Dear John,

Executive pensions

We are writing to seek your help.

In your latest Remuneration Report, you state that for future external executive director appointments, pension contributions will be reduced to 15% of each salary. Existing directors have pension contributions equivalent to 25%.

As you will be aware, the Investment Association’s guidelines - as well as the UK Corporate Governance Code – state that pension contribution rates for executive directors should be aligned with those of their workforce. We recognise that contractual obligations may make it difficult for existing pension contribution rates to be changed, but it is of course open to directors themselves voluntarily to change their terms—and in other firms, some directors are already doing this.

In the light of this, might you please let us know:

1. Whether the Remuneration Committee will be reviewing existing directors’ pension contributions?

2. Whether pension contributions of 15% of each salary are in line with the pension contribution rates for the rest of the G4S workforce in the UK? The Investment Association’s guidelines define this as “the rate which is given to the majority of the company’s workforce.”

3. Whether or not you will be asking your Committee to support the Investment Association’s guidelines in full, and if so what timetable you will set for enacting them?

Best wishes and we look forward to hearing from you,

Rt Hon Frank Field MP
Chair, Work and Pensions Committee

Rachel Reeves MP
Chair, Business, Energy and Industrial Strategy Committee