notes | Carrying amount £m | Fair value £m | cash flows £m | Within 1 year £m | 2-5 years £m | Over 5 years £m |
| Derivative financial instruments (interest rate swaps) | 14 | <u>4</u> | <u>4</u> | <u>5</u> | <u>2</u> | <u>3</u> | - |
| Financial assets designated at fair value through profit or loss | | 4 | 4 | 5 | 2 | 3 | - |
| Derivative financial instruments (foreign exchange forwards) | 14 | - | - | - | 5+(5) | - | - |
| Derivative financial instruments (commodity swaps) | 14 | <u>3</u> | <u>3</u> | <u>3</u> | <u>3</u> | - | - |
| Financial assets designated as cash flow hedges | | 3 | 3 | 3 | 3 | - | - |
| Trade and other receivables | 11 | <u>1,814</u> | <u>1,814</u> | <u>1,814</u> | <u>1,814</u> | - | - |
| Loans and receivables | | 1,814 | 1,814 | 1,814 | 1,814 | - | - |
| Derivative financial instruments (foreign exchange forwards) | 14 | - | - | - | (5)+5 | - | - |
| Derivative financial instruments (cross currency swaps) | 14 | (46) | (46) | (43) | 14+(19)534+(572) | - | - |
| Derivative financial instruments (interest rate swaps) | 14 | (1) | (1) | (1) | (1) | - | - |
| Derivative financial instruments (commodity swaps) | 14 | <u>(3)</u> | <u>(3)</u> | <u>(3)</u> | <u>(3)</u> | - | - |
| Financial liabilities designated as cash flow hedges | | (50) | (50) | (47) | (9) | (38) | - |
| Loan notes (issued May 2012, 2.875%, maturing 2017)* | 12 | (442) | (456) | (468) | (13) | (455) | - |
| Loan notes (issued December 2012, 2.625%, maturing 2018)* | 12 | (370) | (388) | (398) | (10) | (388) | - |
| Bank loans | 12 | (381) | (381) | (381) | (60) | - | (321) |
| Overdrafts | 12 | (49) | (49) | (49) | (49) | - | - |
| Trade and other payables | 13 | <u>(530)</u> | <u>(530)</u> | <u>(530)</u> | <u>(530)</u> | - | - |
| Financial liabilities measured at amortised cost | | (1,772) | (1,804) | (1,826) | (662) | (843) | (321) |

* €90m (£66m) of May 2012 public loan notes and €120m (£89m) of December 2012 public loan notes are held in fair value hedge relationships.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

| 31 December 2014 | | | | Total contractual | | | |
|---|-------|--------------------------|---------------------|----------------------|------------------------|--------------------|--------------------------|
| | Notes | Carrying amount £m | Fair value £m | cash flows £m | Within 1 year £m | 2-5 years £m | Over 5 years £m |
| Derivative financial instruments (interest rate swaps) | 14 | <u>4</u> | <u>4</u> | <u>6</u> | <u>2</u> | <u>4</u> | - |
| Financial assets designated at fair value through profit or loss | | 4 | 4 | 6 | 2 | 4 | - |
| Derivative financial instruments (foreign exchange forwards) | 14 | 1 | 1 | 1 | 8+(7) | - | - |
| Derivative financial instruments (commodity swaps) | 14 | <u>5</u> | <u>5</u> | <u>5</u> | <u>4</u> | <u>1</u> | - |
| Financial assets designated as cash flow hedges | | 6 | 6 | 6 | 5 | 1 | - |
| Trade and other receivables | 11 | <u>1,666</u> | <u>1,666</u> | <u>1,666</u> | <u>1,666</u> | - | - |
| Loans and receivables | | 1,666 | 1,666 | 1,666 | 1,666 | - | - |
| Derivative financial instruments (foreign exchange forwards) | 14 | (1) | (1) | (1) | (7)+8 | - | - |
| Derivative financial instruments (cross currency swaps) | 14 | (19) | (19) | (16) | 15+(19)580+(592) | - | - |
| Derivative financial instruments (interest rate swaps) | 14 | (1) | (1) | (1) | (1) | - | - |
| Derivative financial instruments (commodity swaps) | 14 | <u>(5)</u> | <u>(5)</u> | <u>(5)</u> | <u>(4)</u> | <u>(1)</u> | - |
| Financial liabilities designated as cash flow hedges | | (26) | (26) | (23) | (8) | (13) | - |
| Loan notes (issued May 2012, 2.875%, maturing 2017)* | 12 | (465) | (490) | (506) | (13) | (493) | - |
| Loan notes (issued December 2012, 2.625%, maturing 2018)* | 12 | (388) | (414) | (429) | (10) | (419) | - |
| Bank loans | 12 | (151) | (151) | (151) | (48) | (103) | - |
| Overdrafts | 12 | (227) | (227) | (227) | (227) | - | - |
| Trade and other payables | 13 | <u>(423)</u> | <u>(423)</u> | <u>(423)</u> | <u>(423)</u> | - | - |
| Financial liabilities measured at amortised cost | | (1,654) | (1,705) | (1,736) | (721) | (1,015) | - |

* €90m (£70m) of May 2012 public loan notes and €120m (£93m) of December 2012 public loan notes are held in fair value hedge relationships.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

The fair values of the financial instruments above have been measured on the following bases.

- Derivative financial instruments: using techniques consistent with Level 2 of the valuation hierarchy, as disclosed in Note 14.
- Trade and other receivables, trade and other payables and overdrafts: these approximate to their book values, being the present value of future cash flows, given the short-term nature of these balances.
- Public loan notes: using techniques consistent with Level 1 of the valuation hierarchy (quoted prices, unadjusted, in active markets for identical assets or liabilities).
- Bank loans: these approximate to their book values, being the present value of future cash flows as bank loans, whilst drawn from a long dated facility, are reset every three months.

The gross cash flows disclosed in the tables above represent the contractual undiscounted cash flows relating to derivative financial assets and liabilities held for risk management purposes and which are usually not closed out before contractual maturity. The disclosure shows net cash flow amount for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement - e.g. forward exchange contracts.

Market risk

Currency risk, forward foreign exchange contracts and cross currency swaps

The G4S plc group conducts business in many currencies. Transaction risk is limited since, wherever possible, each company operates and conducts its activities in local currency. However, certain companies are subject to foreign exchange risk due to the translation of their foreign currency balances. G4S International Finance plc acts as a market intermediary arranging forward foreign exchange contracts with its relationship banks, and has back to back deals on identical terms with fellow subsidiary companies in the G4S plc group to fix synthetically part of their exposure and reduce their currency risk volatility. The forward foreign exchange contracts in place at 31 December 2015 all mature in 2016.

The G4S plc group presents its consolidated financial statements in sterling and as a consequence is subject to foreign exchange risk due to the translation of the results and net assets of its foreign subsidiaries. The company, together with its parent G4S plc, hedges a substantial portion of the G4S plc group's exposure to fluctuations in the translation into sterling of the G4S plc group's overseas net assets by holding loans in foreign currencies. On consolidation, translation adjustments arising on the translation of foreign currency loans are recognised in equity to match translation adjustments on foreign currency equity investments as they qualify as net investment hedges. However, in the company's own financial statements, translation adjustments arising on the translation of foreign currency loans are recognised in the income statement and are in part hedged by cross currency swaps and foreign currency inter-company receivables.

Cross currency swaps with a nominal value of £266m were arranged to hedge the foreign currency risk on €325m of the Euro public loan notes issued in May 2012, effectively fixing the sterling value of this portion of debt at an exchange rate of 1.2217. These swaps will mature in May 2017.

Cross currency swaps with a nominal value of £284m were arranged to hedge the foreign currency risk on €350m of the Euro public loan notes issued in December 2012, effectively fixing the sterling value of this portion of debt at an exchange rate of 1.2332. These swaps will mature in December 2018.

Assuming the 2015 US dollar and the Euro foreign exchange rate market movements against sterling in 2015 were repeated in 2016, the fair value loss on the fx element of the cross currency swaps which hedge part of the currency loan notes would be expected to increase by £25m (2014: £35m).

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

Interest rate risk and interest rate swaps

Borrowings at floating rates expose the company to cash flow interest rate risk and borrowings issued at fixed rates expose the company to fair value interest rate risk. The company manages these risks within policy limits approved by the directors. When fixed/floating interest rate debt in the preferred mix is unavailable directly from investors, interest rate swaps are utilised to create the desired blend and meet Treasury policy, with the proportion of fixed interest rate held reducing on a sliding scale over forward periods up to a maximum of five years.

At 31 December 2015 the nominal value of cash flow interest rate swaps was £109m (in respect of US dollar) (2014: £103m) and £52m (in respect of Euro) (2014: £54m). Their weighted average interest rate was 1.3% (US dollar) (2014: 1.3%) and 0.6% (Euro) (2014: 0.6%), and their weighted average period to maturity was two years (2014: three years). All the interest rate hedging instruments are designated and fully effective as cash flow hedges and movements in their fair value have been deferred in equity.

The interest on €90m of the public loan notes issued in May 2012 and €120m of the public loan notes issued in December 2012 was swapped from fixed to floating until the maturity of these loan notes in May 2017 and December 2018, respectively, using fair value interest rate swaps. Following the swaps the resulting average coupon on these loan notes was six month Euribor + 149bps and six month Euribor + 157bps, respectively (2014: six month Euribor + 149bps and six month Euribor + 157bps, respectively). These swaps have been documented as fair value hedges of the fixed interest public loan notes, with movements in their fair value posted to the income statement at the same time as the movement in the fair value of the public loan notes.

The public loan notes issued in May 2012 and the public loan notes issued in December 2012 have a coupon step up of 1.25% which is triggered should the credit rating of G4S plc fall below investment grade. G4S plc's credit rating at 31 December 2015 was BBB- stable, one rating notch above the subinvestment grade coupon step up trigger.

The core company borrowings are held in US dollar, Euro and sterling. Although the impact of rising interest rates is partly shielded by fixed rate loans and interest rate swaps which provide certainty on the majority of the exposure, some interest rate risk remains. A 1% increase in interest rates across the yield curve in each of these currencies with the 31 December 2015 debt position constant throughout 2015, would lead to an expectation of an additional interest charge of £5m in the 2015 financial year (2014: £4m).

Commodity risk and commodity swaps

The G4S plc group's principal commodity risk relates to the fluctuating level of diesel prices. The company acts as a market intermediary arranging commodity swaps with its relationship banks, and has back to back deals on identical terms with fellow subsidiary companies in the G4S plc group to fix synthetically part of their exposure and reduce their associated cost volatility. The commodity swaps in place at 31 December 2015 all mature in 2016.

Counterparty credit risk

The company's strategy for credit risk management is to set minimum credit ratings for counterparties and monitor these on a regular basis.

For treasury-related transactions, the policy limits the aggregate credit risk assigned to a counterparty. The utilisation of a credit limit is calculated by applying a weighting to the notional value of each transaction outstanding with each counterparty based on the type and duration of the transaction. The total mark-to-market value outstanding with each counterparty is also closely monitored against policy limits assigned to each counterparty. For short-term transactions (under one year), at inception of the transaction, the financial counterparty must be investment grade rated by either the Standard & Poor's or Moody's rating agencies. For long-term transactions, at inception of the transaction, the financial counterparty must have a minimum rating of BBB+/Baa1 from Standard & Poor's or Moody's.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

Treasury transactions are dealt with the company's relationship banks, all of which have a strong investment grade rating. At 31 December 2015 the largest two counterparty exposures related to treasury transactions were £1.06m and £0.85m and both were held with institutions with a long term Standard & Poor's credit rating of A. These exposures represent 28% and 22% of the carrying values of the company's treasury transactions, with a fair value gain at the reporting date. Both of these banks had significant loan commitments outstanding to the company at 31 December 2015.

16 Share capital

Allotted, called up and fully paid shares

| | 2015 | | 2014 | |
|----------------------------|-----------|-----------|-----------|-----------|
| | No. m | £ m | No. m | £ m |
| Ordinary shares of £1 each | <u>15</u> | <u>15</u> | <u>15</u> | <u>15</u> |

17 Parent and ultimate parent undertaking

In the opinion of the directors, the company's ultimate parent company and ultimate controlling party is G4S plc, a company incorporated in the United Kingdom.

The parent undertaking of both the largest and smallest group, which included the company and for which group financial statements are prepared is G4S plc. G4S plc is also the company's immediate controlling parent.

Copies of the group financial statements for G4S plc are available upon request from the Company Secretary, 5th Floor, Southside, 105 Victoria Street, London, SW1E 6QT.

18 Transition to FRS 101

As stated in the Significant accounting policies note, these are the company's first financial statements prepared in accordance with FRS 101. The transition date from the legacy UK GAAP to FRS 101 was 1 January 2014.

The policies disclosed in the Significant accounting policies note have been applied in preparing these financial statements for each of the years ended, and as at, 31 December 2015 and 31 December 2014, and in the preparation of an opening FRS 101 statement of financial position as at 1 January 2014.

In preparing its opening FRS 101 statement of financial position the company has adjusted amounts reported in its previous statutory annual report and financial statements. An explanation of how the transition to FRS 101 has affected the company's financial position and financial performance has been provided below.

First-time adoption of FRS 101

FRS 101 grants elections and certain exemptions from its full requirements when preparing the first financial statements that conform to FRS 101.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

Financial instruments including derivatives and hedge accounting

Under legacy UK GAAP, the company complied with the requirements of FRS 25 'Financial Instruments: Presentation' and FRS 26 'Financial Instruments: Recognition and Measurement'. FRS 25 implemented IAS 32 'Financial Instruments: Presentation' and FRS 26 implemented the recognition, measurement and hedge accounting requirements of IAS 39 'Financial Instruments: Recognition and Measurement' into legacy UK GAAP for those companies within its scope. As the company had accounted for its financial instruments under FRS 25 and FRS 26, and formally designated its hedges under FRS 26, it has complied with the requirements of IAS 32 and IAS 39 under FRS 101. The carrying values of the company's financial instruments and derivatives under legacy UK GAAP have therefore been unaffected on transition to FRS 101 on 1 January 2014.

Reconciliation of equity

A reconciliation of the company's equity reported in accordance with legacy UK GAAP to its equity in accordance with FRS 101 as at 1 January 2014 and as at 31 December 2014 has been provided below.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

1 January 2014

| | As originally reported £ m Note A | Presentational £ m Note B | Other £ m Notes C - E | Under FRS 101 £ m |
|------------------------------------|--|---------------------------------|-----------------------------|-------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Trade and other receivables | - | 24 | - | 24 |
| Derivative financial instruments | 23 | (23) | - | - |
| | <u>23</u> | <u>1</u> | <u>-</u> | <u>24</u> |
| Current assets | | | | |
| Other receivables | 5 | (5) | - | - |
| Amounts owed by group undertakings | 1,195 | (1,195) | - | - |
| Trade and other receivables | - | 1,200 | 333 | 1,533 |
| Cash and cash equivalents | 135 | - | - | 135 |
| | <u>1,335</u> | <u>-</u> | <u>333</u> | <u>1,668</u> |
| Total assets | <u><u>1,358</u></u> | <u><u>1</u></u> | <u><u>333</u></u> | <u><u>1,692</u></u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Bank loans and overdrafts | (345) | 345 | - | - |
| Bank overdrafts | - | (345) | - | (345) |
| Trade and other payables | - | (14) | (333) | (347) |
| Amounts owed to group undertakings | (1) | 1 | - | - |
| Other payables | (12) | 12 | - | - |
| Derivative financial instruments | (1) | 1 | - | - |
| | <u>(359)</u> | <u>-</u> | <u>(333)</u> | <u>(692)</u> |
| Non-current liabilities | | | | |
| Borrowings | (1,004) | 1,004 | - | - |
| Derivative financial instruments | (2) | 2 | - | - |
| Bank loans | - | (96) | - | (96) |
| Loan notes | - | (909) | - | (909) |
| Trade and other payables | - | (2) | - | (2) |
| Deferred tax liabilities | (1) | - | - | (1) |
| | <u>(1,007)</u> | <u>(1)</u> | <u>-</u> | <u>(1,008)</u> |
| Total liabilities | <u><u>(1,366)</u></u> | <u><u>(1)</u></u> | <u><u>(333)</u></u> | <u><u>(1,700)</u></u> |
| Net liabilities | <u><u>(8)</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>(8)</u></u> |

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

| | As originally reported £ m Note A | Presentational £ m Note B | Other £ m Notes C - E | Under FRS 101 £ m |
|---------------------|--|---------------------------------|-----------------------------|-------------------------|
| EQUITY | | | | |
| Share capital | 15 | - | - | 15 |
| Hedging reserve | 20 | - | (13) | 7 |
| Retained earnings | <u>(43)</u> | <u>-</u> | <u>13</u> | <u>(30)</u> |
| Total equity | <u><u>(8)</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>(8)</u></u> |

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

31 December 2014

| | As originally reported £ m Note A | Presentational £ m Note B | Other £ m Notes C - E | Under FRS 101 £ m |
|------------------------------------|--|---------------------------------|-----------------------------|-------------------------|
| ASSETS | | | | |
| Non-current assets | | | | |
| Trade and other receivables | - | 5 | - | 5 |
| Derivative financial instruments | 5 | (5) | - | - |
| | <u>5</u> | <u>-</u> | <u>-</u> | <u>5</u> |
| Current assets | | | | |
| Derivative financial instruments | 5 | (5) | - | - |
| Other receivables | 5 | (5) | - | - |
| Amounts owed by group undertakings | 1,256 | (1,256) | - | - |
| Trade and other receivables | - | 1,267 | 405 | 1,672 |
| | <u>1,266</u> | <u>1</u> | <u>405</u> | <u>1,672</u> |
| Total assets | <u><u>1,271</u></u> | <u><u>1</u></u> | <u><u>405</u></u> | <u><u>1,677</u></u> |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Bank loans and overdrafts | (275) | 275 | - | - |
| Bank overdrafts | - | (227) | - | (227) |
| Bank loans | - | (48) | - | (48) |
| Amounts owed to group undertakings | (6) | 6 | - | - |
| Other payables | (12) | 12 | - | - |
| Derivative financial instruments | (14) | 14 | - | - |
| Trade and other payables | - | (32) | (405) | (437) |
| | <u>(307)</u> | <u>-</u> | <u>(405)</u> | <u>(712)</u> |
| Non-current liabilities | | | | |
| Borrowings | (955) | 955 | - | - |
| Bank loans | - | (103) | - | (103) |
| Loan notes | - | (853) | - | (853) |
| Derivative financial instruments | (12) | 12 | - | - |
| Trade and other payables | - | (12) | - | (12) |
| Deferred tax liabilities | (1) | - | - | (1) |
| | <u>(968)</u> | <u>(1)</u> | <u>-</u> | <u>(969)</u> |
| Total liabilities | <u><u>(1,275)</u></u> | <u><u>(1)</u></u> | <u><u>(405)</u></u> | <u><u>(1,681)</u></u> |
| Net liabilities | <u><u>(4)</u></u> | <u><u>-</u></u> | <u><u>-</u></u> | <u><u>(4)</u></u> |

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

| | As originally reported £ m Note A | Presentational £ m Note B | Other £ m Notes C - E | Under FRS 101 £ m |
|---------------------|--|---------------------------------|-----------------------------|-------------------------|
| EQUITY | | | | |
| Share capital | 15 | - | - | 15 |
| Hedging reserve | (20) | - | 25 | 5 |
| Retained earnings | 1 | - | (25) | (24) |
| Total equity | <u>(4)</u> | <u>-</u> | <u>-</u> | <u>(4)</u> |

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

Reconciliation of total comprehensive income

A reconciliation of the company's total comprehensive income reported in accordance with legacy UK GAAP to its total comprehensive income in accordance with FRS 101 for the year ended 31 December 2014 has been provided below.

Year ended 31 December 2014

| | As originally reported £ m Note A | Other £ m Notes D, E | Under FRS 101 £ m |
|---|--|-------------------------------------|----------------------------------|
| Comprehensive income: | | | |
| Operating profit | - | - | - |
| Finance income | 80 | (38) | 42 |
| Finance expense | (39) | - | (39) |
| | 41 | (38) | 3 |
| Tax on profit/(loss) | 3 | - | 3 |
| Profit/(loss) for the year | <u>44</u> | <u>(38)</u> | <u>6</u> |
| Other comprehensive income: | | | |
| Items that are or may be reclassified to profit or loss: | | | |
| Change in fair value of cash flow hedging financial instruments | (40) | - | (40) |
| Cash flow hedging fair value transferred to income statement | - | 38 | 38 |
| Other comprehensive (loss)/income, net of tax | <u>(40)</u> | <u>38</u> | <u>(2)</u> |
| Total comprehensive income for the year | <u>4</u> | <u>-</u> | <u>4</u> |

Explanation of transition adjustments

Note A

These balances are as presented in the statutory annual report and financial statements of the company under legacy UK GAAP but presented in millions, and aligned with FRS 101 and adopted IFRS headings, prior to adjustments required to comply with FRS 101. The presentation under headings in accordance with adopted IFRSs is permitted by the early adoption of SI 2015/980, as explained in the Significant accounting policies. In addition, finance income and finance expense have been represented as explained in notes 6 and 7.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

Note B

Presentational adjustments to the statement of financial position due to the transition to FRS 101

On transition to FRS 101, the company has reclassified the following items:

- Derivative financial instruments at fair value, Amounts owed by/to group undertakings, Other receivables and Other payables. The company has chosen to present these balances within Trade and other receivables and Trade and other payables, consistent with the wider G4S plc group, instead of separately on the face of the statement of financial position in the legacy UK GAAP financial statements. Amounts have therefore been reclassified as at 1 January 2014 and as at 31 December 2014 for both non-current and current balances.
- Bank overdrafts and bank loans. The company has chosen to present these balances separately on the face of the statement of financial position, consistent with the wider G4S plc group, instead of within Borrowings in the legacy UK GAAP financial statements. Amounts have therefore been reclassified as at 1 January 2014 and as at 31 December 2014 for both non-current and current balances.
- Prepaid debt fees. In the legacy UK GAAP financial statements, all prepaid revolving credit facility fees were netted off against bank loans. However, on balance, as a portion of these fees were considered to be similar to facility fees instead of utilisation fees, presentation in prepayments within trade and other receivables would more faithfully reflect the underlying nature of these fees. As at 1 January 2014, fees of £1m were therefore reclassified from non-current bank loans to non-current trade and other receivables. As at 31 December 2014, £1m of fees were reclassified from non-current bank loans to current trade and other receivables.

Note C

Inter-company receivables and payables

Under both the legacy UK GAAP FRS 25 and its FRS 101 equivalent, IAS 32, financial assets and financial liabilities are only allowed to be shown net if there is a legally enforceable right of set-off and there is the intention to settle on a net basis, or to realise the asset and settle the liability simultaneously. However, in the legacy UK GAAP financial statements, certain inter-company receivables and payables were presented net instead. On transition to FRS 101 these balances were therefore presented gross. As at 1 January 2014, this increased current inter-company receivables and current inter-company payables by £333m. As at 31 December 2014, the equivalent increase in these balances was £405m.

Note D

Recycling of hedging reserves

Certain hedging transactions are reported in a separate hedging reserve. The hedging reserve consists of the effective portion of the cumulative net change in the fair value of the derivatives in a cash flow hedging relationship deferred within equity, which for the company mainly represented the net change in the fair value of its cross currency swaps. The effective portion of the cross currency swaps relating to foreign exchange movements should have been subsequently recycled to the income statement to offset the foreign exchange revaluation of the associated loan notes. However under legacy UK GAAP this recycling was omitted. As at 1 January 2014, hedging gains of £12m before tax was therefore transferred from the hedging reserve to retained earnings. In addition, during the year ended 31 December 2014, £38m of losses before tax previously reported within the hedging reserve was recycled to the income statement to offset the foreign exchange gains on the associated loan notes. As a result, the cumulative impact of the reclassification from the hedging reserve to retained earnings as at 31 December 2014 was a loss of £26m before tax.

The income tax adjustments have been disclosed in Note E below.

G4S International Finance plc

Notes to the Financial Statements for the Year Ended 31 December 2015

Note E

Income tax

Under legacy UK GAAP deferred tax was recognised on timing differences arising in the income statement. Timing differences arose from the inclusion of items of income and expenditure in the taxation computations in periods different from those in which they are included in the financial statements.

Under FRS 101, IAS 12 'Income Taxes' requires full provision for all taxable temporary differences unless specifically exempted. Deferred tax is recognised in the statement of financial position by applying the appropriate tax rate to the temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the company's financial statements.

In the legacy UK GAAP financial statements deferred tax on hedging was recognised in retained earnings instead of the hedging reserve, which should have been net of tax. As at 1 January 2014 and 31 December 2014, deferred tax losses of £1m were therefore transferred from retained earnings to the hedging reserve.

Statement of comprehensive income and statement of changes in equity

Under legacy UK GAAP, the financial statements included a statement of total recognised gains and losses as a primary statement, if required, and a reconciliation of movements in shareholders' funds as a note to the financial statements.

Under FRS 101, these have been replaced by the statement of comprehensive income and the statement of changes in equity, respectively. In addition, the statement of changes in equity is now presented as a primary statement instead of a note to the financial statements and it analyses in more detail the changes in equity during the year.

THE ISSUERS AND THE GUARANTOR

G4S plc
5th Floor
Southside
105 Victoria Street
London
SW1E 6QT
United Kingdom

G4S International Finance plc
5th Floor
Southside
105 Victoria Street
London
SW1E 6QT
United Kingdom

TRUSTEE

Citicorp Trustee Company Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

ISSUING AND PRINCIPAL PAYING AGENT

Citibank, N.A., London Branch

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

PAYING AGENT

Citibank Europe PLC

Ground Floor
1 North Wall Quay
Dublin 1
Ireland

LEGAL ADVISERS

To the Issuers and the Guarantor as to English law *To the Dealers and the Trustee as to English law*

Herbert Smith Freehills LLP

Exchange House
Primrose Street
London EC2A 2EG
United Kingdom

Allen & Overy LLP

One Bishops Square
London E1 6AD
United Kingdom

AUDITORS

To G4S plc

PricewaterhouseCoopers LLP

1 Embankment Place
London WC2N 6RH
United Kingdom

To G4S Finance

PricewaterhouseCoopers LLP

1 Embankment Place
London WC2N 6RH
United Kingdom

ARRANGER

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

DEALERS

Banco Santander, S.A.

Santander Global Corporate Banking
Ciudad Grupo Santander
Edificio Encinar
Avenida de Cantabria
28660, Boadilla del Monte
Madrid, Spain

BNP Paribas

10 Harewood Avenue
London NW1 6AA
United Kingdom

Danske Bank A/S

2-12 Holmens Kanal
DK-1092 Copenhagen K
Denmark

ING Bank N.V.

Foppingadreef 7
1102 BD Amsterdam
The Netherlands

Merrill Lynch International

2 King Edward Street
London EC1A 1HQ
United Kingdom

Standard Chartered Bank

One Basinghall Avenue
London EC2V 5DD
United Kingdom

Barclays Bank PLC

5 The North Colonnade
Canary Wharf
London E14 4BB
United Kingdom

Citigroup Global Markets Limited

Citigroup Centre
Canada Square
Canary Wharf
London E14 5LB
United Kingdom

HSBC Bank plc

8 Canada Square
London E14 5HQ
United Kingdom

Lloyds Bank plc

10 Gresham Street
London EC2V 7AE
United Kingdom

Skandinaviska Enskilda Banken AB (publ)

Kungstradgardsgatan 8
106 40 Stockholm
Sweden

The Royal Bank of Scotland plc (trading as NatWest Markets)

250 Bishopsgate
London EC2M 4AA
United Kingdom

UniCredit Bank AG

Arabellastrasse 12
81925 Munich
Germany