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Rollins, Inc.
Administrative Committee

Minutes

To: Mike Knottek, Harry Cynkus, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Craig Innes, Teresa Smith and Steve Petouvis
From: Kelly Ponton, Alliant Insurance Services
Date: July 13, 2009
Re: Minutes of Rollins, Inc. Administrative Committee - 401 (k) Plan

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 2:00 pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on May 20, 2009. This was the first quarter 2009 meeting.

Rollins Attendees:

Mike Knottek (voting member)
Henry Anthony (voting member) - unable to attend
Mary Lynn Parker (voting member)
Steve Petouvis - (voting member) - joined via telephone
JoAnne Thomas (voting member)
Harry Cynkus (voting member)
Craig Innes (voting member) - joined via telephone
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Kelly Ponton - joined via telephone

Prudential Retirement Attendees:

Steve Whitman

CALL TO ORDER

- The meeting was called to order by Mike Knottek.

REVIEW OF ACTION ITEMS (from February 2, 2009 Meeting)

- ACTION ITEM: Watch List the Dodge & Cox Balanced Fund (DODBX). Mapped to Oakmark Equity & Income on April 1, 2009 and removed from portfolio.
- ACTION ITEM: Steve Whitman will work with Teresa Smith to determine the acquired locations that did not have a face-to-face benefit meeting and follow up with a targeted mailing *and/or* on sight meetings. In process.
- ACTION ITEM: Steve Whitman will research to see if Prudential's system can determine the ages of participants who are electing to have the Company match go into GoalMaker. If possible, Prudential will produce a report for the next meeting. Completed.

- ACTION ITEM: Watch List the Alger Mid Cap Growth Fund. Ongoing.
- ACTION ITEM: Steve Whitman will run a report showing those participants who were automatically enrolled and look at targeted communications for these participants. He will report his findings back to Teresa Smith and they will determine the next steps. In process.
- ACTION ITEM: Prudential will work with Steve Petouvis to schedule time at the next meeting at JFC in February 2009 to discuss the 401 (k) Plan. Completed.
- ACTION ITEM: Steve Whitman will discuss the breakdown of GoalMaker participation by age at the next meeting. Completed.
- ACTION ITEM: Steve Whitman will present the original market value adjustment arrangement that was made with Rollins and Prudential when the Plan first moved over from Hewitt at the next Committee Meeting. Completed.
- ACTION ITEM: Going forward the Plan data will be verified and checked prior to being reported to the Committee. Ongoing.
- ACTION ITEM: Prudential will research their system to see if they can detect those participants that affirmatively elected to move their funds to the Oakmark Equity & Income Fund and those participants that were mapped there from the Dodge & Cox Balanced Fund. Completed.
- ACTION ITEM: Alliant will add the last two trailing quarters of the Alger Mid Cap Growth Fund to the next investment review. This information was inadvertently left off of the investment review. Completed.
- ACTION ITEM: Alliant will make a correction to the large cap peer group returns. A 3 month return was reported in error. This number should be reflected in the 1 year column. Completed.
- ACTION ITEM: Remove the Vanguard Windsor II Fund from the Watch List. Completed.
- ACTION ITEM: Going forward Alliant will keep a record of when funds are put on the Watch List and when they are taken off. Ongoing.
- ACTION ITEM: The updated investment Policy Statement was officially adopted. Completed.
- ACTION ITEM: Going forward Alliant will provide a report showing those participants that are invested 50% or more in the Rollins Stock fund. This information will be supplied at the end of the 1st and 3rd quarters. Ongoing.

WATCH LIST/ ADD and REMOVE ACTIVITY.

- Dodge & Cox Balanced Fund was mapped to the Oakmark Equity & Income Fund on April 1, 2009 and removed from the portfolio.
- Continue to Watch List the Alger Mid Cap Growth Fund.

REVIEW & APPROVE MINUTES FROM FEBRUARY 2, 2009 MEETING

After a review and discussions of the action items, the minutes were unanimously approved.

ORIGINAL MARKET VALUE ADJUSTMENT WITH PRUDENTIAL

Mr. Waggoner explained to the Committee the market value adjustment when the Plan moved to Prudential from Hewitt. When Rollins decided to move to Prudential, the

actual market value adjustments turned out to much lower than our original estimates in the early RFP process. The small remaining market value adjustment was managed to zero through the rate re-setting process over the past 3 years. Today, there are no additional fees associated with the original market value adjustment.

PLAN DETAILS - AS OF MARCH 31, 2009

- Mr. Waggoner reviewed the Plan details provided in Section II of the materials. He reported that with the implementation of auto enrollment, 2620 participants for Rollins and 170 participants for Western have been enrolled.
- There are a total of 7,107 Rollins active participants with a balance and 553 for Western.
- It was noted that the eligible but not participating numbers are decreasing due to the implementation of the auto enrollment feature.

GOAL MAKER

- Section VI C of the materials provided a breakdown of the GoalMaker (GM) statistics.
- The Rollins Plan has 730 participants in GoalMaker with an overall participation rate of 9.09%. The Western Plan has 119 participants in GoalMaker with an overall participation rate of 17%.
- Also include in the GM statistics was the breakdown of the age range of participants and where their allocations are located.
- It was noted that these statistics do not reflect the addition of the new employees that will automatically be defaulted into the GM series beginning April 1st 2009.
- Steve Whitman reported that comparatively speaking to other Prudential plans that utilize the GM series, the Rollins and Western Plan participation is very good.

INVESTMENT REVIEW 1st QUARTER 2009

- Mr. Waggoner gave an overview of the economy in the first quarter 2009. He stated that the first two months of 2009 continued the decline from 2008 followed by a fairly steep recovery in the month of March.
- The un-employment rate increased each month to the highest level seen in 25 years. The March 2009 un-employment rate is 8.5%.
- Consumer confidence continued to fall from the December 2008 all-time low, from 36 to 26, in February and March.
- Stock prices fell 38% in 2008 and the market volatility remained a concern during the first quarter. The result is a vicious cycle between consumer confidence and uncertainty which led to more market disarray.
- Starting around March 9th, the market did make a slight improvement and some of the year-to-date returns are positive.
- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- The crediting Guaranteed Income Contract rate through June 30, 2009 is 4.86%.
- In the Bond category, the PIMCO Total Return Fund continues to perform in the top 2% of the category for the 3 and 5 year time frames. The fund's manager, Bill Gross, examined financials in 2005 and positioned the portfolio well. Currently, 6% of the portfolio is in mortgage back securities.

- In the Balanced category, the Dodge & Cox Balanced Fund was removed on 4/1/09. The fund continues to perform in the bottom 20% of the category. Any remaining assets in the fund were mapped to the Oakmark Equity & Inc I fund on 4/1/09.
- As an action item from the previous meeting, Mr. Whitman reported that as of March 31, 2009, there were 4,627 participants in the Dodge & Cox Balanced Fund. He also reported that there were 32 Rollins participants that affirmatively elected the Oakmark Equity & Inc. Fund prior to being mapped there from the Dodge & Cox Balanced Fund. For the Western Plan, there were 334 participants in the Dodge & Cox Balanced Fund and only 1 affirmatively elected the Oakmark Equity & Inc. Fund.
- The Oakmark Equity & Inc. Fund is a top performer in the Balanced category and ranks in the top 3% of its category for the 3, 5 and 10 year time frames. The fund's manager buys ultra safe fixed income investments but lost 22% on the equity side. The fund is still well above the category average.
- In the Small Cap Growth category, the T. Rowe Price New Horizons Fund has the longest manager tenure in the category. The fund has \$6.5 billion dollars under management and the fund is closed to new investors. This fund is still included in the T. Rowe Price asset allocation models. The fund ranks in the top quartile for the 5 year time frame and the top 30% for the 5 year time frame.
- In the Small Cap Blend category, the DWS Dreman Small Cap Value Fund the new manager's are doing well and producing top half results. The fund has 100 stocks and has broadly diverse sector weightings.
- In the Mid Cap Growth category, the Alger Mid Cap Growth Fund is currently on the Watch List. The fund has about 100 stocks and makes large sector bets. The year-to-date return is above the category average by 6% and still ranks in the top half of the category on a 10 year basis but falls in the bottom quartile on a 3 and 5 year basis.
- A motion was made to continue to keep the Alger Mid Cap Growth fund on the Watch List. The motion was seconded and all voting members agreed.
- **ACTION ITEM:** Continue to Watch List the Alger Mid Cap Growth Fund.
- in the Mid Cap Value category, the Goldman Sachs Mid Cap Value A Fund historically has tried to keep the sector's weightings near the index but has recently moved away from that mandate in order to try make up some losses. The fund has top quartile rankings in both the 5 and 10 year time frames.
- In the Large Cap Growth category, the American Funds Growth Fund of America R4 has \$117 billion dollars under management and is ranked in the top half of the category on a 3, 5 and 10 year time basis.
- In the Large Cap Blend category, the Victory Diversified Stock Fund is a concentrated fund with 55 stock holdings and is not afraid to take large sector bets. The fund ranks in the top quartile in all time frames reviewed.
- in the Large Cap Value category, the Vanguard Windsor II Adm Fund has 5 sub-advisors and is ranked in the top half of the category on a 3 year basis.
- It was noted that the Rollins Stock Fund is still performing well and is an appropriate option for both 401 (k) Plans. This is the largest investment for the Rollins' employees at \$56 million dollars and 33.52% of total Plan assets.
- The Committee reviewed the Rollins Stock Fund's historical volatility and deemed to be an appropriate level of volatility considering its concentrated nature.
- Section VI D of the materials provided is the breakdown of the number of participants that have 50% or more of there account balance in the Rollins Stock Fund. It was noted that there are 875 participants that are 50% or more invested in the Rollins Stock Fund.

- **ACTION ITEM:** Alliant will provide the overall summary of the Rollins Stock Fund participation to Teresa Smith.
- All other funds not mentioned above meet all of the performance measurement standards set forth in the Rollins Investment Policy Statement.

401 (k) PLAN SUMMARY

- There was a brief discussion concerning the Plan details of the Rollins and Western Plans. This information was provided in Section VI A & B of the materials presented.
- There was a slight increase reported in the number of unique visitors to Prudential's website, with 2,039 in the Rollins Plan and 186 in the Western Plan.
- Mr. Waggoner noted the substantial increase in the Stable Value Fund from the second quarter 2008 to the first quarter 2009; with a total of \$45 million dollars and 27% of the total Plan assets for the Rollins Plan and \$23 million dollars and 58.6% of total Plan assets for the Western Plan.
- There was also an increase in the loan activity. Rollins reports 97 new loan initiations and Western reported 11. There was a brief discussion on the loan activity and the monitoring of that activity.
- **ACTION ITEM:** Alliant will provide the number of loans initiated on a look back basis of 6 quarters.
- **ACTION ITEM:** Alliant and Prudential will determine why the information on the quarterly Prudential Plan Summaries do not match the numbers reported on the Plan details which are monthly reported numbers and report back to the Committee at the next meeting.
- Mr. Waggoner stated that overall the Plan assets are well diversified by age and asset class.

OTHER BUSINESS

- There was a brief discussion on the topic of the Nondiscrimination Testing and the addition of the Home Team. Steve Whitman noted that it appears that the Plan would have failed the Nondiscrimination Tests, if the Plan had not used the "otherwise excludible provision" for HomeTeam.
- Craig Innes requested the HomeTeam participation stats.
- **ACTION ITEM:** Steve Whitman will provide Craig Innes with the HomeTeam participation numbers.
- The preliminary Nondiscrimination Test will be run during July or August 2009.
- **ACTION ITEM:** Teresa Smith will work with Prudential to ensure a preliminary Nondiscrimination Test is performed with June 30th data and the results reported back to the Committee.
- There was a brief discussion regarding the acquisition of Crane Pest Control. Crane Pest Control did not have a 401 (k) Plan and as a result, many of their employees had no 401 (k) knowledge. The employees were automatically enrolled. Teresa Smith and Ed Gowarty, Prudential Communication Department, have already discussed some targeted communications and onsite meetings for these employees.
- Steve Petouvis inquired about the employer stock black out period and stated that he was unable to make any changes to his account in the Prudential system.
- **ACTION ITEM:** Steve Whitman will check on the employer stock black out period time frame and report back to Steve Petouvis.

- Steve Petouvis also reported that he continues to receive checks from Prudential without any detail of who the checks belong to and wants to know what he should do with the checks. Teresa Smith stated that Prudential should do the necessary research and issue the check to the participant.
- **ACTION ITEM:** Steve Petouvis will get Sally Heim of Prudential the information so she can resolve this issue.
- The meeting officially adjourned.

LISTING OF ACTION ITEMS

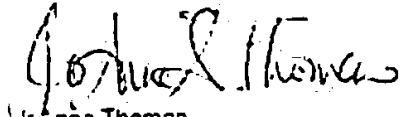
(Carryover Items from Previous Meetings)

- **ACTION ITEM:** Steve Whitman will work with Teresa Smith to determine the acquired locations that did not have a face-to-face benefit meeting and follow up with a targeted mailing and/ or on sight meetings. In process.
- **ACTION ITEM:** Watch List the Alger Mid Cap Growth Fund. Ongoing.
- **ACTION ITEM:** Steve Whitman will run a report showing those participants who were automatically enrolled and look at targeted communications for these participants. He will report his findings back to Teresa Smith and they will determine the next steps. In process.
- **ACTION ITEM:** Going forward the Plan data will be verified and checked prior to being reported to the Committee. Ongoing.
- **ACTION ITEM:** Going forward Alliant will keep a record of when funds are put on the Watch List and when they are taken off. Ongoing
- **ACTION ITEM:** Going forward Alliant will provide a report showing those participants that are invested 50% or more in the Rollins Stock fund. This information will be supplied at the end of the 1st and 3rd quarters. Ongoing

(New Action Items)

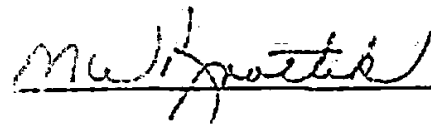
- **ACTION ITEM:** Continue to Watch List the Alger Mid Cap Growth Fund.
- **ACTION ITEM:** Alliant will provide the overall summary of the Rollins Stock Fund participation to Teresa Smith.
- **ACTION ITEM:** Alliant will provide the number of loans initiated on a look back basis of 6 quarters.
- **ACTION ITEM:** Alliant and Prudential will determine why the information on the quarterly Prudential Plan Summaries do not match the numbers reported on the Plan details which are monthly reported numbers and report back to the Committee at the next meeting.
- **ACTION ITEM:** Steve Whitman will provide Craig Innes with the HomeTeam participation numbers.
- **ACTION ITEM:** Teresa Smith will work with Prudential to ensure a preliminary Nondiscrimination Test is performed with June 30th data and the results reported back to the Committee.
- **ACTION ITEM:** Steve Whitman will check on the employer stock black out period time frame and report back to Steve Petouvis.
- **ACTION ITEM:** Steve Petouvis will get Sally Heim of Prudential the information so she can resolve this issue.

Respectfully Submitted:



Joanne Thomas
Secretary of the Rollins Inc. Administrative Committee

Approved
Mike Knotek



Chairman of
the Rollins Inc.
Administrative
Committee

Rollins, Inc.
Administrative Committee

Minutes

To: Mike Knottek, Harry Cynkus, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes
From: Kelly Ponton, Alliant Insurance Services
Date: October 15, 2009
Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 8:00 am EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on September 9, 2009. This was the second quarter 2009 meeting.

Rollins Attendees:

Mike Knottek (voting member)
Henry Anthony (voting member)
Mary Lynn Parker (voting member)
Steve Petouvis (voting member) - joined via telephone
JoAnne Thomas (voting member)
Craig Innes (voting member) - joined via telephone
Teresa Smith
Harry Cynkus (voting member) - not in attendance

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner
Kelly Ponton - joined via telephone

CALL TO ORDER:

- The meeting was called to order by Mike Knottek.

REVIEW OF ACTION ITEMS (May 20, 2009 Meeting):

- **ACTION ITEM:** Steve Whitman will work with Teresa Smith to determine the acquired locations that did not have a face-to-face benefit meeting and follow up with a targeted mailing and/or on sight meetings. Completed.
 - Teresa Smith distributed the schedule for the onsite meetings and satellite broadcast. Craig Innes stated that he was at one of their locations and heard that Prudential had not shown up for two scheduled meetings. Teresa Smith explained that the 1st meeting was a scheduling error by HomeTeam and the 2nd meeting was indeed

missed by Prudential. Craig Innes requested a copy of the email showing the HomeTeam scheduling error. **ACTION ITEM:** Steve Whitman or Teresa Smith will forward the scheduling error email. Completed 9/9/09.

- **ACTION ITEM:** Watch List the Alger Mid Cap Growth Fund. Ongoing.
- **ACTION ITEM:** Steve Whitman will run a report showing those participants who were automatically enrolled and look at targeted communications for these participants. He will report his findings back to Teresa Smith and they will determine the next steps. Completed.
 - **ACTION ITEM:** Ed Gowarty is working on various targeted communications. One of the targeted groups will be employees whose assets are only allocated in one fund.
- **ACTION ITEM:** Steve Whitman will provide Craig Innes with the HomeTeam participation numbers. Completed.
 - **ACTION ITEM:** Craig Innes requested updated HomeTeam participation stats. Steve Whitman will obtain stats and send to the Committee.
- **ACTION ITEM:** Teresa Smith will work with Prudential to ensure a preliminary Non-discrimination Test is performed with June 30th data and report the results back to the Committee. Teresa Smith provided the testing results and it was noted that the results did not appear to be accurate (combined test vs. individual Plan tests). Teresa Smith will go back to Prudential to obtain accurate results. Completed 9/9/09.
- **ACTION ITEM:** Steve Whitman will check on the employer stock black out period time frame and report back to Steve Petouvis. In process.
- **ACTION ITEM:** Steve Petouvis also reported that he continues to receive checks from Prudential without any detail of who the checks belong to and wants to know what he should do with the checks. Teresa Smith stated that Prudential should do the necessary research and issue the check to the participant. Steve Petouvis will get with Sally Heim (Prudential) so she can resolve the issue. In process.

WATCH LIST/ ADD and REMOVE ACTIVITY:

- Continue to Watch List the Alger Mid Cap Growth Fund.

REVIEW & APPROVE MINUTES FROM MAY 20, 2009 MEETING:

- After a review and discussions of the action items, the minutes were unanimously approved.

ECONOMIC OVERVIEW: 2nd QUARTER 2009:

- Section II of the materials presented is for the 2nd quarter 2009 economic overview. Sean Waggoner gave a brief overview of the materials and noted the following:
 - Despite strong broad market returns, economic activity remained anemic during the second quarter.

- The twentieth consecutive month of contraction marks this cycle as the longest recession since the Great Depression.
- The trade deficit widened as exports fell more than imports.
- The U.S. Federal Reserve held federal funds rate near 0% in hopes of continuing the recent trend of greater economic stability.
- The unemployment rate continues to increase to the highest level seen in 25 years. The June 2009 unemployment rate was 9.5%.
- Consumer confidence increased in March, April and May before retreating in June.
- Personal savings is expected to increase which marks the first time since early 1970.
- Inflationary concerns, such as rising food and fuel prices, continue to keep consumer confidence down. Oil prices rebounded 41% and copper increased 23% this quarter.
- Stock prices overall increased during the second quarter as stabilization gained momentum.
- Lagging indicators continue to show signs of weakness.
- Mortgage delinquencies continue to rise and consumer spending continues to decline.
- Banks may not be willing to lend and consumers may not increase spending until the economy is stabilized.
- New economic and market patterns are likely to emerge as the economy could become more reliant on investment and export demands and less reliant on consumer spending.
- Financial institutions' debt exploded from 10% of GDP in 1950 to nearly 120% of GDP in 2008.
- The Dow Jones Industrial Average rose 11%, though remains down 4% for the year.
- The S&P 500 gained 15% during the quarter and is now up approximately 2% on a YTD basis.
- In the Fixed Income category, high yield bonds were the big winners with returns surging to nearly 23% as yield spreads over comparable Treasuries fell 6% to 1100 basis points and investment grade corporate bonds also posted strong returns of 11%.
- Treasury prices fell in response to the corporate bond rally.
- In the Domestic Equity category, all indexes posted positive returns between 15 and 23%.
- Financials were the big winners after banks returned to their core business of underwriting and trading.
- The International Equity category developed markets were led by Japan which was up 23%.
- The current recession tracks much closer to the oil crisis recession in 1973 and 1974 and the tech crash of 2000 – 2002 than the Great Depression of the 1930's.
- Looking ahead, early estimates of the GDP growth for the second quarter are flat. History suggests that we can expect the unemployment rate to

continue to rise through 2010 and inflation is less of an immediate concern until full employment is reached again.

- The economic recovery could put upward pressure on Treasury rates.
- Potential investment opportunities do exist as domestic and international stocks remain attractively priced and yields on fixed income spreads are strong.

PLAN DETAILS – as of JUNE 30, 2009:

- Sean Waggoner reviewed the Plan details provided in Section III of the materials. He noted the combined assets of the Rollins and Western Plans were \$231,439,216.
- Sean Waggoner noted that the March 31, 2009 assets that were originally reported did not match the Plan Summaries report from Prudential due to an error in the calculation on the Alliant spreadsheet. The Plan detail's March 31, 2009 numbers have been corrected and Alliant will insure this error does not happen going forward.
- As of June 30, 2009, there are 7,183 active participants with a balance in the Rollins Plan and 560 active participants with a balance in the Western Plan.
- The eligible, but not participating numbers have decreased slightly for both Plans, as well as the term vested participants.

INVESTMENT REVIEW – 2nd QUARTER 2009:

- All matters in the materials were discussed among the Committee and Sean Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - The crediting Guaranteed Income Contract rate through June 30, 2009 is 4.86%. Steve Whitman reported that as of July 1, 2009 this rate decreased slightly to 4.80%. This rate is reset every 6 months.
 - In the Bond category, the PIMCO Total Return Fund continues to be a top performer and is ranked in the top 1% for the 3 and 5 year time frames.
 - In the Balanced category, the Oakmark Equity & Income Fund continues to be a top performer in the category and ranks in the top 4% of the category for the 3, 5 and 10 year time frames. The fund is positioned to catch about 50%-60% of the downside and about 70% of the upside in the market.
 - In the Small Cap Growth category, the T. Rowe Price New Horizons Fund has the longest manager tenure in the category and has very low turnover. The fund is ranked in the top quartile of the category for the 5 year period and is closed to new investors. Mr. Waggoner noted that the fund is still included in the T. Rowe Price asset allocation models.
 - In the Small Cap Blend category, the DWS Dreman Small Cap Value A Fund is in the top 15% of the category for the 3 and 5 year time frames. The fund has 100 stocks with broadly diverse sector weightings.
 - In the Mid Cap Growth category, the Alger Mid Cap Growth Fund was put on the Watch List as of the 3rd quarter 2008 investment review. The year to date return is showing improvement and is ranked in the top 34% of the

category. The 3 and 5 year percentiles are still below the category average but showing some improvement. Mr. Waggoner noted that the fund was positioned well to take advantage of any up swing in the market. The Investment Policy Statement warrants that the fund remain on the Watch List.

- A motion was made to continue to keep the Alger Mid Cap Growth Fund on the Watch List. The motion was seconded and all voting members agreed.
- **ACTION ITEM:** Continue to Watch List the Alger Mid Cap Growth Fund.
- In the Mid Cap Value category, the Goldman Sachs Mid Cap Value A Fund has underperformed the benchmark for the 1 year time frame; however, it is meeting the performance measurement standards set forth in the Investment Policy Statement for the 3 and 5 year time frames. The fund's two co-managers have been with the fund since 2002 and received support from a large analyst team.
- In the Large Cap Growth category, the American Funds Growth Fund of America R4 Fund has the second largest account balance in the Plan next to the GIC with approximately \$23 million invested in the fund between the Rollins and Western Plans. The fund ranks in the top half of the category for both the 3 and 5 year time frames, has a low expense ratio and a solid management team.
- In the Large Cap Blend category, the Victory Diversified Stock Fund is a concentrated fund with 49 current stock holdings. The manager has a 24-year tenure and has not ranked in the bottom quarter of the category (for 1 year time frame) in the last decade. The fund ranks in the top half of the category in all time frames reviewed.
- In the Large Cap Value category, the Vanguard Windsor II Adm Fund has 1 manager and 4 sub-advisors. The management team has recently scaled back from consumer staples and the fund ranks in the top quartile of the category on a 3, 5 and 10 year basis.
- In the International category, both the American Funds EuroPacific Growth R4 Fund and the American Funds Capital World Growth & Income Fund are performing well and ranked in the top quartile of the category in the 3, 5 and 10 year time frames.
- The Rollins Stock Fund was reviewed and discussed. It was noted that the stock is not volatile or thinly traded. Since the Company match is no longer only offered in stock, the Committee agreed that keeping the fund as an option in both 401(k) Plans allow employees to take ownership of the Company.
- There was some discussion on the prior decision made by the Committee regarding Mike Knottek and his ability to discuss the Rollins Stock Fund with the Committee because of his status as an Insider. Mr. Knottek did not make any comments regarding the Rollins Stock Fund. Teresa Smith stated that the Committee had voted to allow the Insiders to participate fully but Sean Waggoner thought they had voted to remove themselves from the Company Stock discussions.

- **ACTION ITEM:** Teresa Smith and Alliant will check the prior meeting minutes to clarify what decision was made in regards to Mike Knottek abstaining from commenting on the Rollins Stock Fund. Completed 9/23/09. The Insiders are allowed to fully participate in the discussions involving the Rollins Stock Fund.

401K PLAN SUMMARY:

- Section VI of the materials provided is the Prudential Retirement Plan summaries. Mr. Waggoner noted that there is minimal change from the last quarter report.
- There was a slight growth reported in asset levels with the Stable Value Fund having 25.34% of the overall portfolio for the Rollins Plan and 58.07% in the Western Plan.
- There was a brief discussion regarding the Prudential call center and the call activity. There are approximately 2770 calls to the call center per quarter for Rollins and approximately 100 calls from Western. Teresa Smith reported that she receives only a few participant complaints per quarter.
- Steve Whitman noted that when the Plans were first implemented they were assigned to the Key Client Line which is a specialized group of call representatives that have full knowledge of the Plans.

GOALMAKER:

- Section VI C of the materials provided is a breakdown of the GoalMaker (GM) statistics.
- Sean Waggoner noted an increase of 341 participants for the Rollins Plan and 22 participants for the Western Plan since the first quarter 2009 report. As of June 30, 2009, there are 11.32% of total Plan assets for the Rollins Plan in GoalMaker and 20.51% for the Western Plan. The increase can be attributed to the fact that GoalMaker is now being deemed as the default fund.
- Sean Waggoner passed out a GoalMaker performance grid to the Committee members present. He noted that the option appears to be doing what it was designed to do and is performing well.

PRUDENTIAL RECORDKEEPING EXPENSES:

- Sean Waggoner passed out a spreadsheet of the Prudential Recordkeeping Expenses. He noted that when the pricing structure was made in 2006, it was done so with guaranteed pricing for 4 years and it is now time to re-evaluate it. The spreadsheet was emailed to Craig Innes and Steve Petouvis.
- The estimate showed that there was approximately \$109k available to offset recordkeeping and administrative expenses. Prudential's revenue requirements are \$185k which leaves a deficit of approximately \$76k.
- Sean Waggoner noted that this is a competitive fee.
- Sean Waggoner noted that the deficit can be paid either through revenue sharing (which may call for a change to the fund line-up), a hard dollar fee paid for by the Company or a hard dollar fee passed on to the Plan participants.

- Sean Waggoner and Prudential are still in negotiations regarding the Plan fees and will work toward establishing a base line fee for annual budgeting purposes. Rollins and Western are beginning their 2009 Forecast and 2010 Annual Plans. Sean Waggoner stated that it may be better to have a flat hard dollar fee that was acceptable by both parties than to have the annual plans change year to year.
- Mike Knottek stated that he did not want to change the funds at this time. He also stated that he did not want the deficit included in the 2010 Plan for the Benefits Department. He asked Sean Waggoner to provide JoAnne Thomas an estimated hard dollar fee that could be passed on to the Plan participants. **ACTION ITEM:** Sean Waggoner will send JoAnne Thomas the per participant estimated hard dollar 2010 cost by the end of the day. Completed 9/9/09.
- It was noted that the Western Plan will be responsible for their portion of the deficit.
- **ACTION ITEM:** Sean Waggoner will contact Steve Petouvis to discuss the Plan fees and help determine what the Western portion will be.

OTHER BUSINESS:

- There was a brief discussion regarding the recent trading issue with the Rollins Stock Fund. On July 30th and 31st, 2009, the Prudential system reflected the Rollins Stock Price at \$11.00 a share when it was actually \$18.50 and \$18.33 respectively. Prudential received the \$11.00 share price through Reuters clearing house.
- The trades have been corrected in the Prudential system and there is currently an investigation into the issue.
- **ACTION ITEM:** Steve Whitman will provide the mechanics of how the Rollins Stock trades are processed through their system and if they can provide any safeguards against this occurring again. This issue will be discussed again at the next meeting.
- The meeting officially adjourned.

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Steve Whitman or Teresa Smith will forward the scheduling error email. Completed 9/9/09.
- **ACTION ITEM:** Watch List the Alger Mid Cap Growth Fund. Ongoing.
- **ACTION ITEM:** Ed Gowarty is working on various targeted communications. One of the targeted groups will be employees whose assets are only allocated in one fund.
- **ACTION ITEM:** Craig Innes requested updated HomeTeam participation stats. Steve Whitman will obtain stats and send to the Committee.
- **ACTION ITEM:** Teresa Smith will work with Prudential to ensure a preliminary Non-discrimination Test is performed with June 30th data and report the results back to the Committee. Teresa Smith provided the testing results and it was noted that the results did not appear to be

accurate (combined test vs. individual Plan tests). Teresa Smith will go back to Prudential to obtain accurate results. Completed 9/9/09.

ACTION ITEM: Steve Whitman will check on the employer stock black out period time frame and report back to Steve Petouvis. In process.

ACTION ITEM: Steve Petouvis also reported that he continues to receive checks from Prudential without any detail of who the checks belong to and wants to know what he should do with the checks. Teresa Smith stated that Prudential should do the necessary research and issue the check to the participant. Steve Petouvis will get with Sally Heim (Prudential) so she can resolve the issue. In process.

ACTION ITEM: Teresa Smith and Alliant will check the prior meeting minutes to clarify what decision was made in regards to Mike Knottek abstaining from commenting on the Rollins Stock Fund. Completed 9/23/09. The Insiders are allowed to fully participate in the discussions involving the Rollins Stock Fund.

ACTION ITEM: Sean Waggoner will send JoAnne Thomas the per participant estimated hard dollar 2010 cost by the end of the day. Completed 9/9/09.

ACTION ITEM: Sean Waggoner will contact Steve Petouvis to discuss the Plan fees and help determine what the Western portion will be.

ACTION ITEM: Steve Whitman will provide the mechanics of how the Rollins Stock trades are processed through their system and if they can provide any safeguards against this occurring again. This issue will be discussed again at the next meeting.

Respectfully Submitted:

JoAnne S. Thomas 10/16/09
JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:

Mike Knottek
Mike Knottek
Chairman of the Rollins, Inc. Administrative Committee

Rollins, Inc.
Administrative Committee

Minutes

To: Mike Knottek, Harry Cynkus, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes
From: Kelly Ponton, Alliant Insurance Services
Date: December 21, 2009
Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 8:30 am EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on December 3, 2009. This was the third quarter 2009 meeting.

Rollins Attendees:

Mike Knottek (voting member) – unable to attend
Henry Anthony (voting member)
Mary Lynn Parker (voting member)
Steve Petouvis – (voting member) joined via telephone
JoAnne Thomas (voting member) – unable to attend
Craig Innes (voting member) – unable to attend
Teresa Smith
Harry Cynkus (voting member) – unable to attend

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner
Kelly Ponton - joined via telephone

CALL TO ORDER:

- The meeting was called to order Henry Anthony.
- Mr. Waggoner reported that he was reviewing the revenue sharing arrangement with Prudential. With the addition of the HomeTeam and the asset growth there may be an opportunity to reduce the cost of the Plan.
- **ACTION ITEM:** Alliant and Prudential will continue to work on the pricing of the Plan and report back to the Rollins Administrative Committee by the end of 2009.

REVIEW OF ACTION ITEMS (September 9, 2009 Meeting):

- **ACTION ITEM:** Steve Whitman or Teresa Smith will forward the scheduling error email. Completed 9/9/09.
- **ACTION ITEM:** Ed Gowarty is working on various targeted communications. One of the targeted groups will be employees whose assets are only allocated to one fund. Completed.

- **ACTION ITEM:** Craig Innes requested updated HomeTeam participation stats. Steve Whitman will obtain stats and send to the Committee. Completed.
- **ACTION ITEM:** Teresa Smith will work with Prudential to ensure a preliminary non-discrimination test is performed with June 30th data and report the results back to the Committee. Teresa Smith provided the testing results and it was noted that the results did not appear to be accurate (combined test vs. individual Plan tests). Teresa Smith will go back to Prudential to obtain accurate results. Completed 9/9/09.
- **ACTION ITEM:** Steve Whitman will check on the employer stock black out period time frame and report back to Steve Petouvis. Completed.
- **ACTION ITEM:** Steve Petouvis also reported that he continues to receive checks from Prudential without any detail of who the checks belong to and wants to know what to do with the checks. Teresa Smith stated that Prudential should do the necessary research and issue the check to the participant. Steve Petouvis will get with Sally Heim (Prudential) so she can resolve the issue. Completed. Steve has not received any more checks. Checks are being sent to the Rollins Benefits Department and then resolved with Prudential.
- **ACTION ITEM:** Teresa Smith and Alliant will check prior meeting minutes to clarify what decision was made in regards to Mike Knottek abstaining from commenting on the Rollins Stock Fund. Completed 9/23/09. The Insiders are allowed to fully participate in the discussions involving the Rollins Stock Fund.
- **ACTION ITEM:** Sean Waggoner will send JoAnne Thomas the per participant estimated hard dollar 2010 cost by the end of the day. Completed 9/9/09.
- **ACTION ITEM:** Steve Whitman will provide the mechanics of how the Rollins Stock trades are processed through their system and if they can provide can safeguards against this occurring again. Completed. Steve Whitman explained the information is automatically received from Reuters and posted. Prudential does not have a means of knowing when the stock price is incorrect. If either party becomes aware of an incorrect stock price, it will be reported and resolved.

WATCH LIST/ ADD and REMOVE ACTIVITY:

- Continue to Watch List the Alger Mid Cap Growth Fund.

REVIEW & APPROVE MINUTES FROM SEPTEMBER 9, 2009 MEETING:

- After a review and discussions of the action items, the minutes were unanimously approved.

ECONOMIC OVERVIEW: 3rd QUARTER 2009:

- Section II of the materials provided the 3rd quarter 2009 economic review. Mr. Waggoner gave a brief overview of the materials and noted the following:
 - Early GDP estimates the third quarter forecast positive growth for the first time in a year.
 - The personal savings rate decreased in inflation-adjusted personal income while consumer spending spiked with the car rebate program and back to school spending.
 - The unemployment rate increased to 9.8% which is the highest rate in 26 years.
 - The Federal Reserve has forecasted that even with a 3% GDP growth in 2010, the unemployment rate will still be 9.0% at the end of 2010.

- Consumer sentiment increased at the end of the third quarter as expectations of an economic rebound gained momentum, while consumer confidence faltered.
- New home sales reported an increase while existing home sales dropped off.
- Widespread positive economic data signals an economic recovery may have begun but persisting signs of economic weakness still exist.
- The Federal Reserve has extended its purchase of mortgage backed securities signaling fragility in the economy and lagging indicators like unemployment continue to worsen.
- The FDIC has over 415 banks on its problem list after already having shut down 95 banks thus far, with estimates that banks around the world will experience an additional \$1.5 trillion dollars of write-downs by the end of the year and \$53 billion in losses on loans.
- In the capital markets, the Dow Jones Industrial Average rose 15% and is up 11% year to date. The S&P 500 also gained 15% and is returning 17% on a year to date basis. The NASDAQ increased 16% and is up 32% year to date.
- The sectors that lost the most in 2008 such as financials and materials sectors have increased the most during the third quarter 2009.
- In the fixed income markets, the Federal Reserve continued to hold the Federal Funds Rate in the 0 – 0.25% range.
- High yield corporate bonds were the big winners again, gaining 14.8% for the quarter and 48% year to date.
- Investment grade corporate bonds posted strong returns of 8.1%; spreads over comparable treasuries dropped from 3.3% to 2.35%. Government bonds increased gaining 3.2%.
- In the domestic equity markets, overall the DJIA gained 15%, S&P 500 was up 15% and the NASDAQ rose 16%.
- Financials gained 25% during the quarter as the low-quality rally continues; stocks that lost the most in 2008 are gaining the most in 2009.
- The “junk rally” has nearly reversed the underperformance of low-quality cyclical stocks from 2008.
- The consumer real estate sector is expected to have further deterioration in fundamentals with no industry wide recovery expected until 2012.
- International equity markets continue to outperform domestic equity markets with the MSCI Pacific excluding Japan gaining 64.5% year to date and the MSCI Emerging Markets gaining 64.9% year to date.
- The U.S. dollar further slumped in the quarter, aiding foreign currency economic growth. The dollar lost 4.1% of its value against the Euro and 6.8% against the Japanese Yen.
- Looking ahead the early estimates of GDP growth for the third quarter are positive, providing hope that the unemployment rate could begin to subside as early as mid 2010.

PLAN DETAILS – as of SEPTEMBER 30, 2009:

- Sean Waggoner reviewed the Plan details provided in Section III of the materials. It was noted that the total assets for both Plans should be corrected to read: \$253,239,657.
- Both Plans have seen substantial growth in assets from the 2nd quarter statistics.
- Mr. Waggoner also noted an increase in loans initiated for the 3rd quarter. The Rollins Plan had 176 and the Western Plan had 30.

- The eligible but not participating is decreasing in the Rollins Plan and this could be attributed to the auto enrollment feature.
- The participation rate is at 89% and stable. This is an increase from the mid 60% range at the end of 2005.
- There was a brief discussion on the rising cost of the medical benefits and how this could adversely affect the Rollins 401(k) Plan participation. This increased cost coupled with the pay freeze makes the decision to defer more into the 401(k) Plan difficult for most participants.
- Mr. Waggoner noted that in November 2007 the Rollins Plan assets were at \$194,126,591 and the Western Plan assets were at \$49,789,050.
- There was some discussion regarding the GIC Fund and the shift of assets to the guaranteed product during the declining market in 2008. Some participants could have also shifted to the GoalMaker funds.
- Section VI of the materials presented is the Prudential Plan Summary Reports. Mr. Waggoner noted that there is \$61.8 million dollars invested in the Rollins Stock Fund which is 30.78% of total Plan assets for the Rollins Plan and \$1.6 million dollars or 3.67% in the Western Plan.
- The historical Plan assets by investment class statistics show that the Plan continued to grow from the 4th quarter 2008 and did a good job overall protecting in the downturn. The assets in the stable value fund as of the 3rd quarter 2009 are steady at 23.46% of assets.
- Also in the stable value fund, the contributions are steady at 14.36% of total Plan assets for the Rollins Plan.
- In the Western Plan Summary, Mr. Waggoner noted that 54.35% of total Plan assets are in the stable value fund. Historical contributions by asset class show a steady 29.02% in the stable value fund.

INVESTMENT REVIEW – 3rd QUARTER 2009:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - The Rollins Plan has 23.46% of overall Plan assets invested in the Prudential Guaranteed Fund and the Western Plan has 54.35%. Mr. Waggoner noted that the rate was relatively high at 4.80%. This rate will reset on January 1, 2010.
 - In the Bond Category, the PIMCO Total Return Fund continues to be a top performer and ranks in the top 1 percent of the category for the 3 and 5 year time frames. The year to date return of 12.71% ranks in the 44th percentile because the fund's manager is not positioned with low quality stocks.
 - In the Balanced Category, the Oakmark Equity & Income Fund is also performing in the top 2 percent of the category for the 3 and 5 year time frames. The fund was defensively positioned in 2008 and is now having a little difficulty keeping pace in the rally. The fund is at 14.66% year to date which ranks that in the 85th percentile.
 - The Committee agreed that they still feel like this was a good selection to replace the Dodge & Cox Balanced Fund.
 - In the Small Cap Growth Category, the T. Rowe Price New Horizons Fund is ranked in the top quartile for both the 3 and 5 year time frames. Mr. Waggoner noted that the fund's lead manager is stepping down in March of 2010 but will

remain on the investment committee. The fund's new manager has been at T. Rowe Price and is currently a co-manager for the fund. The fund has a low turnover rate. It was noted that the Investment Policy Statement reflects that manager changes warrant that the fund is placed on the Watch List. Mr. Waggoner stated that it will be mid 2010 before the new manager's returns are reflected. The Committee will continue to monitor this fund and will revisit this in the 2nd quarter of 2010.

- In the Small Cap Blend Category, the DWS Dreman Small Cap Value A Fund is performing very well and ranks in the top quartile for both the 3 and 5 year time frames. The year to date return is middling at 23.40% and ranked in the 52nd percentile.
- In the Mid Cap Growth Category, the Alger Mid Cap Growth Fund has been on the Watch List since the 3rd quarter of 2008. The fund is showing some improvement but is still below the 50th percentile for both the 3 and 5 year time frames. The year to date return is 43.78% and is ranked in the top 11% of the category and continuing to outpace the category.
- Mr. Waggoner asked the Committee if this was still the type of Mid Cap Growth Fund they wanted in the portfolio. The fund fact sheet was reviewed and the fund's holdings were discussed. The fund has holdings in both Apple and eBay which are both large cap companies. Alger has held Apple stock since it was a mid cap company. Mr. Waggoner noted that the median market cap of stocks in the portfolio is at \$3.2 billion and that the fund has never been re-classified by Morningstar.
- It was noted that the Committee does not feel that this would be the right time to make any fund changes in the category. Changing the fund could lock participants into the 2008 loss and since the fund's year to date return is 43.78% and ranks the fund in the top 11% of the category. The 3 and 5 year percentile rankings are both below the 50th percentile.
- A motion was made to keep the Alger Mid Cap Growth Fund on the Watch List. The motion was seconded and all voting members agreed.
- **ACTION ITEM:** Keep the Alger Mid Cap Growth Fund on the Watch List.
- In the Mid Cap Value Category, the Goldman Sachs Mid Cap Value A Fund meets the performance measurement standards set forth in the Investment Policy Statement. The fund had 17% exposure to energy in 2008 which was reflected in the returns and has now trimmed that exposure back to 9%. Mr. Waggoner noted that the fund's manager has expanded her responsibilities at Goldman Sachs. However, the mandate of the fund is to keep the sector weightings within a few percentage points of the index which makes the top manager's position less important. The Committee will continue to monitor this fund but will not put it on the Watch List at this time.
- In the Large Cap Growth Category, the American Funds Growth Fund of America R4 Fund historically has been a good down side protector. The fund is fairly average for the 3rd quarter 2009 and is ranked in the 44th and 19th percentiles for the 3 and 5 year time frames respectively. The fund has \$122 billion dollars of assets under management and historically has not performed well in a low quality rally. The Committee will continue to monitor this fund but it does not warrant being put on the Watch List at this time.

- In the Large Cap Blend Category, the Victory Diversified Stock Fund is performing well and ranks in the top quartile for both the 3 and 5 year time frames.
- Both of the International Funds are performing well and rank within the top quartile for both the 3 and 5 year time frames.
- The Rollins Stock Fund was reviewed and discussed. The fund is ranked in the top 8% for the 3 year time frame and in the top 9% for the 5 year time frame. The Committee feels this is still a suitable option for the 401(k) Plans.

GOALMAKER:

- The GoalMaker statistics were provided in Section VI C of the materials presented. Overall the portfolio is performing well.
- The Rollins Plan has 1530 participants in GoalMaker which is an increase of 459 since the 2nd quarter 2009. The participation rate is 18.87% and total assets are \$24.7 million.
- The Western Plan has 161 GoalMaker participants which is an increase of 20 since the 2nd quarter 2009. The participation rate is 22.02% and total assets are \$9.2 million.
- The overall goal is to provide participant education so that employees can make their own decisions on where to invest.

OTHER BUSINESS:

- Steve Petouvis inquired about the upcoming name change and if that affected any documents.
- Teresa Smith said that she talked with David Putnal and he stated that Plan amendments were not needed as the tax ID number was not changing.
- **ACTION ITEM:** Teresa Smith will check back with David Putnal to ensure that documents/amendments are not required with the Western name change and report back to Steve Petouvis. Completed. We will change the name in the new Summary Plan Descriptions but amendments are not needed.
- Teresa Smith also reported that the notice to participants regarding the re-statement of the Plans will be targeted to go out by December 22, 2009.
- Teresa Smith also noted that any Plan expenses that were accrued in 2009 will need to be submitted to her before the end of the year for budgeting purposes. Steve Whitman will supply the total invoice for any outstanding items to Teresa Smith within the week.
- **ACTION ITEM:** Steve Whitman will supply the total 2009 outstanding plan expenses to Teresa Smith. Completed.
- The meeting officially adjourned.

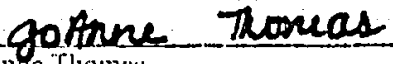
LISTING OF ACTION ITEMS: (carried over from previous meetings)

- **ACTION ITEM:** Watch List the Alger Mid Cap Growth Fund. Ongoing.

NEW ACTION ITEMS:

- **ACTION ITEM:** Alliant and Prudential will continue to work on the pricing of the plan and report back to the Rollins Administrative Committee by the end of 2009.
- **ACTION ITEM:** Keep the Alger Mid Cap Growth fund on the Watch List.
- **ACTION ITEM:** Teresa Smith will check back with David Putnal to ensure that documents/amendments are not required with the Western name change and report back to Steve Petouvis. Completed. We will change the name in the new Summary Plan Descriptions but amendments are not needed.
- **ACTION ITEM:** Steve Whitman will supply the total 2009 outstanding plan expenses to Teresa Smith. Completed.

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Henry Anthony
Vice President of Human Resources

Rollins, Inc.
Administrative Committee

Minutes

To: Mike Knottek, Gene Iarocci, Harry Cynkus, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Steve Petouvis, Craig Innes and Teresa Smith
From: Kelly Ponton, Alliant Insurance Services
Date: March 22, 2010

Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 2:30 pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on February 15, 2010. This was the forth quarter 2009 meeting.

Rollins Attendees:

Henry Anthony (voting member)
Harry Cynkus (voting member) – unable to attend
Craig Innes (voting member) – unable to attend
Mike Knottek (voting member)
Mary Lynn Parker (voting member) – unable to attend
Steve Petouvis (voting member) - joined via telephone
Teresa Smith
JoAnne Thomas (voting member)
Gene Iarocci

Alliant Insurance Services Attendees:

Sean Waggoner
Kelly Ponton - joined via telephone

CALL TO ORDER:

- The meeting was called to order by Mike Knottek.
- Gene Iarocci was introduced to the Committee. Mike Knottek explained that Mr. Iarocci will be nominated in a future meeting to take his place as Chairman of the Committee and will also be a voting member.

REVIEW OF ACTION ITEMS (December 3, 2009 Meeting):

- **ACTION ITEM:** Alliant and Prudential will continue to work on the pricing of the Plan and report back to the Committee by the end of 2009. Completed.
- **ACTION ITEM:** Teresa Smith will check back with David Putnal to ensure that documents/amendments are not required with the Western name change and report back to Steve Petouvis. Completed. We will change the name on the new Summary Plan Descriptions but amendments are not needed.

- **ACTION ITEM:** Steve Whitman will supply the total 2009 outstanding plan expenses to Teresa Smith. Completed.

WATCH LIST/ ADD and REMOVE ACTIVITY:

- Continue to Watch List the Alger Mid Cap Growth Fund.

REVIEW & APPROVE MINUTES FROM DECEMBER 3, 2009 MEETING:

- Mr. Knotttek asked the Committee members if there were any questions regarding the meeting minutes from the December 3, 2009 meeting. There were no questions.
- After a review and discussion of the action items, the minutes were unanimously approved.

ECONOMIC OVERVIEW 4th QUARTER 2009:

- Section II of the materials provided is the 4th quarter 2009 economic review. Mr. Waggoner gave a brief overview of the materials and noted the following:
 - The Economy faces its first full-year GDP decline in 50 years while global GDP falls below 2% for the first time since 1991. Unemployment remained constant at 10%, falling from an October high of 10.2%.
 - Investors continued to move into riskier assets in the fourth quarter, as the economic rebound continued.
 - Consumer sentiment and confidence improved at the end of 2009, which may be the result of companies slowing the pace of job cuts and a continued stock advancement. An increase in personal incomes during the first quarter of 2009 supports the hope that consumer spending will follow. At the end of December, consumer spending was 1.5% higher than at the end of 2008. An economic recovery is most likely underway.
 - Annual core inflation for all of 2009 is estimated at just 1.7% and the Federal Reserve is actively creating an inflation-combatant plan to ease concerns of future inflation.
 - Earnings began to improve at the end of 2009, but remain at historically weak levels resulting in the second consecutive year.
 - Overall, the DJIA gained 19%, the S&P 500 was up 27% and the NASDAQ rose 45% for the full-year of 2009. After posting the worst returns in 2008, the IT, Financials, and Materials sectors posted the largest gains this year. Growth-style investing out-performed Value-style investing for both the fourth quarter and the year.
 - Emerging Markets led the rally this year, posting returns of 74.5% for the full-year, as measured by the MSCI Emerging Markets Index. During 2009, U.S. stocks outperformed European stocks, while emerging markets stocks outperformed developed markets stocks.
 - The extent of regulation and governmental intervention remains unclear in the coming months. The health insurance bill is on hold and may not pass due to changes produced in the senatorial elections.
 - The DOL has issued final regulations for small Safe Harbor plans allowing only 7 days for depositing salary deferrals and loan repayments for these small plans. This is effective immediately.
 - Teresa Smith reported that the Rollins Plan remits on a weekly basis and the Western Plan on a bi-weekly basis, with the exception of January where they have to wait until Payroll completes their year end adjustment run. As a result of the

adjustment run, there is usually about a 3 week delay. Mr. Waggoner did not see an issue with these remittance timeframes.

- o The DOL is also looking at annuitization of plans to reduce the risk that workers will outlive their retirement funds.
- o The final regulations on fee disclosure are due out in May 2010. Mr. Waggoner noted the new electronic only filing procedures and noted that each Plan will have to obtain a unique identifier from the IRS in order to file 5500's electronically.

PLAN DETAILS – as of DECEMBER 31, 2009:

- Sean Waggoner reviewed the Plan details provided in Section III of the materials. The total assets for both Plans were \$263,193,728.
- Mr. Waggoner noted a decline in the number of eligible but not participating employees.
- Teresa Smith noted that when the Plan first moved to Prudential there were over 2,000 eligible but not participating employees.
- There was an increase in loans initiated from the Rollins Plan and a decrease in loans initiated in the Western Plan.
- Section VI of the materials presented is the Prudential Plan Summary Reports. Mr. Waggoner noted that there are \$47.8 million dollars in the stable value fund for the Rollins Plan or 22.79% of Plan assets. However, only 13.8% are ongoing contributions.
- The Western Plan has \$25.2 million dollars in the stable value fund or 55.04% of Plan assets, with only 29.04% in ongoing contributions. Mr. Petouvis noted that this high concentration in the stable value fund was consistent for the Western Plan.

INVESTMENT REVIEW – 4th QUARTER 2009:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - o The current rate on the Prudential Guaranteed Fund is 4.80%. The Rollins Plan has 22.79% of overall Plan assets invested in the Prudential Guaranteed Fund, while the Western Plan has 55.04%. Mr. Waggoner noted that the crediting rate was relatively high at 4.80%. This rate will reset on January 1, 2010 to 4.63% and will continue to apply through June 30, 2010.
 - o Mr. Waggoner also noted that Prudential has agreed to an increase of 20 basis points for revenue sharing in the GIC account. Currently, they are only providing 5 basis points in revenue sharing for this fund. This will be discussed further in the revenue sharing discussion at the end of the meeting.
 - o In the Bond Category, the PIMCO Total Return Fund continues to be a top performer and ranks in the top 1% of the category for the 3 and 5 year time frames. The year to date return of 13.83% ranks in the 46th percentile. Mr. Waggoner noted the assets under management are currently at \$192 billion dollars.
 - o There was a brief discussion regarding the possibility of adding another bond option to the portfolio at some time in the future. Mr. Waggoner discussed the criteria that could be used to find an appropriate fund. Mr. Waggoner stated that those funds who were positioned conservatively going into the recession were good downside protectors but are having trouble keeping up with the recent market gains and those funds who were overly aggressive lost more on the way down but have

made up ground quickly in 2009 and continue into 2010. No action will be taken at this time to add another bond option.

- In the Balanced Category, the Oakmark Equity & Income Fund was added to the portfolio in January 2009, as a replacement for the Dodge & Cox Balanced Fund. The fund is ranked in the top 1% of the category for the 3 year time frame and the top 2% for the 5 year time frame. Since the fund was defensively positioned in 2009 it is now having a little difficulty keeping pace in the rally. The year to date return is 19.84% and ranks it in the bottom 78%. Mr. Waggoner noted that the criteria used in the Investment Policy Statement (IPS) for fund analysis is the 3 and 5 year time frames.
- In the Small Cap Growth Category, the T. Rowe Price New Horizons Fund is ranked in the top quartile for both the 3 and 5 year time frames. The fund's lead manager will be stepping down in March 2010 and the fund's new manager has been at T. Rowe Price for five years and has a good track record. The fund also has a large analyst team with a low turnover rate.
- There was some discussion regarding the qualitative criteria listed in the IPS and what is reflected for manager changes and placing funds on the Watch List. Mr. Waggoner noted that the IPS does allow funds to be placed on the Watch List due to manager change but also noted that this change for the T. Rowe Price New Horizons Fund has not taken place yet. In order to adhere to the IPS, the Committee should wait until the 1st quarter 2010 review before taking any action.
- In the Small Cap Blend Category, the DWS Dreman Small Cap Value A Fund is performing well and ranks in the top 17% for the 3 year time frame and the top 10% for the 5 year time frame. The year to date return has improved slightly from the 3rd quarter review and is now at 30.25% and ranked in the 40th percentile of its peer group.
- In the Mid Cap Growth Category, the Alger Mid Cap Growth Fund has been on the Watch List since the 3rd quarter of 2008. Mr. Waggoner also noted that from 2000 – 2009, there were only 3 years that the fund missed the category average and historically the fund's manager has been a “trough to peak” manager. The year to date return is the highest in the portfolio at 51.40%. The fund has approximately \$3.3 million dollars of total Plan assets invested, which is less than 3%.
 - The Committee discussed the IPS and if any guidelines are set forth for the length of time a fund could remain on the Watch List before it should be removed from the portfolio. Mr. Waggoner noted that the IPS is not specific for the length of time. The fund fails the category average in both the 3 and 5 year time frame which are specifically stated guidelines for fund performance set forth in the IPS. After the discussion, a motion was made to keep the Alger Mid Cap Growth Fund on the Watch List. The motion was seconded and all voting members agreed.
 - **ACTION ITEM:** Keep the Alger Mid Cap Growth Fund on the Watch List.
 - **ACTION ITEM:** If the Alger Mid Cap Growth Fund has not improved, the Committee will discuss alternative options at the next quarterly meeting.
 - There was some discussion on participant communication and the nature of the risk involved in investing. The Committee agreed that communication was essential and should be done in broad terms on diversification and asset allocation and should not specifically focus on one fund or one category.
 - **ACTION ITEM:** Teresa Smith will work with Prudential on the requested communication.

- In the Mid Cap Value Category, the Goldman Sachs Mid Cap Value A Fund splits their research teams by industry lines and tries to keep sector weightings within 2% or 3% of the index. The fund ranks in the top half of the category for both the 3 and 5 year time frames.
- In the Large Cap Growth Category, the American Funds Growth Fund of America R4 Fund is showing a slightly below average ranking for the 3 year time frame. It was noted that the fund does out perform the S&P 500 Index but not the large cap growth peer group. This fund ranks in the 53% of the category for the 3 year time frame. The fund is ranked in the top 20% of the category on a 5 year basis and has a low expense ratio.
- In the Large Cap Blend Category, the Victory Diversified Stock Fund has a long tenured management team and has historically posted top half returns. Currently the fund has only 50 stock holdings and has a low percentage of the Plan assets. The fund ranks in the top quartile for both the 3 and 5 year time frames.
- Mr. Waggoner noted that the Vanguard Windsor II Adm Fund has added 4 sub-advisors and currently has 260 stock holdings. The expense ratio is low and well below the category average. The fund meets the performance measurement standards set forth in the IPS.
- In the International Category, the American Funds EuroPacific Growth R4 Fund ranks in the top 10% for both the 3 and 5 year time frames.
- Mr. Waggoner noted that the American Funds Capital World Growth & Income Fund has had \$6 billion dollars in outflows in the last 6 months. The fund ranks in the top quartile for both the 3 and 5 year time frames.
- The Rollins Stock Fund was reviewed and discussed. The year to date return should be corrected to read “18.40%”.
 - **ACTION ITEM:** Alliant will correct the year to date return reflected on the 4th quarter review for the Rollins Stock Fund to read “18.40%”.
 - The Committee agreed that the Rollins Stock Fund has shown an acceptable level of volatility historically and is not thinly traded. The Committee still feels that the Rollins Stock Fund is a suitable investment option for the 401(k) Plans.

GOALMAKER:

- The GoalMaker statistics were provided in Section VI. C of the materials presented. The overall GoalMaker performances were reviewed and are performing relatively well.
- The Rollins Plan has 1,817 participants in GoalMaker, which is an increase of 287 participants since the 3rd quarter of 2009. The participation rate is 23.45% and the total assets are \$26.7 million dollars.
- The Western Plan has 158 GoalMaker participants, which marks a decrease of 3 participants since the 3rd quarter of 2009. The participation rate is 21.97% and total assets are \$9.7 million dollars.
- Teresa Smith reported that on average there is an increase of 400-500 participants per quarter being automatically enrolled into GoalMaker. It was also noted that there are many participants that do not want to invest 100% of their portfolio into GoalMaker, as they do not want to come out of the Rollins Stock Fund.
- Mr. Waggoner noted that he has discussed the issue with Prudential. Discussions include allowing GoalMaker participants to keep a portion of their contributions going into the Rollins Stock Fund and the rest to GoalMaker.

- **ACTION ITEM:** Prudential is working on the issue of excluding Company stock from GoalMaker.

REVENUE SHARING:

- Section VII of the materials provided is a breakdown of revenue available for recordkeeping expenses.
- Mr. Waggoner briefly explained the revenue sharing agreement that was originally established when the account was first placed with Prudential in December 2006.
- Prudential established an aggressive threshold with any excess revenue going into an ERISA account.
- In December 2006, there were 5,019 accounts with a cost per account of \$77.82. The revenue available to offset recordkeeping and administration was \$252,679. The revenue requirement from Prudential was 25 basis points or \$390,603. This left a deficit of \$137,939.
- In reviewing the revenue sharing in December 2009, there were 8,649 accounts with a cost per account of \$56.37. The revenue available to offset recordkeeping and administration was \$371,272. The revenue requirement from Prudential at 25 basis points equates to \$487,547, leaving a deficit of \$116,274.
- Mr. Waggoner addressed this arrangement with Prudential and was able to negotiate an increase of revenue sharing on the Prudential Guaranteed Fund (GIC) to 0.20%, up from 0.05%. With this increase, the deficit is estimated at \$6,681. Mr. Waggoner was also able to negotiate that Prudential set the asset base to \$200 million dollars, down from \$250 million dollars, on all assets not including Company stock and a reduction in the Prudential revenue threshold for every corresponding increase of \$15 million in assets.
- An ERISA account is established for the sole purpose of benefiting Plan participants. This account should be used for Plan fees, audits, communications and other Plan expenses. However, the expenses need to be paid out in the same year as charged. The ERISA account resides with Prudential

OTHER BUSINESS:

- Teresa Smith reported that for 2009 the Rollins Company Match was approximately \$6.6 million dollars and the Western Company Match was approximately \$432,000.
- The Rollins Pension Restoration Contribution that went into the 401(k) Plan was approximately \$1.6 million dollars and \$382,000 went into the Deferred Compensation Plan. She reported that there was one year remaining on the Pension Restoration Contribution.
- The Western Additional Company Contribution was approximately \$992,000.

All of the above decisions were made solely in the interests of, and for the exclusive benefit of, the plan participants and beneficiaries. The meeting officially adjourned.

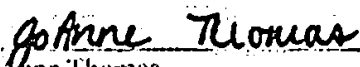
LISTING OF ACTION ITEMS: (carried over from previous meetings)

- **ACTION ITEM:** Continue to watch list the Alger Mid Cap Growth Fund.

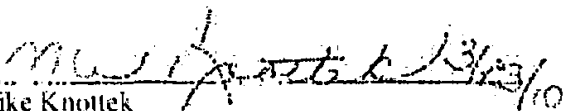
NEW ACTION ITEMS:

- **ACTION ITEM:** It was noted that during the next quarterly meeting, if the Alger Mid Cap Growth Fund has not improved, the Committee will discuss alternative options at that time.
- **ACTION ITEM:** Teresa Smith will work with Prudential on the requested communication.
- **ACTION ITEM:** Alliant will correct the year to date return reflected on the 4th quarter review for the Rollins Stock Fund to read "18.40%".
- **ACTION ITEM:** Prudential is working on the issue of excluding Company stock from GoalMaker.

Respectfully Submitted:

 3/23/10
JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:

 3/23/10
Mike Knotek
Chairman of the Rollins, Inc. Administrative Committee

Rollins Inc.
Administrative Committee

Minutes

To: Harry Cynkus, Gene Iarocci, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes

From: Kelly Ponton, Alliant Insurance Services

Date: June 10, 2010

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 1:00 pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on May 17, 2010. This was the first quarter 2010 meeting.

Rollins Attendees:

Henry Anthony (voting member)
Harry Cynkus (voting member) - not in attendance
Gene Iarocci (voting member)
Craig Innes (voting member) – joined via telephone
Mary Lynn Parker (voting member)
Steve Petouvis (voting member) - joined via telephone
Teresa Smith
JoAnne Thomas (voting member)

Alliant Insurance Services Attendees:

Sean Waggoner
Kelly Ponton - joined via telephone

Prudential Retirement Services:

Steve Whitman

CALL TO ORDER:

- The meeting was called to order by Gene Iarocci.
- JoAnne Thomas noted that Gene Iarocci was appointed as the new Chairman of the Administrative Committee and that all voting members had unanimously agreed.

REVIEW OF ACTION ITEMS (February 15, 2010 Meeting):

- **ACTION ITEM:** Continue to Watch List the Alger Mid Cap Growth Fund. Ongoing.
- **ACTION ITEM:** It was noted that during the next quarterly meeting if the Alger Mid Cap Growth Fund has not improved, the Committee will discuss alternative options at that time. Ongoing.

- **ACTION ITEM:** Teresa Smith will work with Prudential on the requested communication. Completed.
- **ACTION ITEM:** Alliant will correct the year to date return reflected on the 4th quarter review for the Rollins Stock fund to read “18.40%”. Completed.
- **ACTION ITEM:** Prudential is working on the issue of excluding Company Stock from GoalMaker. Ongoing.

WATCH LIST/ ADD and REMOVE ACTIVITY:

- Watch List the T. Rowe Price New Horizons Fund.
- Continue to Watch List the Alger Mid Cap Growth Fund.
- Watch List the American Funds Growth Fund of America R4 Fund.

REVIEW & APPROVE MINUTES FROM FEBRUARY 15, 2010 MEETING:

- After a review and discussions of the action items, the minutes were unanimously approved.

ECONOMIC OVERVIEW - 1st QUARTER 2010:

- Sean Waggoner led the discussion concerning the 1st quarter Economic and Capital Markets Review.

PLAN DETAILS – as of MARCH 31, 2010:

- Sean Waggoner reviewed the Plan details provided in Section VI of the materials. The total assets for both Plans were \$281,908,551, including approximately \$71 million in Rollins Stock. Mr. Waggoner noted that the Prudential revenue threshold of \$200 million has been reached and therefore a 1 basis point cost reduction will be implemented. He also noted that the next threshold, \$215 million, should be met soon.
- Mr. Waggoner noted a slight increase in the number of eligible but not participating employees from 794 in the 4th quarter 2009 to 810 in the first quarter 2010.
- There was a decrease in loans initiated from the Rollins Plan; while the Western Plan loans remained constant.
- The Rollins Prudential Plan Summary Reports show \$48.1 million dollars in the Prudential Guaranteed Fund for the Rollins Plan or 21.32% of Plan assets. This marks a decrease of 1.47% from the last quarter.
- In general, contributions into the Prudential Guaranteed Fund increased from the 4th quarter 2009 to the 1st quarter 2010 due to the Pension Restoration Contribution.
- The Western Plan shows \$25.5 million dollars in the stable value fund or 52.64% of Plan assets which also marks a decrease of 2.40% from the last quarter.
- Mr. Anthony noted the reported call center volume of 5,095 total calls. Mr. Whitman reminded the Committee that the Rollins Plan was initially set up with a dedicated team of representatives to assist callers from the Rollins Plan and that this team is still in place today.

INVESTMENT REVIEW – 1st QUARTER 2010:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - The current rate on the Prudential Guaranteed Fund is 4.63%. Mr. Waggoner noted that even though this was a decrease from the prior six months, it is still a relatively high return rate. The Rollins Plan has 21.32% of overall Plan assets invested in the Prudential Guaranteed Fund and the Western Plan has 52.64%. This rate will continue to apply until June 30, 2010.
 - In the Bond Category, the PIMCO Total Return Fund continues to be a top performer and ranks in the top 1 % of the category for the 3 and 5 year time frames. The PIMCO Total Return Fund meets all performance measurement criteria of the Rollins Investment Policy Statement. The year to date return of 2.97% ranks in the 21th percentile. Mr. Waggoner noted that this fund receives 16% of all taxable bond fund flows. This can be attributed to the success of the fund's manager, Bill Gross.
 - Mr. Anthony recommended that the Committee consider adding an index fund to the bond category. The index option has low expense ratios and will give the baby boomers another option in the category.
 - **ACTION ITEM:** Alliant will bring index options in the bond category for the Committee to review at the next quarterly meeting.
 - The Committee also discussed the number of investment options that should be offered in the 401(k) Plans.
 - **ACTION ITEM:** The Committee instructed Alliant to provide Benchmarking data on the number of investment options offered in 401(k) plans at the next Committee meeting.
 - In the Balanced Category, the Oakmark Equity & Income Fund continues to rank in the top 1% of the category for the 3 year time frame and the top 2% for the 5 year time frame. The Oakmark Equity & Income Fund meets all performance measurement criteria of the Rollins Investment Policy Statement. The bond sleeve of the portfolio is almost 100% invested in US Treasuries, which has held the fund back on a 1 year basis. Mr. Waggoner noted that this fund is one of the few that had a positive return in the 2008-2009 timeframe.
 - In the Small Cap Growth Category, the T. Rowe Price New Horizons Fund ranks in the top quartile for both the 3 and 5 year time frames. In March 2010, the fund's long term manager, Jack Laporte, retired. The new manager is Henry Ellenbogen. Mr. Ellenbogen previously managed the T. Rowe Price Media & Telecommunications Sector Fund (PRMTX). Although he is utilizing the same management style as Laporte; he has no experience in managing a diversified portfolio. The team of research analysts has remained with the fund and will continue to work with Mr. Ellenbogen. Mr. Waggoner noted this concern and recommended this fund be watched closely to ensure a smooth transition.
 - There was some discussion regarding the qualitative criteria listed in the Investment Policy Statement. Mr. Waggoner noted that the Investment Policy Statement does allow funds to be placed on the Watch List, due to a manager change.
 - A motion was made to add the T. Rowe Price New Horizons Fund to the Watch List, due to the manager change. The motion was seconded and all voting members agreed.
 - **ACTION ITEM:** Watch List the T. Rowe Price New Horizons Fund.

- In the Small Cap Blend Category, the DWS Dreman Small Cap Value A Fund continues to be a top performer and ranks in the top 19% for the 3 year time frame and the top 9% for the 5 year time frame. The DWS Dreman Small Cap Value A Fund meets all performance measurement standards of the Rollins Investment Policy Statement.
- In the Mid Cap Growth Category, the Alger Mid Cap Growth Fund has been on the Watch List since the 3rd quarter of 2008. Mr. Waggoner noted some concern that the fund is managed by Dan Chung and that he is also the CEO of Alger. The 1 year return is 60.10% and ranks in the 31st percentile of the category; however, the 3 year return is ranked in the bottom half of the category. It was noted that the fund has approximately \$4 million dollars of total Plan assets which equates to about 2%.
- Mr. Waggoner briefly discussed the alternative mid cap options that are provided in Section V of the handout. He stated that after a review of all of the options he would recommend the Prudential Jennison Mid Cap Growth Fund, the T. Rowe Price Mid Cap Growth Fund or the Morgan Stanley Mid Cap Growth Fund.
- After the discussion, a motion was made to keep the Alger Mid Cap Growth Fund on the Watch List and look at alternative options at the next quarterly meeting. The motion was seconded and all voting members agreed.
- **ACTION ITEM:** Keep the Alger Mid Cap Growth Fund on the Watch List.
- **ACTION ITEM:** Alliant will bring mid cap growth alternative options to the next quarterly meeting for review.
- In the Mid Cap Value Category, the Goldman Sachs Mid Cap Value A Fund is a good contrast to the Alger Mid Cap Growth Fund. The fund has several co-managers with specific sectors and industry lines and tries to keep sector weightings within 2% or 3% of the index. The fund ranks in the top half of the category for both the 3 and 5 year time frames. The Goldman Sachs Mid Cap Value A Fund meets all performance measurement standards of the Rollins Investment Policy Statement.
- In the Large Cap Growth Category, the American Funds Growth Fund of America R4 Fund ranks in the 55th percentile for the 3 year time frame and therefore does not meet the performance measurement standards set forth in the Rollins Investment Policy Statement. Historically, the fund has ranked in the top of the category; however, since 2008 the fund has been average.
- A motion was made to add the American Funds Growth Fund of America R4 Fund to the Watch List. The motion was seconded and all voting members agreed.
- **ACTION ITEM:** Watch List the American Funds Growth Fund of America R4 Fund.
- In the Large Cap Blend Category, the Victory Diversified Stock Fund has historically posted top half returns. Since 1989, the fund has beaten the S&P 500 Index 76% of the time. The fund ranks in the top quartile for the 3 year time frame. The Victory Diversified Stock Fund meets all performance measurement standards of the Rollins Investment Policy Statement.
- Mr. Waggoner noted that 60% of the Vanguard Windsor II Adm Fund is managed by Barrow and the other 40% is sub-advised by a long tenured management team. The fund ranks in the top half of the category for the 3 and 5 year time frames.
- In the International Category, the American Funds EuroPacific Growth R4 Fund ranks in the top 10% for both the 3 and 5 year time frames.

- Mr. Waggoner noted that the American Funds Capital World Growth & Income Fund has recently had large outflows of approximately \$6.2 million dollars. The fund ranks in the top half of the category for both the 3 and 5 year time frames.
- The Rollins Stock Fund was reviewed and discussed. The Committee agreed that the Rollins Stock Fund has shown an acceptable level of volatility historically and is not thinly traded. The Committee still feels that the Rollins Stock Fund is a suitable investment option for both 401(k) Plans.

GOALMAKER:

- The GoalMaker statistics were provided in Section VI C of the materials. The overall GoalMaker performances were reviewed and are all performing relatively well.
- The Rollins Plan has 2027 participants in GoalMaker; which is an increase of 210 participants since the 4th quarter of 2009. The participation rate is 26.12% and the total assets are \$29.2 million dollars.
- The Western Plan has 175 GoalMaker participants; which is an increase of 17 participants since the 4th quarter of 2009. The participation rate is 25%. The total assets are \$8.8 million dollars which marks a decrease of approximately \$900,000 from the 4th quarter 2009.
- Steve Whitman noted that Prudential has the ability to offer “Partial GoalMaker”. This option gives the participants the ability to have GoalMaker plus elect to have additional assets in funds that are currently not in GoalMaker. Thus, participants would be able to maintain an asset allocation tool while still being able to invest in other funds that the Plan offers. He noted that a few of Prudential’s other clients use this option in addition to GoalMaker.
- Mr. Whitman also noted that this option can be difficult to communicate to participants and can also be difficult to administer. This option is not promoted by Prudential, as it defeats the purpose of GoalMaker and asset allocation.
- There was a discussion regarding the rebalancing used in Partial GoalMaker. It was noted that many of the participants in GoalMaker are auto enrolled and may not fully understand the program.
- Mr. Iarocci requested that Prudential provide a demo to show how Partial GoalMaker would work. This will be done prior to offering this option to Plan participants.
- **ACTION ITEM:** Steve Whitman will check to see if a demo for Partial GoalMaker is available. If the demo is available, he will bring the information to the next quarter’s meeting for review.

OTHER BUSINESS:

- Teresa Smith reported that 2010 is the last year for the Pension Restoration Contribution.
- There was a discussion regarding the Pension Restoration Contribution funds and possible 401(k) Plan changes.
 - Mr. Anthony stated the Company is focused on making the medical plan more attractive to employees. (The 401(k) Plan is competitive and running well.)
- The option of an “opt in” auto increase was briefly discussed. Mr. Waggoner noted that with the current auto enrollment feature in place, the majority of the population stays at the original 3% enrollment.

- **ACTION ITEM:** The "opt in" auto increase will be discussed again at the next quarterly meeting.

All of the above decisions were made solely in the interests of, and for the exclusive benefit of, the Plan participants and beneficiaries.

The meeting officially adjourned.

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Prudential is working on the issue of excluding Company Stock from GoalMaker. Ongoing.
- **ACTION ITEM:** Alliant will bring index options in the bond category for the Committee to review at the next quarterly meeting.
- **ACTION ITEM:** The Committee instructed Alliant to provide Benchmarking data on the number of investment options offered in 401(k) plans at the next Committee meeting.
- **ACTION ITEM:** Watch List the T. Rowe Price New Horizons Fund.
- **ACTION ITEM:** Keep the Alger Mid Cap Growth Fund on the Watch List.
- **ACTION ITEM:** Alliant will bring mid cap growth alternative options to the next quarterly meeting for review.
- **ACTION ITEM:** Watch List the American Funds Growth Fund of America R4 Fund.
- **ACTION ITEM:** Steve Whitman will check to see if a demo for Partial GoalMaker is available and if so, he will bring the information to the next quarter's meeting for review.
- **ACTION ITEM:** The "opt in" auto increase will be discussed again at the next quarterly meeting.

Respectfully Submitted:

JoAnne Thomas 6.10.10
JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:

Gene Iarocci
Gene Iarocci
Chairman of the Rollins, Inc. Administrative Committee

Rollins, Inc.
Administrative Committee

Minutes

To: Gene Iarocci, Harry Cynkus, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Steve Petouvis, Craig Innes, and Teresa Smith

From: Wendy Conner, Alliant Retirement Services

Date: November 2, 2010

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 2:00 pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on October 10, 2010. This was the second quarter 2010 meeting.

Rollins Attendees:

Henry Anthony - (voting member)
Harry Cynkus - (voting member)
Gene Iarocci - (voting member)
Steve Petouvis - (voting member) not in attendance
Mary Lynn Parker - (voting member)
Teresa Smith
JoAnne Thomas - (voting member)
Craig Innes - (voting member) not in attendance

Alliant Insurance Services Attendees:

Sean Waggoner
Kelly Ponton - joined via telephone
Wendy Conner

Prudential Retirement Services:

Steve Whitman - not in attendance

CALL TO ORDER:

- The meeting was called to order by Gene Iarocci.
- Alliant Retirement Services provided Fund Performance Reports to the Committee.

REVIEW OF ACTION ITEMS: (May 17, 2010 Meeting):

- **ACTION ITEM:** Prudential is working on the issue of excluding Company Stock from Goal Maker. Ongoing.
- **ACTION ITEM:** Alliant will bring index options in the bond category for the Committee to review at the next quarterly meeting. Completed.

- **ACTION ITEM:** The Committee instructed Alliant to provide Benchmarking data on the number of investment options offered in 401(k) Plans at the next Committee meeting. Completed.
- **ACTION ITEM:** Watch List the T. Rowe Price New Horizons fund. Ongoing.
- **ACTION ITEM:** Keep the Alger Mid Cap Growth fund on the Watch List. Ongoing.
- **ACTION ITEM:** Alliant will bring some mid cap growth alternative options to the next quarterly meeting for review. Completed.
- **ACTION ITEM:** Watch List the American Funds Growth Fund of America R4 fund. Ongoing.
- **ACTION ITEM:** Steve Whitman will check to see if a demo for Partial GoalMaker is available and if so, he will bring the information to the next quarter meeting for review. Ongoing.
- **ACTION ITEM:** The “opt in” auto increase will be discussed again at the next quarterly meeting. Ongoing.

WATCH LIST/ ADD and REMOVE ACTIVITY:

Rollins / Western Plans:

- Continue to leave the T. Rowe Price New Horizons Fund on the Watch List.
- Continue to leave the Alger Mid Cap Growth Fund on the Watch List.
- Continue to leave the American Funds Growth Fund of America R4 Fund on the Watch List.

Waltham Plan:

- Watch List the Oppenheimer Global Strategic Income Y Fund (OSIYX).
- Watch List the Fidelity Advisor Leveraged Co Stock T Fund (FLSTX).
- Watch List the American Century Ultra Inv Fund (TWCUX).
- Watch List the MM Premier Val L Fund (DLBVX).
- Watch list the MM Select Lg Cap Val S Fund (MLVSX).

REVIEW & APPROVE MINUTES FROM MAY 17, 2010 MEETING:

- After a review and discussions of the action items, the minutes were unanimously approved.
- Mr. Cynkus asked why Prudential had not provided an answer regarding excluding the Company Stock from GoalMaker. The Committee discussed the limited information Prudential had provided them previously. The Committee would like to know when they can expect the promised demo relating to partial GoalMaker and the ability to include Company Stock when GoalMaker is used.
- **ACTION ITEM:** Alliant will inquire what determination has been made in regards to the partial GoalMaker election and the process to include Company Stock as an option.

ECONOMIC OVERVIEW: 2nd QUARTER 2010:

- Mr. Waggoner gave a brief overview of the 2nd Quarter Economic and Capital Markets.

PLAN DETAILS – as of June 30th, 2010:

- Sean Waggoner reviewed the Plan details provided in Section VII of the materials. The total assets for both Plans were \$269,985,404.
- Current participation has stabilized at 90% for actives with a balance.
- There was a decrease in assets over last quarter and an increase in loans initiated from the Rollins Plan. The Western Plan loans remained relatively constant. The increase in loans was likely due to the addition of HomeTeam Pest Defense.

INVESTMENT REVIEW – 2nd QUARTER 2010:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - The current rate on the Prudential Guaranteed Fund was reset and decreased to 4.36%. Mr. Waggoner reminded the Committee that the fixed rate is still high by comparison to other plans. The overall Plan assets that are invested in the Prudential Guaranteed fund for the Rollins Plan is 22.65% and 53.26% invested from the Western Plan.
 - In the Bond category, the PIMCO Total Return Fund continues to be a top-rated performer with one of the most notable fund managers, Bill Gross. The only item of concern is the growth of assets in this fund. The fund currently has an annual flow of over \$12 million and \$52 billion in assets. There is no precedence for a mutual fund this size, so it is hard to predict the impact.
 - In the Balanced category, the Oakmark Equity & Income Fund missed some of the recovery but it's a downside protector which means it will likely not capture as much of the upside potential as other funds in the category.
 - In the Small Cap Growth category, the T. Rowe Price New Horizons Fund is currently on the Watch List due to a manager change in March of 2010. The Committee agreed this fund should stay on the Watch List for at least three more months to see the impact of the manager change. Jack Laporte, the long time manager was replaced by one of the fund's analysts, Henry Ellenbogen. This fund is not meeting Investment Policy Statement (IPS) standards for management tenure but is currently meeting performance standards. A motion was made to keep this fund on the Watch List, seconded and the Committee agreed.
 - **ACTION ITEM:** Mrs. Smith asked Alliant to include previous performance for all Watch List funds on the Funds Performance Report for the previous two quarters.
 - In the Small Cap Blend category, the DWS Dreman Small Cap Value A Fund has good fundamentals and expense ratio but it tends to capture less of the upside performance than its peers, but provides more downside protection.
 - In the Mid Cap Growth category, the Alger Mid Cap Growth Fund has been on the Watch List since the 3rd quarter of 2008. This fund is currently managed by Dan Chung and takes an aggressive approach to stock purchasing. Currently, this fund has an annual turnaround over 297%. The Committee agreed to review the fund alternatives provided by Alliant at this time.
 - The Goldman Sachs Small/Mid Cap Growth Fund (GSMYX) – The Committee agreed that with a current Goldman Sachs fund in the mid cap category, employees might get confused between this fund and the value option.
 - The Morgan Stanley Inst Mid Cap Growth I Fund (MPEGX) – This fund is concentrated with only 58 stocks and assumes a lot of risk indicated by the standard deviation.
 - The Prudential Jennison Mid Cap Growth A Fund (PEEAX) – This fund has a steady approach of looking for recurring revenue streams. The expense ratio is one of the highest, but it also has one of the lowest standard deviations.
 - The Ivy Mid Cap Growth Y Fund (IYMIX) – This fund is concentrated with 64 stocks. The Committee decided the boutique fund manager would not work as well in the portfolio, as a more recognized brand name would.
 - The Blackrock US Opportunities Instl Fund (BMCIX) – This fund has a low expense ratio and standard deviation by comparison with the other options. This fund consists of between 150 and 200 stock holdings.

- The Wells Fargo Advantage Discovery A (WFDAX) – Two share classes were provided. This fund consists of 70 stocks and has a high turnover of 221%. The fund also has a relatively low expense ratio.
- The Committee agreed to review selected investment options next quarter with more detail and updated information. Third quarter returns were provided but peer group information was not available.
- The Committee discussed the timing of communications to employees over this fund change.
- **ACTION ITEM:** Alliant will bring the following investment options to the next quarterly meeting for review: Morgan Stanley Inst Mid Cap Growth, Prudential Jennison Mid Cap Growth, Blackrock US Opportunities, and Wells Fargo Advantage Discovery Funds.
- In the Mid Cap Value category, the Goldman Sachs Mid Cap Value A Fund's short term performance is lagging but this fund has demonstrated strong fundamentals over the long term and is currently passing IPS standards.
- In the Large Cap Growth category, the American Funds Growth Fund of America R4 Fund is currently passing IPS standards for performance but has not recaptured its performance record of previous years. It has historically provided strong downside protection but did not post significant numbers during 2008. A motion was made to keep this fund on the Watch List, seconded and the Committee agreed.
- In the Large Cap Blend category, the Victory Diversified Stock fund performs well in the longer time periods but is ranking in the lowest decile for the short term. This fund is currently passing IPS standards.
- In the Large Cap Value category, the Vanguard Windsor fund has six sub-advisors and recently reduced the percentage of assets being managed by the Vanguard Quantitative Group from 14% to 1% which represents a more actively traded fund.
- In the International category, the American Funds EuroPacific Growth R4 Fund and American Funds Capital World Growth & Income fund are performing in the top percentiles of their peers.
- The Rollins Stock fund was reviewed and discussed. The Committee still feels that the Rollins Stock Fund is a suitable investment option for the 401(k) Plans.

GOALMAKER:

- The GoalMaker statistics were provided in Section VII C of the materials presented.

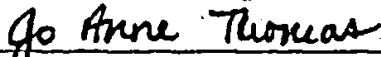
WALTHAM 401(k) PLAN:

- Harry Cynkus, the new Trustee for the Waltham Plan, named the Rollins, Inc. Administrative Committee as the investment Committee for the Waltham Plan. The Committee will use the Rollins and Western 401(k) Plans Investment Policy Statement to review investments going forward; in the best interest of participants and beneficiaries. A motion was made that the Committee would review the Waltham Plan according to the Rollins and Western 401(k) Plans Investment Policy Statement, seconded and the Committee agreed.
- Using the Rollins and Western 401(k) Plan's IPS, the funds listed on page 2 of the minutes were put on the Watch List from the Waltham 401(k) Plan based on performance and manager tenure.
- The Committee requested employee statistics for the Waltham 401(k) Plan for the next Committee meeting.
- **ACTION ITEM:** Alliant will include Waltham employee statistical data going forth.

OTHER BUSINESS:

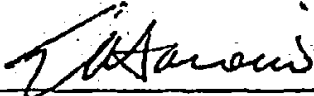
- The Committee reviewed the benchmark data provided by Alliant. According to the report provided, the large plans (assets over \$200 million) average 17.2 funds with a median of 15. The Rollins and Western Plans have 14 funds each, which the Committee agreed was sufficient.
- Index Bond funds were provided by Alliant. The Committee requested the funds be reviewed at the next Committee meeting.
- **ACTION ITEM:** Alliant will provide index bond options for the next Committee meeting.
- The option of an "opt in" auto increase was discussed. The Committee was hesitant about including this feature as it could not be measured in terms of additional cost and once it was implemented could not be stopped. The Committee discussed some of the reasons the HCE do not participate in the Deferred Compensation Plan.
- The Committee discussed using partial percentages as way to include this feature and minimize cost.
- Currently the Waltham Plan uses smaller than whole percentages for contributions.
- Mary Lynn Parker also asked if it was possible to increase the auto enrollment contribution rate by percentages other than a whole percentage.
- **ACTION ITEM:** Teresa Smith will ask Prudential if they can accommodate auto-increase and auto enrollment in partial percentages.
- All of the above decisions were made solely in the interests of, and for the exclusive benefit of, the Plan participants and beneficiaries. The meeting officially adjourned.

Respectfully Submitted:



Jo Anne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Gene Iarocci
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Prudential is working on the issue of excluding Company Stock from Goal Maker. Ongoing.
- **ACTION ITEM:** Steve Whitman will check to see if a demo for Partial GoalMaker is available and if so, he will bring the information to the next quarter meeting for review. Ongoing
- **ACTION ITEM:** The “opt in” auto increase will be discussed again at the next quarterly meeting. Ongoing
- **ACTION ITEM:** Alliant will inquire what determination has been made in regards to the partial GoalMaker election and the process to include Company Stock as an option.
- **ACTION ITEM:** Mrs. Smith asked Alliant to include previous performance for all Watch List funds on the Funds Performance Report for the previous two quarters.
- **ACTION ITEM:** Alliant will bring the following investment options to the next quarterly meeting for review: Morgan Stanley Inst Mid Cap Growth, Prudential Jennison Mid Cap Growth, Blackrock US Opportunities, and Wells Fargo Advantage Discovery Funds.
- **ACTION ITEM:** Alliant will include Waltham employee statistical data going forth.



Minutes

To: Gene Iarocci, Harry Cynkus, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes

From: Wendy Conner, Alliant Retirement Services

Date: January 19, 2010

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 2:00 pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on December 20, 2010. This was the third quarter 2010 meeting.

Rollins Attendees:

Henry Anthony - (voting member)
Harry Cynkus - (voting member)
Gene Iarocci - (voting member)
Steve Petouvis - (voting member) (teleconference)
Mary Lynn Parker - (voting member) (teleconference)
Teresa Smith
JoAnne Thomas - (voting member)
Craig Innes - (voting member) (teleconference)

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner (teleconference)

Prudential Retirement Services:

Milissa Dumont
Sally Heim (teleconference)

CALL TO ORDER:

- The meeting was called to order by Gene Iarocci.
- Alliant Retirement Services provided Fund Performance Reports to the Rollins, Inc. Administrative Committee.

REVIEW OF ACTION ITEMS: (October 11th, 2010 Meeting):

- **ACTION ITEM:** Prudential is working on the issue of excluding Company Stock from Goal Maker. The Committee decided to leave GoalMaker as “all or nothing”.
Completed.

- **ACTION ITEM:** Steve Whitman will check to see if a demo for Partial GoalMaker is available and if so, he will bring the information to the next quarter meeting for review. Prudential does not have a demo for Partial GoalMaker at this time. The Committee does not want to implement Partial GoalMaker at this time. Completed.
- **ACTION ITEM:** The 'Opt In' auto increase will be discussed again at the next quarterly meeting. See "Other Business". Completed.
- **ACTION ITEM:** Mrs. Smith asked Alliant to include previous performance for all Watch List funds on the Funds Performance Report for the previous two quarters. Completed.
- **ACTION ITEM:** Alliant will bring the following investment options to the next quarterly meeting for review: Morgan Stanley Inst Mid Cap Growth, Prudential Jennison Mid Cap Growth, Blackrock US Opportunities, and Wells Fargo Advantage Discovery Funds. Completed.
- **ACTION ITEM:** Alliant will include Waltham employee statistical data going forth. Completed.

**WATCH LIST/ ADD and REMOVE ACTIVITY:
ROLLINS/WESTERN**

- Remove the T. Rowe Price New Horizons Fund from the Watch List.
- Add the Morgan Stanley Inst Mid Cap Growth I (MPEGX) fund as soon as administratively possible. However, this fund should be in place and communication sent at least 30 days prior to April 1, 2011. It is preferred to give the employees at least a two month notice. Remove the Alger Mid Cap Growth effective 4-1-2011 and map the assets to the Morgan Stanley Inst Mid Cap Growth I.
- Watch list the American Funds Growth Fund of America R4 Fund.

WALTHAM:

- Watch List (Waltham 401(k) Plan): American Funds Growth Fund of America (RGAEX), Oppenheimer Global Strategic Income Y Fund (OSIYX), Fidelity Advisor Leveraged Co Stock T Fund (FLSTX), American Century Ultra Inv Fund (TWCUX), MM Premier Val L Fund (DLBVX), and the MM Select Lg Cap Val S Fund (MLVSX).

REVIEW & APPROVE MINUTES FROM OCTOBER 11TH, MEETING:

- After a review and discussions of the action items, the minutes were unanimously approved.
- Mr. Waggoner explained that there is not a streamlined process to exclude stock on GoalMaker.
- The Committee expressed concern that this might not be in the best interest of employees. Previously, Prudential had to reverse transactions as the employees did not completely understand the process and elections did not reflect the participants' intentions.
- There has been participant interest in investing in both GoalMaker and Rollins Stock. Alliant will continue to monitor the progress Prudential makes on streamlining this process but it is not expected to be soon.
- The Committee agreed to keep the status quo unless there is a change at Prudential.

ECONOMIC OVERVIEW: 3rd QUARTER 2010:

- Mr. Waggoner gave a brief overview of the 3rd Quarter Economic and Capital Markets.

PLAN DETAILS – as of September 30th, 2010:

- Sean Waggoner reviewed the Plan details provided in Section VII of the materials. The total assets for both Plans were \$292,872,478.
- Current participation has stabilized at 90% for actives with a balance.
- There was an increase in assets over last quarter by a little over \$21 million.

INVESTMENT REVIEW – 3rd QUARTER 2010:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - The current rate on the Prudential Guaranteed Fund is at 4.36%. Mr. Waggoner explained that there may be a substantial reduction in the interest rate. This rate is considerably higher than most of Alliant's plans.
 - In the Bond category, the PIMCO Total Return Fund continues to be a top-rated performer and easily meets Investment Policy Statement (IPS) standards. This fund has attracted \$83 billion in assets since 2008 putting the assets above \$200 billion. The fund is beginning to reflect the index which may be due to the large asset base. The other issue is that there was a change to Bill Gross' prospectus, adding as much as 10% in convertible securities, which poses a higher risk. Currently investing 3% in high yield, 6% in both developed and emerging debt markets and 2% in non-agency commercial and residential mortgages.
 - In the Balanced category, the Oakmark Equity & Income Fund managers tend to be good down side protectors and lost 13% less when the market was down. In 2009, they had a harder time keeping pace, but were one of the few funds in the categories that made money in 2008 and 2009. This fund offers participants a more consistent return which helps protect investors from bad market timing.
 - In the Small Cap Growth category, the T. Rowe Price New Horizons Fund is currently on the Watch List due to a manager change in March of 2010. It does not appear to be any changes to date. Jack Laporte, the long time manager, was replaced by one of the fund's analysts, Henry Ellenbogen. A motion was made to remove this fund from the Watch List, seconded and the Committee agreed.
 - **ACTION ITEM:** Remove the T. Rowe Price New Horizons Fund from the Watch List.
 - In the Small Cap Blend category, the DWS Dreman Small Cap Value A Fund easily meets performance measurements over the long term, but it is not keeping up with the more speculative funds in the category, which is reflected in the recent performance to peers. They had some exposure to stocks surrounding the BP oil spill, as well as other energy sector funds. Improvement is expected.
 - In the Mid Cap Growth category, the Alger Mid Cap Growth Fund has been on the Watch List since the 3rd quarter of 2008. Three new portfolio managers were added to this fund to improve performance, but it hasn't helped in the short term. Dan Chung takes an aggressive approach to stock purchasing. The Committee agreed to review the fund alternatives provided by Alliant at this time.
 - Morgan Stanley Inst Mid Cap Growth I Fund (MPEGX) – This fund has the lowest expense ratio and a strong management team. The fund has

- been managed by Dennis Lynch over the last 8 years, with an 81% cumulative return through his tenure. The biggest concern is it does not reflect the index. It has low turnover with a high concentration of only 60 stocks
- Blackrock US Opportunities Instl Fund (BMCIX) – This fund has been managed by Thomas Callan and Jean Rosenbaum since December 2002. It is part of Blackrock's larger global opportunities team that includes five portfolio managers and 10 analysts. This fund typically holds 150-200 holdings with a 166% turnover.
 - Prudential Jennison Mid Cap Growth A Fund (PEEAX) – This fund has a steady approach of looking for recurring revenue streams. This fund has been managed by John Mullman. It is a little more average on short term performance with 59% turnover.
 - Wells Fargo Advantage Discovery A Fund (WFDAX) – This fund consists of 70 stocks and has a high turnover of 220%. The fund also has the highest expense ratio of the other funds.
- The Committee reviewed the selected investment options based on quantitative and qualitative analysis.
 - The Committee agreed to add the Morgan Stanley Inst Mid Cap Growth I Fund (MPEGX) based on expenses, management tenure and style, and consistency of performance.
 - **ACTION ITEM:** Add the Morgan Stanley Inst Mid Cap Growth I Fund (MPEGX) as soon as administratively possible but at least by February 1, 2011. Remove the Alger Mid Cap Growth Fund effective April 1, 2011 and map the assets to the Morgan Stanley Inst Mid Cap Growth I Fund. Melissa Dumont will ensure the fund is set up and communication sent to all employees in both Plans.
 - In the Mid Cap Value category, the Goldman Sachs Mid Cap Value A Fund's performance has been consistently strong.
 - In the Large Cap Growth category, the American Funds Growth Fund of America R4 Fund is currently passing IPS standards, but it appears the size of the fund is being reflected in the performance. It is beginning to show up on Watch Lists and if this fund begins to be removed from 401(k) plans, it could have a great impact on its management.
 - **ACTION ITEM:** Continue to Watch List the American Funds Growth Fund of America R4 Fund.
 - In the Large Cap Blend category, the Victory Diversified Stock Fund had a rocky year, primarily due to Anadarko petroleum and a concentrated portfolio. This fund is currently passing IPS standards.
 - In the Large Cap Value category, the Vanguard Windsor fund is just outside the 50th percentile. The manager, Jim Barrow, has managed most of the fund with five other sub-advisors, including the Vanguard Quantitative Equity Group. The performance may be performing close to the index as a reflection of the diverse management team.
 - In the International category, the International funds, the American Funds EuroPacific Growth R4 Fund and American Funds Capital World Growth & Income Fund are performing in the top percentiles of their peers.
 - The Rollins Stock Fund was reviewed and discussed. The Committee still feels that the Rollins Stock Fund is a suitable investment option for the 401(k) Plans.

GOALMAKER:

- The GoalMaker statistics were provided in Section VII C of the materials presented. 30.18% of Rollins participants are in GoalMaker and 28.15% of Western participants.

WALTHAM 401(k) PLAN:

- Steve Petouvis will begin Union negotiations during first quarter 2011. If the Committee wants to move this Plan to Prudential, the earliest it could be moved is April 1, 2011, as Prudential needs more than sixty days. However, the end of the “transition period” is August 31, 2011. Therefore, a decision must be made and those decisions completed by August 31, 2011.
- Currently, the Plan is with MassMutual and there is a broker consultant working on the Waltham 401(k) Plan. The Committee may consolidate those services and investments, but that will be reviewed after Union negotiations.
- **ACTION ITEM:** Steve Petouvis will continue to negotiate the 401(k) recommendations with the Union and update the Committee upon completion.
- The Committee used the Rollins and Western 401(k) Plans IPS to review investments in the Waltham 401(k) Plan; in the best interest of participants and beneficiaries.
- Using the Rollins and Western 401(k) Plan IPS, the following funds will remain on the Watch List based on performance and manager tenure:
 - Oppenheimer Global Strategic Income Y (OSIYX) – Manager change
 - Fidelity Advisor Leveraged Co Stock T (FLSTX) – Performance
 - American Century Ultra Inv (TWCUX) – Manager change and performance
 - MM Premier Val L (DLBVX-sub-advised by Davis NY Venture) – Performance
 - MM Select Lg Cap Val S (MLVSX-sub-advised by Eaton Vance) – Performance
- **ACTION ITEM:** Using the Rollins and Western 401(k) Plan IPS, the American Funds Growth Fund of America (RGAEX) Fund was added to the Watch List based on performance.
- The Committee had previously asked if Prudential could accept contribution rates in increments other than whole percentages. Mrs. Smith told the Committee that Prudential does have the ability to handle this request. This surfaced in the last quarterly meeting due to the fact that the Waltham Plan currently has this option.

OTHER BUSINESS:

- Sean Waggoner informed the Committee that the ERISA account currently has approximately \$4,000 in it for the Rollins and Western Plans. Those funds will be used for administrative expenses relating to the Plans.
- When expenses arise, Mrs. Smith will provide a letter of instruction to Prudential to utilize the ERISA funds to meet those expenses.
- The Committee reviewed the benchmark data provided by Alliant from Plan Sponsor focusing on the “Consumer Services” Industry.
- The Committee discussed “Auto Increase” as an option for participants on the website. In order for a participant to take advantage of the auto increase, they must elect to do so. The committee moved, seconded, and approved the addition of this feature.
- **ACTION ITEM:** Add the “Auto Increase” feature and send communication in the next newsletter.
- Sean Waggoner explained that the Key Account Team for Prudential has changed. As a result, Steven Whitman is no longer with Prudential and Milissa Dumont

(Director, Key Accounts) has taken his place. Milissa was introduced to the Committee and she explained her role.

- All of the above decisions were made solely in the interests of, and for the exclusive benefit of, the Plan participants and beneficiaries. The meeting officially adjourned.

Respectfully Submitted:

Jo Anne S. Thomas 1.25.11
JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:

Gene Iarocci
Gene Iarocci
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Remove the T. Rowe Price New Horizons Fund from the Watch List.
- **ACTION ITEM:** Add the Morgan Stanley Inst Mid Cap Growth I Fund (MPEGX) as soon as administratively possible but at least by February 1, 2011. Remove the Alger Mid Cap Growth Fund effective April 1, 2011 and map the assets to the Morgan Stanley Inst Mid Cap Growth I Fund. Melissa Dumont will ensure the fund is set up and ~~communication sent to all employees in both Plans.~~
- **ACTION ITEM:** Continue to Watch List the American Funds Growth Fund of America R4 Fund.
- **ACTION ITEM:** Steve Petouvis will continue to negotiate the 401(k) recommendations with the Union and update the Committee upon completion.
- **ACTION ITEM:** Using the Rollins and Western 401(k) Plan IPS, the American Funds Growth Fund of America (RGAEX) Fund was added to the Watch List based on performance.
- **ACTION ITEM:** Add the "Auto Increase" feature and send communication in the next newsletter.

~~Rollins Inc.~~
~~Administrative Committee~~

Minutes

To: Harry Cynkus, Henry Anthony, Gene Iarocci, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes
From: Wendy Conner, Alliant Retirement Services
Date: May 10, 2011
Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 1:30 pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on March 10th, 2011. This was the fourth quarter 2010 meeting.

Rollins Attendees:

Henry Anthony - (voting member)
Harry Cynkus - (voting member)
Gene Iarocci - (voting member)
Steve Petouvis - (voting member) (not in attendance)
Mary Lynn Parker - (voting member)
Teresa Smith
JoAnne Thomas - (voting member)
Craig Innes - (voting member) (teleconference)

Alliant Insurance Services Attendees:

Scan Waggoner
Wendy Conner

Prudential Retirement Services:

Milissa Dumont
Sally Heim - (teleconference)

CALL TO ORDER:

- The meeting was called to order by Gene Iarocci.
- Alliant Retirement Services provided Fund Performance Reports to the Rollins, Inc. Administrative Committee.

REVIEW OF ACTION ITEMS: (December 20th, 2010 Meeting):

- **ACTION ITEM:** Remove the T. Rowe Price New Horizons fund from the Watch List. Completed.
- **ACTION ITEM:** Mr. Petouvis will inform the Committee of the results of union negotiations in respect of the 401(k) Plan. In Progress.
- **ACTION ITEM:** Ms. Smith will provide a letter of instruction to Prudential to utilize the forfeiture account for administrative expenses. Completed.
- **ACTION ITEM:** Add the "Auto Increase" feature to the participant website. Completed.

**WATCH LIST/ ADD and REMOVE ACTIVITY:
ROLLINS/WESTERN**

- Watch List the American Funds Growth Fund of America R4 Fund.
- Add the Morgan Stanley Inst Mid Cap Growth I Fund (MPEGX) as soon as administratively possible. Remove the Alger Mid Cap Growth Fund (ALMRX) effective 3-31-2011 and map the assets to the Morgan Stanley Inst Mid Cap Growth I.

WALTHAM:

- Watch List (Waltham 401(k) Plan): American Funds Growth Fund of America Fund (RGAEX), Oppenheimer Global Strategic Income Y Fund (OSIYX), Fidelity Advisor Leveraged Co Stock T Fund (FLSTX), American Century Ultra Inv Fund (TWCUX), MM Premier Val L Fund (DLBVX), and the MM Select Lg Cap Val S Fund (MLVSX).

REVIEW & APPROVE MINUTES FROM DECEMBER 20, MEETING:

- After a review and discussion of the action items, the minutes were unanimously approved.
- The Committee discussed the communications with employees regarding the auto-increase plan feature. Next month's newsletter will include an announcement as well as information regarding website access for this feature.

ECONOMIC OVERVIEW: 4th QUARTER 2010:

- Mr. Waggoner gave a brief overview of the 4th Quarter Economic and Capital Markets Review.

PLAN DETAILS – as of December 31, 2010:

- Sean Waggoner reviewed the Plan details provided in Section VII of the materials. The total assets for both Plans were \$326,706,275.
- It was noted that there was a \$34 million dollar increase in assets since the 3rd quarter.
- The Committee noted that the increase in assets can partially be attributed to stock gains.

INVESTMENT REVIEW – 4th QUARTER 2010:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - The current rate on the Prudential Guaranteed Fund was reduced slightly to 4.18%. This rate remains highly competitive as comparable guaranteed fund interest rates are considerably lower in the current market.
 - The PIMCO Total Return Fund is in the top 3%. A great performer, but the size of this fund is a concern, as there are \$300 billion in assets, making it the largest mutual fund. In December of 2010, the fund filed with the SEC to invest in convertibles. There was some concern over the volatility, but Bill Gross, the fund manager, generally sticks to a fairly conservative philosophy.
 - The Oakmark Equity & Income Fund managers tend to be good down side protectors and lost 13% less when the market was down. In 2009, they had a harder time keeping pace, but were one of the few funds that had positive returns in 2008 and 2009.
 - The T. Rowe Price New Horizons Fund has had seven managers in the last 50 years. The fund continues to perform in the top quartile.
 - The DWS Dreman Small Cap Value A Fund did not perform well last year. For a Small Cap Blend fund, it is an average performer.
 - The Alger Mid Cap Growth Fund is slated for removal March 31, 2011, and continues to underperform. The Morgan Stanley Fund was added March 1, 2011 and shortly thereafter, the fund was closed to new investments, as the fund's management is sensitive to asset bloat.
 - The Goldman Sachs Mid Cap Value A Fund's performance has been consistently strong.
 - The American Funds Growth Fund of America R4 Fund is currently on the Watch List and remains a concern for most investment Committees, as its performance continues to lag or mirror the index with close correlation to overall market movements. There is also concern that as this fund is added to Watch Lists some plans may remove it from their portfolios. There was \$9 billion dollars in redemptions in 2009 which represent 20% of the fund's total assets. The Committee agreed to keep the fund on the Watch List as there are a significant number of employee assets in this fund.
 - **ACTION ITEM:** Continue to Watch List the American Funds Growth Fund of America R4 Fund (RGAEX).
 - The Victory Diversified Stock Fund is managed by Larry Babin and currently has \$5 billion in assets under management. Mr. Babin's fundamentals utilize bottom-up stock selection and can therefore change rapidly. It was also noted that 13.2 % of assets are currently in energy.
 - The Vanguard Windsor II Adm fund has recently changed its management strategy and is moving away from the quantitative management style and is incorporating a more active management style.
 - The American Funds EuroPacific Growth R4 Fund and American Funds Capital World Growth & Income Fund are performing in the top percentiles

when compared to their peers. It was noted that both funds have experienced substantial redemptions.

- The Rollins Stock Fund performed very well last year and while performance is strong the Company continues to reinforce with employees that investment in a single stock is more risky than a well balance portfolio of mutual funds. The Rollins Stock Fund currently accounts for 36% of the Rollins Plan's total assets.

GOALMAKER:

- The GoalMaker statistics were provided in Section VII C of the materials presented. It was noted that 30.18% of Rollins participants are in GoalMaker and 28.15% of Western participants are in GoalMaker.

WALTHAM 401(k) PLAN:

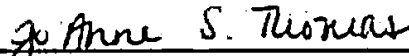
- In the multi-sector bond category, the Oppenheimer Global Strategic Income Fund is currently on the Watch List and continues to rank in the bottom half of the category for the three year time frame; however, the fund appears to be moving in the right direction. The fund has lost 23% from its peak with an ill-conceived strategy of investing in leveraged companies and derivatives.
- Mr. Cynkus asked about the 15% of Plan assets in the Money Market fund. Mr. Waggoner explained that this was typical, as this fund was the conservative option.
- The Baron Growth Fund is slightly behind category average. Fundamentally this is a good fund with long term management that seeks companies that have the potential to double in value.
- The Fidelity Advisors Leveraged Company Stock Fund is managed by Tom Sorbicine who started the fund in 2007, with investments in stock that were heavily leveraged. With the market downturn, this fund did poorly and has a broad mandate to cash. This fund captured 140% of the downside market and only 130% of the gains.
- The Committee discussed that these funds will likely not be an ongoing issue, as the continuing labor negotiations will likely resolved the issues. Legal counsel has advised that moving the union employees into the Rollins Plan would give a few employees a considerable voice in a Plan that covers thousands. The Plan will likely have its own Plan document but the investments will move to Prudential as the record-keeper for continuity and provide lower expenses on behalf of the employees.
- Ms. Sally Heim with Prudential noted that the process of transitioning the plan to include a black-out period would take 60 days.
- In respect of changes that will likely take place with this Plan, the Committee agreed to keep all funds previously on the Watch List until the next Committee meeting.
- **ACTION ITEM:** Watch List (Waltham 401(k) Plan): American Funds Growth Fund of America Fund (RGAEX), Oppenheimer Global Strategic Income Y Fund (OSIYX), Fidelity Advisor Leveraged Co Stock T Fund (FLSTX), American

Century Ultra Inv Fund (TWCUX), MM Premier Val L Fund (DLBVX), and the MM Select Lg Cap Val S Fund (MLVSX).

OTHER BUSINESS:

- The Committee discussed the importance of discussing the de-accumulation of assets for employees in retirement and the availability of annuity options inside their 401(k) Plan.
- **ACTION ITEM:** Prudential will provide the Committee with more information on the Income Flex product as an annuity option for the Plan.

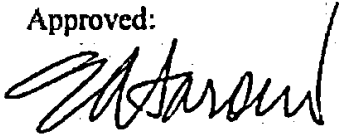
Respectfully Submitted:



JoAnne Thomas

Secretary of the Rollins, Inc. Administrative Committee

Approved:



Gene Iarocci

Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Mr. Petouvis will inform the Committee of the results of union negotiations in respect of the 401(k) Plan.
- **ACTION ITEM:** Continue to watch list the American Funds Growth Fund of America R4 Fund.
- **ACTION ITEM:** Watch List (Waltham 401(k) Plan): American Funds Growth Fund of America Fund (RGAEX), Oppenheimer Global Strategic Income Y Fund (OSIYX), Fidelity Advisor Leveraged Co Stock T Fund (FLSTX), American Century Ultra Inv Fund (TWCUX), MM Premier Val L Fund (DLBVX), and the MM Select Lg Cap Val S Fund (MLVSX).
- **ACTION ITEM:** Prudential will provide the Committee with more information on the Income Flex product as annuity option.

Rollins, Inc.
Administrative Committee

Minutes

To: Gene Iarocci, Harry Cynkus, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Steve Petouvis, and Craig Innes, Teresa Smith

From: Wendy Conner, Alliant Retirement Services

Date: August 5, 2011

Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 12:30 pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on June 30, 2011. This was the first quarter 2011 meeting.

Rollins Attendees

Henry Anthony - (voting member)
Harry Cynkus - (voting member)
Gene Iarocci - (voting member)
Mary Lynn Parker - (voting member)
JoAnne Thomas - (voting member)
Craig Innes - (voting member) (teleconference)
Steve Petouvis - (voting member) (teleconference)
Teresa Smith

Alliant Insurance Services Attendees

Sean Waggoner
Wendy Conner (teleconference)

Prudential Retirement Services

Milissa Dumont (teleconference)
Sally Heim (teleconference)

CALL TO ORDER

- The meeting was called to order by Gene Iarocci.
- Alliant Retirement Services provided Fund Performance Reports to the Rollins, Inc. Administrative Committee.

REVIEW OF ACTION ITEMS: (March 10, 2011 Meeting)

- **ACTION ITEM:** Mr. Petouvis will inform the Committee of the results of union negotiations in respect of the 401(k) Plan. Completed
- **ACTION ITEM:** Prudential will provide the Committee with more information on the Income Flex product as annuity option.

WATCH LIST/ ADD and REMOVE ACTIVITY

ROLLINS/WESTERN

- Watch list the American Funds Growth Fund of America R4 Fund.
- Watch list the Victory Diversified Stock Fund.

WALTHAM

- Watch List (Waltham 401(k) Plan): American Funds Growth Fund of America (RGAEX), Oppenheimer Global Strategic Income Y (OSIYX), Fidelity Advisor Leveraged Co Stock T (FLSTX), American Century Ultra Inv (TWCUX), MM Premier Val L (DLBVX), and the MM Select Lg Cap Val S (MLV SX).

REVIEW & APPROVE MINUTES FROM MARCH 10th MEETING

- After a review and discussions of the action items, the minutes were unanimously approved.

ECONOMIC OVERVIEW: 1st QUARTER 2011

- Mr. Waggoner gave a brief overview of the 1st Quarter Economic and Capital Markets Review.

PLAN DETAILS -- as of March 31, 2011

- Sean Waggoner reviewed the Plan details provided in Section VII of the materials. The total assets for both Plans were \$326,706,275.
- It was noted that there was a \$34 million dollar increase in assets since the 3rd quarter.
- The Committee noted that the increase in assets can partially be attributed to stock gains.

INVESTMENT REVIEW – 1st QUARTER 2011

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - The current rate on the Prudential Guaranteed Fund was reduced to 4.00% from 4.18%. This rate remains competitive in the current market.
 - The DWS Dreman Small Cap Value A fund (KDSAX) is making up ground from the second quarter. The long term performance is strong and this fund has exceeded the performance of its benchmark and peers for the five and 10 year time periods. The fund is not exceeding either standard for the three year or one year time frame. The Committee will continue to review the fund on a quarterly basis but did not add it to the watch list for now due to the strong long term numbers.
 - The Alger Mid Cap Growth Institutional I Fund was removed as an investment option effective April 1, 2011. Assets were mapped to the Morgan Stanley Inst Mid Cap Growth fund. Currently, the Morgan Stanley fund's performance has exceeded the Alger's fund performance across the board and the fund expense is less.

- The American Funds Growth Fund of America R4 Fund is currently on the Watchlist. This fund is beginning to be removed by investment Committees as continued redemptions and mediocre performance continue. The size of this fund has made it difficult to distinguish itself from its index, the Russell 1000 Growth Index. In June 2002, the fund had an active share of 77% versus the index, which means that only 23% of its equity portfolio mirrored the index. As its assets have grown, the fund's active share has dropped to 61%. As it has become more index-like, it may be more difficult for the fund to outperform. The Committee agreed to keep the fund on the Watch List as there remains a significant number of employee assets in this fund and the fund is part of the Goal Maker portfolio of funds.
- **ACTION ITEM:** Continue to Watch List the American Funds Growth Fund of America R4 fund (RGAEX). Alliant will bring large growth fund alternatives for review for the second quarter review.
- The Victory Diversified Stock Fund has been managed by Larry Babin since inception in 1989. This is a concentrated portfolio fund with a goal of beating the S&P 500 over an annual basis. His fundamentals utilize bottom-up stock selection and can therefore change rapidly. Anadarko was a large detractor to performance as stocks dipped due involvement with the Gulf of Mexico spill. This fund has a low turnover ratio of 91% and while the short term seems sluggish, Babin, he has a record of turning things around. There are approximately 1.1 million of assets in the fund from both Plans.
- **ACTION ITEM:** Continue to Watch List the Victory Diversified Stock Fund.
- The American Funds Capital World Growth and Income R4 Fund is historically a strong fund, but it is in the worst stretch since the 1990's and performed in the bottom quartile in 2009. 37% of the portfolio has European exposure which is being affected by speculation that the economic struggles of Greece will spill over. It's outperformed the category average in 14 of the 16 calendar years since its 1993 inception and this fund is already turning in the second quarter. Due to the strong long-term performance the Committee agreed to review the fund in the second quarter without adding it to the Watchlist.

GOALMAKER

- The GoalMaker statistics were provided in Section V C of the materials presented. It was noted that 35.15% of Rollins participants are in GoalMaker and 30.45% of Western participants are in GoalMaker.


WALTHAM 401(k) PLAN

- The Committee reviewed the mapping of the funds from the Waltham 401(k) to the Rollins, Inc. 401(k) Plan.
- The Committee agreed that until the funds are mapped, the Watch List would remain.
- **ACTION ITEM:** Watch List (Waltham 401(k) Plan): American Funds Growth Fund of America (RGAEX), Oppenheimer Global Strategic Income Y (OSIYX), Fidelity Advisor Leveraged Co Stock T (FLSTX), American Century Ultra Inv (TWCUX), MM Premier Val L (DLBVX), and the MM Select Lg Cap Val S (MLVXS).
- **ACTION ITEM:** The Committee requested side by side performance of the Waltham and Rollins, Inc. funds to show the quality of the funds.

OTHER BUSINESS


- The Committee dismissed Prudential and closed the 401(k) meeting to discuss the NQDC RFP Plan.
- Ms. Smith reported there were no findings in the IRS audit.

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Gene Iarocci
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Continue to watch list the American Funds Growth Fund of America R4 fund (RGAEX). Alliant will bring large growth fund alternatives for
- **ACTION ITEM:** Continue to watch list the Victory Diversified Stock Fund.
- **ACTION ITEM:** Watch List (Waltham 401(k) Plan): American Funds Growth Fund of America (RGAEX), Oppenheimer Global Strategic Income Y (OSIYX), Fidelity Advisor Leveraged Co Stock T (FLSTX), American Century Ultra Inv (TWCUX), MM Premier Val L (DLBVX), and the MM Select Lg Cap Val S (MLVSX).
- **ACTION ITEM:** Prudential will provide the Committee with more information on the Income Flex product as annuity option.
- **ACTION ITEM:** The Committee requested side by side performance of the Waltham and Rollins, Inc. Funds to show the quality of the funds.

Rollins, Inc.
Administrative Committee

Minutes

To: Harry Cynkus, Henry Anthony, Gene Iarocci, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes
From: Wendy Conner, Alliant Retirement Services
Date: September 26, 2011
Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 9:00 am EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on August 17, 2011. This was the second quarter 2011 meeting.

Rollins Attendees:

Henry Anthony - (voting member) (not in attendance)
Harry Cynkus - (voting member)
Gene Iarocci - (voting member)
Steve Petouvis - (voting member) (teleconference)
Mary Lynn Parker - (voting member)
Teresa Smith
JoAnne Thomas - (voting member)
Craig Innes - (voting member)

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner
Kelly Ponton (teleconference)

Prudential Retirement Services:

Milissa Dumont

CALL TO ORDER:

- The meeting was called to order by Gene Iarocci.
- Alliant Retirement Services provided Fund Performance Reports to the Rollins, Inc. Administrative Committee.

REVIEW OF ACTION ITEMS: (June 30th, 2011 Meeting):

- **ACTION ITEM:** Alliant will bring large growth fund alternatives. Completed.
- **ACTION ITEM:** The Committee requested side by side performance of the Waltham and Rollins, Inc. funds to show the quality of the funds. Completed.
- **ACTION ITEM:** Prudential will provide the Committee with more information on the Income Flex product as annuity option. Ongoing

WATCH LIST/ ADD and REMOVE ACTIVITY:

ROLLINS/WESTERN:

- Watch List DWS Dreman Small Cap Value Fund.
- Watch List the American Funds Growth Fund of America R4 Fund.
- Watch List the Victory Diversified Stock Fund.
- Add Franklin Growth Adv Fund (FCGAX).

WALTHAM:

- Watch List (Waltham 401(k) Plan): American Funds Growth Fund of America Fund (RGAEX), Oppenheimer Global Strategic Income Y Fund (OSIYX), Fidelity Advisor Leveraged Co Stock T Fund (FLSTX), American Century Ultra Inv fund (TWCUX), MM Premier Val L Fund (DLBVX), and the MM Select Lg Cap Val S Fund (MLVSX).

REVIEW & APPROVE MINUTES FROM June 30th, MEETING:

- After a review and discussions of the action items, the minutes were unanimously approved.

ECONOMIC OVERVIEW: 2nd QUARTER 2011:

- Mr. Waggoner gave a brief overview of the 2nd Quarter Economic and Capital Markets Review with an update on current market conditions due to recent economic volatility.

PLAN DETAILS – as of June 30th, 2011:

- Sean Waggoner reviewed the Plan details provided in Section V of the materials. The total assets for both Plans were \$343,770,806.
- The Committee reviewed the new format of the Prudential Executive Summary report provided in Section V, A of the materials and will use this report format going forward.
- The Committee requested information on trends over the quarters of participants moving into the stable value fund.
- **ACTION ITEM:** Prudential will include information on fund allocation trend for future quarterly meetings.

INVESTMENT REVIEW – 2nd QUARTER 2011:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- The current rate on the Prudential Guaranteed Fund is 4.00%. This rate remains competitive in the current market.
- The DWS Dreman Small Cap Value A Fund (KDSAX) is failing IPS standards based on the three year percentile ranking. There was significant fall off from the previous quarter. Stock picks have had a significant impact with the energy pick – Atwood Oceanics ATW, which experienced losses due to the Gulf of Mexico oil spill and Waddell & Reed Financial WDR that was hit by the “flash crash”. The fund’s lead manager, Mark Roach, is keeping with its contrarian focus and believes that many of the energy holdings are still undervalued. The Committee reviewed the fund’s long term focus and agreed to Watch List the fund due to poor relative performance in the three year percentile rankings.
- **ACTION ITEM:** Watch List DWS Dreman Small Cap Value Fund.
- The American Funds Growth Fund of America is currently on the Watch List and continues fail to the IPS standards of relative performance. The fund is having difficulty differentiating itself from its peers. This fund mirrored the market by 23% in June of 2002 and now reflects the market at 39%. The fund has raised its prospectus limit on foreign stock holdings to 25% from 15% as it finds it harder to diversify. This fund has failed to perform in markets that it’s strategy should thrive in. It is not clear if that will change. This fund is currently the fourth most utilized fund in the portfolio and is the large cap growth option in GoalMaker.
- The Committee agreed that they did not want to move the fund yet due to its popularity in the Plans, but wanted to offer another large cap growth option to participants.
- **ACTION ITEM:** Continue to Watch List the American Funds Growth Fund of America R4 Fund (RGAEX).
- The Committee reviewed the options provided by Alliant based on IPS standards, management tenure, expense ratio, Alpha (measurement of risk adjusted performance), style purity, concentration of stocks, and short term performance to date.
- The Committee discussed the Franklin Growth Adv Fund and the Main Stay Large Cap Growth I Fund in depth and decided to add the Franklin Growth Fund due to its strong performance, long management tenure, expense ratio, and buy and hold discipline. Jerry Palmieri has managed this fund for more than 40 years and co-manages with Serena Perin Vinton. This fund has a 4% turnover ratio, fourth lowest among Large Cap Growth funds, with an average holding period of over ten years.
- The Committee also discussed the impact on GoalMaker and decided to add the Franklin Growth fund as the large cap growth option and remove the American Funds Growth Fund of America from the GoalMaker line-up.
- **ACTION ITEM:** Add Franklin Growth Adv Fund (FCGAX) as a large cap growth option.
- **ACTION ITEM:** Replace the American Funds Growth Fund of America with the Franklin Growth Adv Fund in GoalMaker.

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Prudential will include information on fund allocation trends.
- **ACTION ITEM:** Watch List DWS Dreman Small Cap Value Fund.
- **ACTION ITEM:** Continue to Watch List the American Funds Growth Fund of America R4 Fund (RGAEX).
- **ACTION ITEM:** Add Franklin Growth Adv Fund (FCGAX) as a large cap growth option.
- **ACTION ITEM:** Replace the American Funds Growth Fund of America with the Franklin Growth Adv Fund in GoalMaker.
- **ACTION ITEM:** Continue to Watch List the Victory Diversified Stock Fund.
- **ACTION ITEM:** Include previous two quarters of performance for Watch List funds. Add listing of Watch List funds with dates to minutes.
- **ACTION ITEM:** Add the American Funds Capital World Growth and Income Fund to the Watch List.

WATCH LIST:

- DWS Dreman Small Cap Value Fund (8-17-2011)
- American Funds Growth Fund of America R4 Fund (5-11-2010)
- Victory Diversified Stock Fund (3-10-2011)
- American Funds Capital World World Growth and Income R4 Fund (8-17-2011)

- The Victory Diversified Stock Fund manager Larry Babin's directive is to beat the S&P 500 annual return every year. The fund had difficulty last year with exposure to Anadarko, a stock involved in the BP oil spill, and the result of stock picks that dropped in the second quarter due to investor reactions to poor economic data and the Greek debt crisis. The fund is failing IPS standards but has a strong track record.
- **ACTION ITEM:** Continue to Watch List the Victory Diversified Stock Fund.
- **ACTION ITEM:** Include previous two quarters of performance for Watch List funds. Add listing of Watch List funds with dates to minutes.
- The American Funds Capital World Growth and Income R4 Fund operates on two distinctive segments. A relatively conservative dividend-focused strategy and an overweighting in emerging markets. Currently 18% of assets are in these markets which have lagged year to date. The Committee agreed to add the fund to the Watch List due to its lagging performance and failure to meet IPS standards.
- **ACTION ITEM:** Add the American Funds Capital World Growth and Income Fund to the Watch List.

GOALMAKER:

- The GoalMaker statistics were provided in Section V, Tab D of the materials presented. It was noted that 36.70% of Rollins participants are in GoalMaker and 31.40% of Western participants are in GoalMaker.
- The Committee continued to discuss the availability of partial GoalMaker but to date the process is too complicated to be adequately explained to participants to make it beneficial.

WALTHAM 401(k) PLAN:

- The Committee reviewed the Waltham portfolio of funds next to the Rollins funds.
- The fund mapping was generally an improvement on relative fund performance and expenses with the only exceptions being funds that were already on the Watch List or that had previously offered more funds in the category.
- Funds were mapped August 1, 2011.

OTHER BUSINESS:

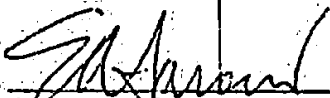
- None

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Gene Iarocci
Chairman of the Rollins, Inc. Administrative Committee

**Rollins, Inc.
Administrative Committee**

Minutes

To: Harry Cynkus, Henry Anthony, Gene Iarocci, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes
From: Wendy Conner, Alliant Retirement Services
Date: January 6, 2012
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 9:00 am EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on January 6, 2012. This was the third quarter 2011 meeting.

Rollins Attendees:

Henry Anthony - (voting member) (not in attendance)
Harry Cynkus - (voting member) (not in attendance)
Gene Iarocci - (voting member)
Mary Lynn Parker - (voting member)
Teresa Smith
JoAnne Thomas - (voting member)
Craig Innes - (voting member)
Steve Petouvis - (voting member) (teleconference)

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner

Prudential Retirement Services:

Milissa Dumont
Sally Heim
Shane Dawe

CALL TO ORDER:

- The meeting was called to order by Gene Iarocci.
- Alliant Retirement Services provided Fund Performance Reports to the Rollins, Inc. Administrative Committee.

REVIEW OF ACTION ITEMS: (August 17, 2011 Meeting):

- **ACTION ITEM:** Prudential will include information on fund allocation trends. Completed.
- **ACTION ITEM:** Add Franklin Growth Adv Fund (FCGAX) as a large cap growth option. Completed.
- **ACTION ITEM:** Replace the American Funds Growth Fund of America with the Franklin Growth Adv in GoalMaker. Completed.
- **ACTION ITEM:** Include previous two quarters of performance for Watch Listed funds. Add listing of Watch Listed funds with dates to minutes. Completed.

WATCH LIST/ ADD and REMOVE ACTIVITY:

- Watch List DWS Dreman Small Cap Value Fund.
- Watch List the American Funds Growth Fund of America R4 Fund.
- Watch List the Victory Diversified Stock Fund.
- Add Franklin Growth Adv Fund.
- Watch List American Funds Capital World Growth and Income Fund

REVIEW & APPROVE MINUTES FROM August 17, 2011 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 3rd QUARTER 2011:

- Mr. Waggoner gave a brief overview of the 3rd Quarter Economic and Capital Markets Review with an update on current market conditions.

PLAN DETAILS – as of September 30, 2011:

- Sean Waggoner reviewed the Plan details provided in Section V of the materials. The total assets for all Plans were \$ 322,827,607.

INVESTMENT REVIEW – 3rd QUARTER 2011:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- The previous rate on the Prudential Guaranteed Fund is 4.00%. This rate changed January 1, 2012 to 3.70%. The interest rate remains strong in comparison to other GIC funds offered in the market.
- PIMCO Total Return Fund is experiencing some low returns to benchmark over the short term due to the manager, Bill Gross' miss on the US Treasuries in the third

quarter. Mr. Gross believed the end of 2nd quarter would cause interest to level off, but instead it spiked and a flight to quality lowered rates and increased bond prices. This fund is passing IPS standards at this time.

- The Oakmark Equity and Income Fund is not on the Watch List but it is also not meeting IPS Standards. This fund had a great 2008 compared to the benchmark and appeared to be a good downside protector. However, this fund did not perform as well as it should have in 2011. This fund has been held up by a tailwind from its conservative fixed income segment. It is anticipated that the fund will improve. The Committee reviewed the November 30, 2011 Fund Fact Sheet and decided not to add this fund to the Watch List until the 4th quarter review.
- The DWS Dreman Small Cap Value Fund is currently on the Watch List and did improve in the three year category ranking. David Dreman, who has managed this fund for some time, hired two new co-managers, Roach and Hoover, as he prepares for retirement. This fund closed in June of 2011 and recently experienced \$280 million in redemptions last year. Due to an over-reaction to a short term issue. The fund had a large exposure to the energy sector, specifically Anadarko, at the time of the Gulf oil spill. This fund is not in GoalMaker. The Committee discussed the possibility of the fund improving and agreed to keep the fund on the Watch List and review Small Cap Value and Blend options at the next quarterly meeting.
- **ACTION ITEM:** Continue to Watch List the DWS Dreman Small Cap Fund and Alliant will bring Small Cap Value and Small Cap Blend Fund options to the next investment Committee meeting.
- The Goldman Sachs Mid Cap Value Fund stays true to their benchmark in respect to sector weightings but made some poor picks and missed the category average by 2.65% for the year. The Committee discussed the fund's performance relating to market volatility and decided to wait until the next Committee meeting to Watch List the fund.
- The Committee discussed the timing of fund changes and adding funds to the Watch List. The 3rd quarter was very volatile and the materials were being reviewed into the first quarter of 2012. The Committee agreed that changes should be consolidated to streamline communications so employees could understand and make wise decisions.
- **ACTION ITEM:** Following next Committee Meeting, all fund changes will be communicated to employees in one communication piece. Prudential will handle the communications.
- The American Funds Growth Fund of America Fund is on the Watch List and continues fail to the IPS standards of relative performance. The Committee added the Franklin Growth Adv Fund as an alternative in the Large Cap Growth category and in GoalMaker. This fund has experienced a lot of redemptions which further inhibits its ability to trade out of its current lagging performance. This fund continues to lose mobility and will likely lag its peers for some time. The Committee discussed removing the fund, but will defer to the next quarterly meeting so all changes can be consolidated in the communication.
- **ACTION ITEM:** Continue to Watch List the American Funds Growth Fund of America R4 Fund (RGAEX).

- The Victory Diversified Stock Fund is still underperforming due to deep losses in some stock picks during the BP oil spill. The fund is failing IPS standards although it had a strong track record before it is expensive and the index is performing better.
- **ACTION ITEM:** Continue to Watch List the Victory Diversified Stock Fund and Alliant will bring Small Cap Blend and Small Cap Value funds to the next meeting.
- The American Funds Capital World Growth and Income R4 Fund continues to fail IPS standards and is currently on the Watch List.
- **ACTION ITEM:** Continue to Watch List the American Funds Capital World Growth and Income Fund.
- Mr. Petouvis requested information be added to the fund performance review so the Committee will know if the fund is part of the GoalMaker portfolio when considering a fund removal or addition.
- **ACTION ITEM:** Alliant will add GoalMaker information to the Fund Performance Review spreadsheets.
- Rollins Stock continues to perform well.
- **ACTION ITEM:** Verify Rollins Stock Year to Date to One Year Total Returns as of 12-20-2011.
- **ACTION ITEM:** Alliant will bring all available Index options for review by the Committee.

GOALMAKER:

- The GoalMaker statistics were provided in Section V, Tabs A, B, and C of the materials presented.
- It was noted that 39.18% of Rollins participants are in GoalMaker and 31.75% of Western participants. This continues to be an upward trend.

OTHER BUSINESS:

- The Committee discussed the fund revenue sharing, the surplus that is currently being generated, and what plan expenses can be paid from the ERISA account.
- **ACTION ITEM:** Prudential will e-mail the ERISA account information to Ms. Thomas and Ms. Smith.
- **ACTION ITEM:** Prudential will provide the Revenue Sharing of the Franklin Growth Adv Fund.
- Effective April 1, 2012, recordkeepers, ERISA fiduciaries, and brokers will need to discuss all compensation and services provided for compensation.
- Prudential will continue to provide the revenue sharing disclosure to the Committee.
- 60 days after the recordkeeper disclosure, the Plan must provide all eligible employees, beneficiaries, and anyone else in the Plan with an account balance a quarterly fee disclosure.
- The disclosures must be provided in a format that allows for easy comparison - the DOL has provided guidance on the notice. Prudential is finalizing their employee communication.
- These notices can be e-mailed as long as the DOL requirements are met. The Committee discussed options for obtaining email addresses.

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Continue to Watch List the DWS Dreman Small Cap Fund and Alliant will bring Small Cap Value and Small Cap Blend Fund options to the next investment Committee meeting.
- **ACTION ITEM:** Following next Committee Meeting, all fund changes will be communicated to employees in one communication piece. Prudential will handle the communications.
- **ACTION ITEM:** Continue to Watch List the American Funds Growth Fund of America R4 Fund (RGAEX).
- **ACTION ITEM:** Continue to Watch List the Victory Diversified Stock Fund and Alliant will bring Small Cap Blend and Small Cap Value funds to the next meeting.
- **ACTION ITEM:** Continue to Watch List the American Funds Capital World Growth and Income Fund.
- Mr. Petouvis requested information be added to the fund performance review to show whether the fund is included in GoalMaker as that is referenced when considering a fund for removal or addition.
- **ACTION ITEM:** Alliant will add GoalMaker information to the Fund Performance Review spreadsheets.
- **ACTION ITEM:** Verify Rollins Stock Year to Date to One Year Total Returns as of 12-20-2011.
- **ACTION ITEM:** Alliant will bring all available Index options for review by the Committee.
- **ACTION ITEM:** Prudential will e-mail the ERISA account information to Ms. Thomas and Ms. Smith.
- **ACTION ITEM:** Prudential will provide the Revenue Sharing of the Franklin Growth Adv Fund.
- **ACTION ITEM:** Prudential will work with Benefits and IT to obtain and store email address.
- **ACTION ITEM:** Alliant will bring an updated Consulting Agreement for signature to include a list of services.
- **ACTION ITEM:** Prudential will research the impact that Income Flex will have on pricing and if there is any way to reduce the expense of the fund.

- **ACTION ITEM:** Prudential will work with Benefits and IT to obtain and store email address and investigate alternatives for electing electronic distribution of all documents.
- **ACTION ITEM:** Alliant will bring an updated Consulting Agreement for signature to include a list of services.
- Mr. Shane Dawe of Prudential discussed the advantages of Income Flex. Information was provided to the Committee to review.
- Income Flex allows participants to lock in an anniversary high mark based on the participant's birthday market value and the current market value. The participant is also provided a distribution option that is not as stringent as annuitization but with the some of the same advantages.
- The fee for Income Flex is 0.74% for the underlying fund and a 1% wrap for the insurance guarantee.
- Income Flex would be added to the GoalMaker program as an option and would begin at age 55.
- The Committee requested more information on Income Flex.
- **ACTION ITEM:** Prudential will research the impact that Income Flex will have on pricing and if there is any way to reduce the expense of the fund.

Respectfully Submitted:

JoAnne S. Thomas 11/25/12
JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:

Gene Marucci
Gene Marucci
Chairman of the Rollins, Inc. Administrative Committee



Minutes

To: Harry Cynkus, Henry Anthony, Gene Iarocci, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes

From: Wendy Conner, Alliant Retirement Services

Date: March 21, 2012

Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 2:00 EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on February 1, 2012. This was the fourth quarter 2011 meeting.

Rollins Attendees:

Henry Anthony - (voting member)
Harry Cynkus - (voting member)
Gene Iarocci - (voting member)
Steve Petouvis - (voting member) (teleconference)
Mary Lynn Parker - (voting member) (not in attendance)
JoAnne Thomas - (voting member)
Craig Innes - (voting member)
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner
Cara Reynolds (teleconference)

Prudential Retirement Services:

Milissa Dumont
Sally Heim (teleconference)

CALL TO ORDER:

- The meeting was called to order by Gene Iarocci.
- Alliant Retirement Services provided Fund Performance Reports to the Rollins, Inc. Administrative Committee.

REVIEW OF ACTION ITEMS: (January 6, 2012 Meeting):

- **ACTION ITEM:** Continue to Watch List the DWS Dreman Small Cap Fund and Alliant will bring Small Cap Value and Small Cap Blend Fund Options to the next investment Committee meeting. Completed.
- **ACTION ITEM:** Following next Committee meeting, all fund changes will be communicated to employees in one communication piece. Prudential will handle the communications. Ongoing.
- **ACTION ITEM:** Continue to Watch List the American Funds Growth Fund of America R4 fund (RGAEX). Completed.
- **ACTION ITEM:** Continue to Watch List the Victory Diversified Stock Fund and Alliant will bring Small Cap Blend and Small Cap Value funds to the next meeting. Completed.
- **ACTION ITEM:** Continue to Watch List the American Funds Capital World Growth and Income Fund. Completed.
- **ACTION ITEM:** Alliant will add GoalMaker information to the Fund Performance Review spreadsheets. Completed.
- **ACTION ITEM:** Verify Rollins Stock Year to Date to One Year Total Returns as of December 20, 2011. Completed.
- **ACTION ITEM:** Alliant will bring all available Index options for review by the Committee. Completed.
- **ACTION ITEM:** Prudential will email the ERISA account information to Ms. Thomas and Ms. Smith. Completed.
- **ACTION ITEM:** Prudential will provide the Revenue Sharing of the Franklin Growth Adv Fund. Completed.
- **ACTION ITEM:** Prudential will work with Benefits and IT to obtain and store email address. Alliant will take the lead on this issue and work with Prudential and Rollins to ensure compliance. Ongoing.
- **ACTION ITEM:** Alliant will bring an updated Consulting Agreement for signature to include a list of services. Completed.
- **ACTION ITEM:** Prudential will research the impact that Income Flex will have on pricing and if there is any way to reduce the expense of the fund. Ongoing.

WATCH LIST/ ADD and REMOVE ACTIVITY:

- Continue to Watch List the DWS Dreman Small Cap Fund (KDSAX).
- Continue to Watch List the American Funds Growth Fund of America R4 Fund (RGAEX).
- Continue to Watch List the Victory Diversified Stock Fund (SRVEX).
- Continue to Watch List the American Funds Capital World Growth and Income Fund (RWIEX).
- Add to the Watch List the Goldman Sachs Mid Cap Value Fund (GCMAX)

REVIEW & APPROVE MINUTES FROM January 6, 2012 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 4th QUARTER 2011:

- Mr. Waggoner gave a brief overview of the 4th Quarter Economic and Capital Markets Review with an update on current market conditions.

PLAN DETAILS – as of December 31, 2011:

- Sean Waggoner reviewed the Plan details provided in Section V of the materials. The total assets for all Plans were \$350,573,348.

INVESTMENT REVIEW – 4th QUARTER 2011:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - The December 31, 2011 crediting rates on the Prudential Guaranteed Fund was 4.00%. This rate will have an interest rate of 3.70% effective January 1, 2012. The interest rate remains strong in comparison to other GIC funds offered in the market.
 - The PIMCO Total Return Admin Fund (PTTRX) managed by Bill Gross has seen some rocky returns over the past 8 months. It was a mix of duration and yield curve bets (tools quite commonly used here and at other funds) that caused the most trouble last year. The fund's muted Treasury exposure, especially a lack of long maturities, proved particularly detrimental as their yields plunged and returns outpaced all other bond sectors. This has pulled the fund's three year record into average territory. The fund held no U.S. Treasuries, 26% in cash, and 13% in emerging market debt. The Committee did not add this fund to the Watch List do to the fund's exceptional long term track record and the experienced management team.
 - The Oakmark Equity and Income Fund (OAKBX) is not currently on the Watch List and is not meeting IPS Standards. This option was added to replace the Dodge and Cox option in January 2008. This fund is managed by Clyde McGregor and Ed Studzinski. Their strategy is to focus on high quality bonds and discounted equities. The speculative market over the last three years has not been the best market for this fund which is a relatively strong down side protector. This fund is performing as expected for the relative market and it is anticipated that the strategy will improve.
 - The DWS Dreman Small Cap Value Fund (KDSAX) is currently on the Watch List. This fund is also closed to new investors. This fund is 35.4% invested in two of the lowest performing sectors- industrials and financials in what is already a tough category. The fund has lost \$280 million in redemptions since it closed. David Dreman who had managed this fund for some time had hired two new co-managers, Roach and Hoover, as he prepares for retirement. With two years of poor performance it is likely that this fund will remain in the lower rankings for some time. The Committee agreed to remove this fund based on its failure to meet IPS standards.
 - The Committee reviewed the investment options provided by Alliant Retirement Services for the funds on the Watch List.
 - All share classes were reviewed as were index options. The Committee agreed to replace DWS Dreman Small Cap Value A Fund (KDSAX) with T. Rowe Price

Institutional Small Cap Stock fund (TRSSX) based on long term peer ranking performance, manager tenure, and expenses.

- **ACTION ITEM:** Remove the DWS Dreman Small Cap (KDSAX) and map assets to the T. Rowe Price Institutional Small Cap Stock Fund (TRSSX).
- The Goldman Sachs Mid Cap Value Fund (GCMAX) is currently underperforming the IPS. This fund had a bad year last year due to stock picks. Fund management consists of sector experts and relies on stock selection for performance. Because it is a value fund, it does trade in financials which has been a difficult sector to manage, but could very well lead the way when stocks turn.
 - **ACTION ITEM:** Watch List Goldman Sachs Mid Cap Value Fund (GCMAX).
- The American Funds Growth Fund of America Fund (RGAEX) is on the Watch List and continues fail to the IPS standards of relative performance. The Committee added the Franklin Growth Adv fund as an alternative in the Large Cap Growth category. It is a concern as it is widely used by most retirement plans. The fund is on many plan's Watch Lists and it is the largest mutual fund in its category by almost double. Active share measurement in 2002 was 77% (23% identical to the index) to 69% in 2009 or a 31% direct reflection on the index. This fund at its high point reached \$182 billion in assets. Since 2007 it has only been in the top 50th percentile twice and has not performed in the top quartile in that time frame. It appears that it has become too large. This fund has had \$26 billion dollars in redemptions in the past 12 months. This fund is still the largest fund in its category. The managers will have a hard time buying mid cap's that will grow into large caps. The Committee agreed to remove the fund and map remaining assets to the Franklin Growth Adv fund (FCGAX).
 - **ACTION ITEM:** Remove American Funds Growth Fund of America Fund (RGAEX) and map assets to the Franklin Growth Adv Fund (FCGAX).
- The Victory Diversified Stock Fund (SRVEX) fund is managed by Larry Babin. The fund's goal is to beat the annual return of the S&P 500 every year. The fund's average annual 10.2% return since inception is 1.3 percentage points ahead of the S&P 500 Index. The fund is failing IPS standards, but the Committee decided to Watch List the fund as this fund tends to recover under its current long term management.
 - **ACTION ITEM:** Continue to Watch List the Victory Diversified Stock Fund (SRVEX).
- The American Funds Capital World Growth and Income R4 Fund (REREX) continues to fail IPS standards and is currently on the Watch List. This fund's conservative and dividend-focused strategy has weighted down its performance as the financial sector continues to drag down returns. The fund isn't overweighed in the financial sector but its concentration is in banks, which haven't fared as well as other investments.
 - **ACTION ITEM:** Continue to Watch List the American Funds Capital World Growth and Income Fund (REREX).
- Rollins Stock (ROL) continues to perform well. The Committee requested that returns include the reinvestment of dividends.
 - **ACTION ITEM:** Alliant will reflect reinvested dividends in the performance of the Rollins Stock Fund performance. This information will be retrieved from Prudential.

- The Committee discussed partial GoalMaker and continued to express interest in providing this option to participants. The issue continues to be the process in which a participant can enroll and maintain partial GoalMaker.
- **ACTION ITEM:** Prudential will provide a communication sample on GoalMaker to include contact information for the participant to speak with a live agent. Prudential will also confirm the availability of dedicated service agents who can direct participants on how to enroll in partial GoalMaker.

GOALMAKER:

- The GoalMaker statistics were provided in Section VI Tabs A, B, C, and D of the materials presented.
- The GoalMaker participation stats are as follows: Rollins - 40.63%, Western - 32.50% and Waltham - 13.43%. This continues to be an upward trend.

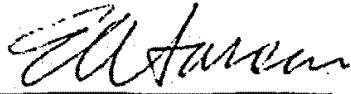
OTHER BUSINESS:

- The Committee reviewed the impending 408(b) (2) regulations. The dates for these regulations to begin have been moved to July 1, 2012.
- Mr. Waggoner explained that many companies and recordkeepers are looking at e-mail options and that getting reliable e-mail addresses may be an effective means of communicating the required fee disclosures. It was discussed that based on recent DOL guidance, the employer must have a reasonable certainty that the employee checks the email address used for distribution of the participant fee disclosure materials.
- The Committee discussed how they could retrieve good e-mail addresses for employees and will continue to work with Prudential in providing those e-mail addresses.
- Alliant provided a hard copy of the consulting agreement to Ms. Thomas. Alliant will e-mail an electronic copy for editing and signature.
- **ACTION ITEM:** Alliant will provide an electronic copy of the Consulting Agreement to include all relevant Addendums.

Respectfully Submitted:

Jo Anne S. Thomas 4/16/12
Jo Anne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Gene Iarocci
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Following next Committee meeting, all fund changes will be communicated to employees in one communication piece. Prudential will handle the communications. Ongoing.
- **ACTION ITEM:** Prudential will work with Benefits and IT to obtain and store email address. Alliant will take the lead on this issue and work with Prudential and Rollins to ensure compliance. Ongoing.
- **ACTION ITEM:** Prudential will research the impact that Income Flex will have on pricing and if there is any way to reduce the expense of the fund. Ongoing.
- **ACTION ITEM:** Remove the DWS Dreman Small Cap (KDSAX) and map assets to the T. Rowe Price Institutional Small Cap Stock Fund (TRSSX).
- **ACTION ITEM:** Watch List Goldman Sachs Mid Cap Value Fund (GCMAX).
- **ACTION ITEM:** Remove American Funds Growth Fund of America Fund (RGAEX) and map assets to the Franklin Growth Adv Fund (FCGAX).
- **ACTION ITEM:** Alliant will reflect reinvested dividends in the performance of the Rollins Stock Fund performance. This information will be retrieved from Prudential.
- **ACTION ITEM:** Prudential will provide a communication sample on GoalMaker to include contact information for the participant to speak with a live agent. Prudential will also confirm the availability of dedicated service agents who can direct participants on how to enroll in partial GoalMaker.
- **ACTION ITEM:** Alliant will provide an electronic copy of the Consulting Agreement to include all relevant Addendums.



Minutes

To: Harry Cynkus, Henry Anthony, Gene Iarocci, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes
From: Wendy Conner, Alliant Retirement Services
Date: March 23, 2012
Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan – Supplemental Meeting

On March 23, 2012, the meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:00 EST via teleconference.

Rollins Attendees:

Henry Anthony - (voting member)
Harry Cynkus - (voting member – not in attendance)
Gene Iarocci - (voting member)
Steve Petouvis - (voting member – not in attendance)
Mary Lynn Parker - (voting member)
JoAnne Thomas - (voting member – not in attendance)
Craig Innes - (voting member)
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner

CALL TO ORDER:

- The supplemental Rollins, Inc. Administrative Committee Meeting was called to order by Gene Iarocci.
- Alliant Retirement Services provided Fund Performance Reports to the Committee.
- The purpose of the meeting is to select an alternative to the T. Rowe Price Instl Small-Cap Stock fund that was previously chosen to replace the DWS Dreman Small Cap Value A Fund. The T. Rowe Price Small Cap Stock fund is closed in every share class to new investors.

REVIEW OF ALTERNATE FUNDS:

- The Delaware Small Cap Value A Fund (DEVLX) has been managed since 1997 by Chris Beck. He uses a series of quantitative screens to select the stocks for the portfolio. During the past 10 years, the fund's 9.4% return compares favorably to the index's (8.1%) and that of the category average of 8.9%. However, this fund has strong market


rallies in 2009 and 2010 which is counter intuitive for a strategy historically inclined to protect the downside rather than participating on the upside. The fund's technology analyst, Michael Hughes, left the fund in mid -2010. His picks in the category had been a significant contributor to the fund's returns.

- The Fidelity Advisor Small Cap I Fund (FCVLX) is managed by Charles Myers. Mr. Myers looks for companies that have fallen from favor and are trading cheaply relative to their prospects for profit growth. However, he tries to avoid firms with significant balance sheet issues. This fund has regularly outperformed the benchmark since Mr. Myers took the helm of the fund in June 2008. It's 5.6% annualized gain exceeds the benchmark's 0.4% rise and surpasses 90% of its peers. This fund has a significant exposure to financials at 36% with the norm at 24%.
- The Victory Small Company Opportunity I Fund (VSOIX) is managed by Gary Miller who has been with Victory Capital Management since 1993 and a portfolio manager since June 1998. This fund seeks capital appreciation and invests primarily in common stock of smaller companies that could be considered undervalued. This fund has strong peer rankings, 6th percentile for 1 year, 26th percentile for 3 year, 9th percentile for 5 year and 14th percentile for 10 year rankings. With an expense ratio at 1.05%, this is far below the Small Value average of 1.45%. The Committee selected this fund to replace the DWS Dreman Small Cap Value A Fund (KDSAX) based on peer performance, expenses, and solid fundamentals and management.
- **ACTION ITEM:** Remove the DWS Dreman Small Cap Value A Fund (KDSAX) and map assets to The Victory Small Company Opportunity I Fund (VSOIX).

Respectfully Submitted:


JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:


Gene Iarocci
Chairman of the Rollins, Inc. Administrative Committee



Minutes

To: Harry Cynkus, Henry Anthony, Gene Iarocci, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes

From: Wendy Conner, Alliant Retirement Services

Date: June 29th, 2012

Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially scheduled at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on June 29th, 2012. This was the first quarter 2012 meeting.

The meeting of the Rollins Inc. Administrative Committee for the first quarter of 2012 could not be convened due to scheduling conflicts to establish a quorum.

A plan review was conducted by Sean Waggoner and Wendy Conner of Alliant Retirement Services. There were no issues that required immediate attention that required an Administrative Committee action in their review of the information provided. Fund and Plan Performance was provided to the plan for review by Alliant Retirement Services and circulated by the plan for review.

All Action Items listed below will be reviewed at the next scheduled Investment Committee Meeting and completed to include fund alternatives.

This document is not intended to serve as official minutes but a record that there was consideration made for the plan over the first quarter in absence of a formal Administrative Committee Meeting.

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Gene Iarocci
Chairman of the Rollins, Inc. Administrative Committee



Minutes

To: Gene Iarocci, Harry Cynkus, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Steve Petouvis, Craig Innes and Teresa Smith
From: Ariel Martin, Alliant Retirement Services
Date: October 5, 2012
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 12:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on August 17, 2012. This was the second quarter 2012 meeting.

Rollins Attendees:

Henry Anthony - (voting member)
Harry Cynkus - (voting member)
Gene Iarocci - (voting member)
Steve Petouvis - (voting member) - (teleconference)
Mary Lynn Parker - (voting member) – not in attendance
JoAnne Thomas - (voting member) – not in attendance
Craig Innes - (voting member) - (teleconference)
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner - (teleconference)
Ariel Martin - (teleconference)

Prudential Retirement Services:

Alvin Leaks
Sally Hein - (teleconference)

CALL TO ORDER:

- The meeting was called to order by Gene Iarocci.
- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Administrative Committee Meeting.

REVIEW OF ACTION ITEMS (February 1, 2012 Meeting):

- **ACTION ITEM:** Remove the DWS Dreman Small Cap Fund (KDSAX) and map the assets to the T. Rowe Price Institutional Small Cap Stock Fund (TRSSX). The T. Rowe Price Institutional Small Cap Stock Fund was closed so the Committee decided to add the Victory Small Company Opportunity Fund (VSOIX) and map the assets to it. Completed.
- **ACTION ITEM:** Watch List the Goldman Sachs Mid Cap Value Fund (GCMAX). Completed.
- **ACTION ITEM:** Remove the American Funds Growth Fund of America Fund (RGAEX) and map assets to the Franklin Growth Adv Fund (FCGAX). Completed.
- **ACTION ITEM:** Alliant will reflect reinvested dividends in the performance of the Rollins Stock Fund performance. This information will be retrieved from Prudential. Completed.
- **ACTION ITEM:** Alliant will provide an electronic copy of the Consulting Agreement to include all relevant Addendums. Completed

WATCH LIST / ADD and REMOVE ACTIVITY (February 1, 2012 Meeting):

- Remove the DWS Dreman Small Cap Fund (KDSAX) and map the assets to the T. Rowe Price Institutional Small Cap Stock Fund (TRSSX). The T. Rowe Price Institutional Small Cap Stock Fund was closed so the Committee decided to add the Victory Small Company Opportunity Fund (VSOIX) and map the assets to it. Completed.
- Watch List the Goldman Sachs Mid Cap Value Fund.
- Remove the American Funds Growth Fund of America and map assets to the Franklin Growth Adv Fund. Completed.
- Continue to Watch List the Victory Diversified Stock Fund.
- Continue to Watch List the American Funds Capital World Growth and Income Fund.

REVIEW & APPROVE MINUTES FROM February 1, & March 23, 2012 MEETINGS:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW 2nd QUARTER 2012:

- Mr. Waggoner gave a brief overview of the 2nd Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW – as of June 30, 2012:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Approximately 23% of the Plan, is invested in the Prudential Guaranteed Fund. Many plan participants are between the ages of 40 and 60, so having a high allocation to a stable investment is appropriate.
- Ed Studzinski, Fund manager of the Oakmark Equity and Income Fund, will step down as Fund manager. Clyde McGregor, who has led the fund since inception, will remain in place. Mr. Waggoner does not see any cause for alarm. This fund is one of the best in its category. The fund has not seen a full cycle because it has been rallying up since it bottomed out in 2009, which may be affecting the three-year returns. Recent poor

performance will place it on the Watch List. The fund was ranked in the 77th percentile for its one-year returns, 80th for its three-year returns, and sixth for its five-year returns.

- **ACTION ITEM:** Add the Oakmark Equity and Income Fund to the Watch List.
- The T. Rowe Price New Horizons Fund has ranked in the top one percent of its category for its one, three, five, and ten year returns. This fund continues to meet performance requirements and the Committee acknowledges the fund manager's short tenure.
- The Goldman Sachs Mid Cap Value Fund is moving away from the legacy silo to facilitate a more collaborative relationship within the management team. Co-managers Dolores Bamford, Scott Carroll, Andrew Braun, and Sean Gallagher have a 10-year relationship. The fund has not been a top performer but solid stock picks help the fund deliver solid returns with less volatility. The fund was ranked in the 68th percentile for its one year returns and 57th percentile for its five year returns. There has been some improvement since last quarter. This fund will remain on the Watch List.
- **ACTION ITEM:** Keep the Goldman Sachs Mid Cap Value Fund on the Watch List.
- The American Funds Growth Fund of America (Mapped to Franklin Growth was removed due poor performance and the year to date returns dropped significantly this quarter.
- The Franklin Growth Fund is managed by Jerry Palmieri. He has managed the fund for 47 years. The buy and hold strategy is illustrated in the funds three percent turnover rate. Palmieri keeps holding sizes small to avoid unnecessary risk. The fund meets the performance requirement of the Investment Policy Statement.
- Lawrence Babin has managed the Victory Diversified Stock Fund for almost 23 years. Returns dwindled in 2010 and 2011 and the trend is continuing into 2012. The one, three, and five year returns all ranked below the 50th percentile. This fund will be removed and mapped to Vanguard 500 Index Signal Fund the end of the year.
- **ACTION ITEM:** Remove the Victory Diversified Fund (SRVEX) and map to Vanguard 500 Index Signal Fund (VIFSX), effective 12/31/2012.
- The American Funds Capital World Growth and Income Fund ranks in the 65th percentile for the three-year returns, which is below the category average by more than one percent. The short-term returns have improved and the fund ranked in the 38th percentile for its one-year returns. The fund is overweight in emerging markets, which is comprised of 45% European investments. The fund has been on the Watch List since August of last year. The Committee is concerned that the fund will not bounce back, but agrees that the improvement is promising.
- **ACTION ITEM:** Keep the American Funds Capital World Growth and Income Fund on the Watch List.
- Per the request of the Committee, Mr. Waggoner provided a detailed listing of investments included in GoalMaker. As of June 30, 2012, 44% of the participants were invested in GoalMaker.

PLAN STATISTICS:

- Assets have doubled in the last seven years and have reached \$367,896,938 as of June 30, 2012.
- The Waltham Plan assets total \$1,828,497. Since adding Rollins Stock, the Plan is required to undergo a full audit, which will cost approximately \$33,000. Only 1 person

has elected to invest in Company Stock. The Committee is considering removing the option, but additional research needs to be completed.

- **ACTION ITEM:** Alliant and Rollins will research the legal ramifications of removing the Company Stock Fund as an investment option from the Waltham Plan.
- Mr. Waggoner reminded the Committee that they are required to review the Investment Policy Statement regularly. He provided examples of alternative investment review methods. The Committee agrees that the weighting for 3 year returns may need to be revisited.
- **ACTION ITEM:** Alliant will compile a list of clients that use alternative investment review methods and provide examples.
- Within the Rollins Plan, there are a large number of people invested in only one fund and Company Stock. The Committee noted that a mailing goes out to all participants that are invested in 3 funds or less, particularly those invested 100% in Company Stock.
 - 239 participants are invested in 100% Rollins Stock
 - 177 participants are invested in the Prudential Guaranteed Fund
 - 299 participants are invested in the Oakmark Equity Income Fund
- Only 8 participants opted out of auto-enrollment last quarter. Of the participants that used the Retirement Income Calculator, 31.61% increased their contribution rate.

REVENUE SHARING:

- A total of \$1,694,761 in expenses was deducted from the plan and \$513,949 of that is shared with Prudential. The Committee expects a deficit at the end of the year.
- Alliant completed a preliminary search for another plan with \$200 million assets and the average cost was \$63 (flat dollars) versus \$56.40 that Prudential charges (Revenue Sharing). The Committee will not take any action at this time.

TESTING:

- The Plans passed the 2011 ADP and ACP tests. The Committee discussed increasing the match contribution to seven and a half or eight percent. However, due to the closeness in passing, the Committee decided not to increase the Highly Compensated Employees limit at this time.
- The Committee also discussed increasing the auto-enrollment percentage to four and using auto-escalation to increase everyone contributing less than six percent. However, due to cost constraints, the Committee decided not to change the Plans at this time.

OTHER BUSINESS:


- Mr. Waggoner mentioned that the Rollins Stock Fund would soon reach five million shares. The Committee is not aware of any additional SEC requirements, but will research.
- **ACTION ITEM:** Rollins will research additional SEC requirements for issuing over five million shares.
- The Committee discussed the match funding for last quarter. Shares were purchased from the Pension Plan. By doing so, we were able to avoid inflation or deflation of the share price.
- The 2012 and 2013 discretionary match for Waltham will be 25% of the first six percent of employee contributions, not to exceed \$450 annually.

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Gene Iarocci
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Add the Oakmark Equity and Income Fund to the Watch List.
- **ACTION ITEM:** Keep the Goldman Sachs Mid Cap Value Fund on the Watch List.
- **ACTION ITEM:** Remove the Victory Diversified Fund (SRVEX) and map to Vanguard 500 Index Signal Fund (VIFSX), effective 12/31/2012.
- **ACTION ITEM:** Keep the American Funds Capital World Growth and Income Fund on the Watch List.
- **ACTION ITEM:** Alliant and Rollins will research the legal ramifications of removing the Company Stock Fund as an investment option from the Waltham Plan.
- **ACTION ITEM:** Alliant will compile a list of clients that use alternative investment review methods and provide examples.
- **ACTION ITEM:** Rollins will research additional SEC requirements for issuing over five million shares.

Rollins, Inc.
Administrative Committee

Minutes

To: Gene Iarocci, Harry Cynkus, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Teresa Smith, Steve Petouvis, and Craig Innes
From: Wendy Conner, Alliant Retirement Services
Date: February 5, 2013
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 2:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on December 5, 2012. This was the third quarter 2012 meeting.

Rollins Attendees:

Henry Anthony - (voting member) – not in attendance
Harry Cynkus - (voting member)
Gene Iarocci - (voting member)
Steve Petouvis - (voting member)
Mary Lynn Parker - (voting member)
JoAnne Thomas - (voting member)
Craig Innes - (voting member)
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner (teleconference)
Cara Reynolds (teleconference)

Prudential Retirement Services:

Milissa Dumont
Sally Heim (teleconference)

CALL TO ORDER:

- The meeting was called to order by Gene Iarocci.
- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (August 17, 2012 Meeting)

- Alliant and Rollins will research the legal ramifications of removal of Company Stock investment option from Waltham Plan. Completed.
- Prudential will coordinate communication to target the younger population and increase participation and contribution rates.
- Alliant will compile a list of clients that use alternative investment review methods and provide examples. Completed.
- Rollins will research additional SEC requirements for issuing over five million shares. Completed.

WATCH LIST/ ADD and REMOVE ACTIVITY: (August 17, 2012)

- Add Oakmark Equity and Income Fund to the Watch List
- Keep Goldman Sachs Mid Cap Value Fund on the Watch List
- Keep American Funds Capital World Growth and Income Fund on the Watch List
- Remove Victory Diversified Fund (SRVEX) and map to Vanguard 500 Index Signal (VIFSX). Completed 12/28/12.

REVIEW & APPROVE MINUTES FROM August 17, 2012 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW - 3rd QUARTER 2012:

- Mr. Waggoner gave a brief overview of the 3rd Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW – as of September 30, 2012:

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Approximately 23% of the Plan is invested in the Prudential Guaranteed Fund. Many Plan participants are between the ages of 40 and 60, so having a high allocation to a stable investment is appropriate.
- The Oakmark Equity & Income Fund is one of the moderate allocation funds. The fund holds nearly \$19 billion in assets. The fund's longtime manager, Ed Studzinski, retired earlier in 2012. The lead manager, Clyde McGregor, remains with the fund and has had a hand in this fund's exemplary track record. The fund's three-year return of 7.40% placed it in the 81st percentile. Since last quarter, nothing about the fund has really changed. If the Committee were to grade the fund, it would receive an "F". The fund will remain on the Watch List due to management change and three-year performance.
- **ACTION ITEM:** Due to Oakmark's management change and three-year performance, the Committee wants Alliant to bring options to the next quarterly meeting.
- **ACTION ITEM:** Keep Oakmark Equity and Income Fund to the Watch List.
- The Morgan Stanley Inst Mid Cap Growth I Fund is managed by Dennis Lynch. This fund is highly concentrated with only 60 funds, some of the holdings including Motorola, LinkedIn, Groupon, and Weight Watchers International. The management team sticks to low turnover and sector-agnostic process, so the fund may be out of step with the index and their peers. The fund will be added to the Watch List due to Investment Policy Statement Criteria.
- **ACTION ITEM:** Add Morgan Stanley Inst Mid Cap Growth I Fund to the Watch List.

- The Goldman Sachs Mid Cap Value Fund is currently on the Watch List. The management has a team approach with four managers: Dolores Bamford, Scott Carroll, Andrew Baum, and Sean Gallagher. The team has worked together for a decade and targets both financially stable firms as well as those less stable with improving cash flows. The process however, does not make it a consistent performer in up or down markets. There are internal concerns over the management team, and this fund will remain on the Watch List.
- **ACTION ITEM:** Keep Goldman Sachs Mid Cap Value Fund on the Watch List
- The American Funds Capital World Growth and Income Fund is currently on the Watch List. The fund appears to have turned a corner with respect to its performance. The fund saw a return of -1.41%, which placed it in the 39th percentile for the three-year return. However, the fund has a return of 5.87%, which placed it in the 71st percentile. The fund's management targets a reasonable 3.0%-3.5% pre-expense yield. With the MSCI EAFE Index yielding 3.5%, the team does not have to compromise quality in order to secure income. The fund has a large stake in blue-chip companies in consumer staples and discretionary sectors, which makes up 25% of assets. The fund will remain on the Watch List based upon the Investment Policy Statement criteria.
- **ACTION ITEM:** Keep American Funds Capital World Growth and Income Fund on the Watch List.

PLAN STATISTICS:

- Total assets as of 9/30/12 for all plans are \$380,715,959.
- Rollins Stock is the largest single investment at \$111,828,908 in assets with 249 participants using it as their sole investment.
- Market value of Rollins Stock held by one Waltham participant only amounts to \$474.00.

REVENUE SHARING & EXPENSES:

- The combined three Plans are in the top 2% of Prudential's overall business (based on assets).
- The Committee discussed the Plan expenses and revenue sharing.
- As of September 30, 2012, the deficit was \$12,641. This will be analyzed and revisited as of December 31, 2012 as part of the next quarterly meeting.
- Part of the reason for the deficit is due to the removal of the American Funds Growth Fund of America Fund.
- The Committee has several choices to make up the deficit:
 - Write a check to Prudential
 - Apply a wrap fee of 5 basis points to generate additional revenue.
- The Committee asked Alliant to bring options to the next quarterly meeting.
- **ACTION ITEM:** Alliant will update the "Prudential Revenue Available for Recordkeeping Expenses" document and bring options for the Committee's review and approval to cover any deficit going forth.

OTHER BUSINESS:


- The Committee discussed the ongoing audit expense for offering Rollins Stock in the Waltham 401(k) Plan. The cost of the audit exceeds the benefits to the employees as only one participant is in the Stock Fund.
- Counsel and Mr. Ruud (Alliant) concurred that removing the Stock from the Waltham Plan was compliant with 401(k) regulations.

- **ACTION ITEM:** Discuss timing with David Putnal (ERISA attorney) to ensure investment can be removed by the end of 2012 without problems (short notice).
- **ACTION ITEM:** Send proper communication to notify those eligible for the Plan of this change.
- **ACTION ITEM:** Discuss timing with Windham Brannon (Plan auditors) to ensure investment can be removed by the end of 2012 without problems.
- The Committee discussed fiduciary liability and litigation expense cost. Does the Company's fiduciary insurance cover the Members of the Committee?
- **ACTION ITEM:** Teresa Smith will check with Risk to ensure the fiduciary insurance would cover the Members of the Committee as well as the Company.

Respectfully Submitted:


Jo Anne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:


Gene Iarocci
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Due to Oakmark's management change and three-year performance, the Committee wants Alliant to bring options to the next quarterly meeting.
- **ACTION ITEM:** Keep Oakmark Equity and Income Fund to the Watch List.
- **ACTION ITEM:** Add Morgan Stanley Inst Mid Cap Growth I Fund to the Watch List.
- **ACTION ITEM:** Keep Goldman Sachs Mid Cap Value Fund on the Watch List
- **ACTION ITEM:** Keep American Funds Capital World Growth and Income Fund on the Watch List.
- **ACTION ITEM:** Alliant will update the "Prudential Revenue Available for Recordkeeping Expenses" document and bring options for the Committee's review and approval to cover any deficit going forth.
- **ACTION ITEM:** Discuss timing with David Putnal (ERISA attorney) to ensure investment can be removed by the end of 2012 without problems (short notice).
- **ACTION ITEM:** Send proper communication to notify those eligible for the Plan of this change.
- **ACTION ITEM:** Discuss timing with Windham Brannon (Plan auditors) to ensure investment can be removed by the end of 2012 without problems.
- **ACTION ITEM:** Teresa Smith will check with Risk to ensure the fiduciary insurance would cover the Members of the Committee as well as the Company.



Minutes

To: Harry Cynkus, John Wilson, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Steve Petouvis, Craig Innes, and Teresa Smith

From: Wendy Conner, Alliant Retirement Services

Date: May 20, 2013

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 2:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on March 7, 2013. This was the fourth quarter 2012 meeting.

Rollins Attendees:

Henry Anthony - (voting member)
Harry Cynkus - (voting member)
John Wilson (voting member)
Steve Petouvis - (voting member)
Mary Lynn Parker - (voting member)
JoAnne Thomas - (voting member)
Craig Innes - (voting member)
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner (teleconference)
Cara Reynolds (teleconference)
Matt Arnoult (teleconference)

Prudential Retirement Services:

Milissa Dumont (not in attendance)
Sally Heim (teleconference)

CALL TO ORDER:

- The meeting was called to order by Harry Cynkus.
- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

COMMITTEE MEMBER CHANGES:

- Gene Iarocci stepped down from the Committee and will no longer be a member.
- John Wilson was added to the Committee, as a voting member.
- Harry Cynkus was elected Chairman of the Committee.

REVIEW OF ACTION ITEMS: (December 5, 2012)

- Alliant will update the “Prudential Revenue Available for Recordkeeping Expenses” document and bring options for the Committee’s review and approval to cover any deficit going forth. Completed.
- Discuss time with David Putnal (ERISA attorney) to ensure Rollins Stock fund can be removed from the Waltham Plan by the end of 2012 without problems (short notice). Completed.
- Send proper communication to notify those eligible for the Plan of this change. Completed.
- Discuss timing with Windham Brannon (Plan auditors) to ensure investment can be removed by the end of 2012 without problems. Completed.
- Teresa Smith with check with Risk to ensure the fiduciary insurance would cover the Members of the Committee as well as the Company. Completed.

WATCH LIST/ ADD and REMOVE ACTIVITY: (December 5, 2012)

- Keep Oakmark Equity and Income Fund on the Watch List.
- Due to Oakmark’s management change and three-year performance, the Committee wants Alliant to bring options to the next quarterly meeting.
- Add Morgan Stanley Inst Mid Cap Growth I Fund to the Watch List.
- Keep Goldman Sachs Mid Cap Value on the Watch List
- Keep American Funds Capital World Growth and Income on the Watch List

REVIEW & APPROVE MINUTES FROM DECEMBER 5, 2012 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 4th QUARTER 2012

- Mr. Waggoner gave a brief overview of the 4th Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of December 31, 2012)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Approximately 23% of the Plans assets are invested in the Prudential Guaranteed Fund. The duration of the underlying investments in this fund are currently 4.63 years. However, in today’s marketplace, this may not be prudent for this type of investment.
- **ACTION ITEM:** Alliant will discuss the Guaranteed Income Contract with the Prudential Stable Value team to address Prudential’s plan for duration and credit quality.
- The Oakmark Equity & Income Fund has been on the Watch List since August 17, 2012. This fund was initially the default fund for new participants and assets were mapped from Dodge and Cox in April of 2009; this accounts for the high asset balance. The fund’s

three-year returns of 6.32% placed it in the 84th percentile. This fund has underperformed three out of the last four years. The fund will remain on the Watch List due to performance. Mr. Waggoner reviewed the alternatives with the Committee. The Committee would like a more in-depth comparison between Oakmark Equity and Income Fund and the T. Rowe Price Capital Appreciation Fund for review during the next meeting.

- **ACTION ITEM:** Keep Oakmark Equity and Income on the Watch List.
- **ACTION ITEM:** Alliant will continue to provide alternatives for the Oakmark Equity and Income Fund and complete a comparison between the Oakmark Equity and Income Fund with T. Rowe Price Capital Appreciation Fund.
- The Morgan Stanley Inst Mid Cap Growth I Fund was placed on the Watch List December 5, 2012. This fund only holds 56 stocks and is a highly concentrated fund. The fund will remain on the Watch List due to Investment Policy Statement Criteria.
- **ACTION ITEM:** Keep Morgan Stanley Inst Mid Cap Growth I Fund on the Watch List.
- The Goldman Sachs Mid Cap Value Fund is currently on the Watch List. However, the three year return of 11.09% placed the fund just inside the top 50th percentile. The fund will be removed from the Watch List.
- **ACTION ITEM:** Remove Goldman Sachs Mid Cap Value A Fund from the Watch List.
- The American Funds Capital World Growth and Income Fund is currently on the Watch List. The fund appears to have turned a corner with respect to the performance; the one year return is 19.12% which placed it in the 26th percentile. However, the three and five year returns are still in the bottom half of the category. The fund will remain on the Watch List based upon the Investment Policy Statement criteria.
- **ACTION ITEM:** Keep American Funds Capital World Growth and Income Fund on the Watch List.

PLAN STATISTICS:

- Total assets as of December 31, 2012 for all Plans were \$380,259,553.
- Rollins Stock is the largest single investment (\$106,282,184 in assets) with 231 participants using it as their sole investment.
- There are 2,097 participants' loans with a total value of \$9,575,636.

REVENUE SHARING AND EXPENSES:

- The Committee discussed the expenses of all three Plans and revenue sharing.
- As of December 31, 2012, the deficit was \$13,105. The Committee voted to allow the Human Resources members to review the deficit and determine a recommended course of action.
- **ACTION ITEM:** Human Resources members will review the expenses, revenue sharing and deficient and determine a recommended course of action.

OTHER BUSINESS:

- Ms. Smith has suggested that it would be time to review the Investment Policy Statement and make sure that it specifically addresses the Waltham Group.
- **ACTION ITEM:** Alliant will provide a draft Investment Policy Statement to the Committee for review at the next meeting. This document will include the Waltham Plan.

Respectfully Submitted:

JoAnne S. Thomas

JoAnne Thomas

Secretary of the Rollins, Inc. Administrative Committee

Approved:

Harry Cynkus

Harry Cynkus
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Alliant will discuss the Guaranteed Income Contract with the Prudential Stable Value team to address Prudential's plan for duration and credit quality.
- **ACTION ITEM:** Keep Oakmark Equity and Income on the Watch List.
- **ACTION ITEM:** Alliant will continue to provide alternatives for the Oakmark Equity and Income Fund and complete a comparison between the Oakmark Equity and Income Fund with T. Rowe Price Capital Appreciation Fund.
- **ACTION ITEM:** Keep Morgan Stanley Inst Mid Cap Growth I Fund on the Watch List.
- **ACTION ITEM:** Remove Goldman Sachs Mid Cap Value A Fund from the Watch List.
- **ACTION ITEM:** Keep American Funds Capital World Growth and Income Fund on the Watch List.
- **ACTION ITEM:** Human Resources members will review the expenses, revenue sharing and deficient and determine a recommended course of action.
- **ACTION ITEM:** Alliant will provide a draft Investment Policy Statement to the Committee for review at the next meeting. This document will include the Waltham Plan.



Minutes

To: Harry Cynkus, John Wilson, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Patricia Mahoney, Craig Innes, and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: August 12, 2013

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 9:00am EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on June 28, 2013. This was the first quarter 2013 meeting.

Rollins Attendees:

Henry Anthony - (voting member)
Harry Cynkus - (voting member)
John Wilson (voting member)
Steve Petouvis - (voting member)
Mary Lynn Parker - (voting member)
JoAnne Thomas - (voting member)
Craig Innes - (voting member)
Pat Mahoney – (voting member)
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner (teleconference)
Cara Reynolds (teleconference)
Matt Arnoult (teleconference)

Prudential Retirement Services:

Milissa Dumont
Sally Heim (teleconference)

CALL TO ORDER:

- The meeting was called to order by Harry Cynkus.
- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Administrative Committee Meeting.

COMMITTEE MEMBER CHANGES:

- Mr. Steve Petouvis is retiring the end of July, 2013 and will be removed from the Committee.
- Ms. Patricia Mahoney was nominated and approved as a member of the Committee representing Western and Waltham.

REVIEW OF ACTION ITEMS: (March 7, 2013)

- Alliant will discuss the Guaranteed Income Contract with the Prudential Stable Value team to address Prudential's plan for duration and credit quality. Completed.
- Keep Oakmark Equity and Income on the Watch List. Completed.
- Alliant will continue to provide alternatives for the Oakmark Equity and Income Fund and complete a comparison between the Oakmark Equity and Income Fund with T. Rowe Price Capital Appreciation Fund. Completed.
- Remove Goldman Sachs Mid Cap Value A Fund from the Watch List. Completed.
- Keep American Funds Capital World Growth and Income Fund on the Watch List. Completed.
- Human Resources members will review the expenses, revenue sharing and deficient and determine a recommended course of action. Completed.
- Alliant will provide a draft Investment Policy Statement to the Committee for review at the next meeting. This document will include the Waltham Plan. Completed.

WATCH LIST/ ADD and REMOVE ACTIVITY: (March 7, 2013)

- Keep Oakmark Equity and Income Fund on the Watch List.
- Remove Goldman Sachs Mid Cap Value on the Watch List
- Keep American Funds Capital World Growth and Income on the Watch List

REVIEW & APPROVE MINUTES FROM MARCH 7, 2013 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 1st QUARTER 2013

- Mr. Waggoner gave a brief overview of the 1st Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of March 31, 2013)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of March 31, 2013, there were \$88,937,251 assets in the Prudential Guaranteed Fund (all three Plans). The effective rate will reset on July 1, 2013 at 3.08%.

- **ACTION ITEM:** Prudential will update the website and include the new rate in the quarterly statements.
- Mr. Waggoner discussed at length with the Committee the underlying features of this custom product. Currently, the Core Conservative strategy is being utilized, with an effective duration of 5.14 and an expense ratio of .70bps. There is an alternative strategy available to the Plans (Intermediate Core Conservative). This alternative has a shorter duration of 3.96 and expense ratio .60bps. The crediting rate would be reduced to 2.78%. Alliant recommended that we stay with the current underlying strategy, due to a positive Market Value to Book Value of 104.89%. The Committee agreed to remain with the Core Conservative strategy.
- There are currently 229 participants across all three plans that are using the Prudential Guaranteed Fund as their sole investment. There is concern that many employees have moved their assets into this fund and inertia has set in.
- The Committee discussed the communications currently being sent to participants. One of the communication pieces includes information about diversification. This communication is sent to participants invested in three or less funds.
- The Committee requested that Prudential continue to provide communication that addresses investments in three or less funds, especially one fund (like the Prudential GIC).
- **ACTION ITEM:** Prudential will provide communications targeting participants invested in three or less funds.
- The Oakmark Equity & Income Fund has been on the Watch List since August 17, 2012. Mr. Waggoner and Mr. Arnoult prepared a comprehensive comparison of the Oakmark Equity & Income Fund and a possible alternative, T. Rowe Price Capital Appreciation. The Oakmark Equity and Income Fund has seen the retirement of the longtime manager, Ed Studzinski, in January 2012. Since April 2013, Clyde McGregor was joined by Colin Hudson, Matt Logan and Edward Wojciechowski to serve as co-managers. This fund is more conservative than the T. Rowe Price Capital Appreciation Fund that is being considered. After an in-depth discussion, the Committee voted to keep the Oakmark Equity & Income Fund in the portfolio but leave it on the Watch List.
- **ACTION ITEM:** Keep Oakmark Equity and Income Fund on the Watch List.
- The Morgan Stanley Inst Mid Cap Growth I Fund was placed on the Watch List December 5, 2012. This fund has been managed by Dennis Lynch for over 10 years. The fund has concentrated holdings with only 56 stocks, so specific stock picks have influenced the returns. Morgan Stanley was the lead underwriter and held shares of the Facebook IPO. The fund will remain on the Watch List due to continued underperformance.
- **ACTION ITEM:** Keep Morgan Stanley Inst Mid Cap Growth I Fund on the Watch List.
- The Goldman Sachs Mid Cap Value Fund has seen continued average performance since the management change in 2012. The fund is more conservative than the other funds offered. The fund's focus is for the long haul, and will not outpace other funds in its category. The team targets financially stable firms with sustainable operating or competitive advantages. The

Committee requested educational communication from Prudential that will explain the differences between the team management styles of the various funds, especially the mid-cap funds.

- **ACTION ITEM:** Prudential will provide communications that explain the differences between the team management styles, especially the mid-cap funds.
- The American Funds Capital World Growth and Income Fund is currently on the Watch List. Management made the decision in 2009 to relax its yield objective; however, this has produced mediocre returns. The fund's co-managers now have more flexibility in pursuing opportunities than before. The overall performance is still underperforming and as a result, it will be on the Watch List based upon the Investment Policy Statement criteria.
- **ACTION ITEM:** Keep American Funds Capital World Growth and Income Fund on the Watch List.

PLAN STATISTICS:

- Total assets as of March 31, 2013 for all Plans were \$400,851,936.
- Rollins Stock is the largest single investment (\$117,527,358 in assets) with 221 participants using it as their sole investment.
- There are 2,091 participants with loans for a total value of \$1,217,381.
- There are 4,494 participants utilizing the GoalMaker program, with assets of \$67,272,531.

INVESTMENT POLICY STATEMENT:


- Alliant Retirement Services provided a red-lined version of the current Investment Policy Statement to the Committee.
- The red-lined version reflects edits that Mr. Waggoner and his team recommend. This is a living document and should be revisited on an annual basis to ensure that it is still in line with the goals of the Committee.
- The Committee requested that the red-lined version be provided so it could be reviewed by the Rollins General Counsel.
- **ACTION ITEM:** Alliant will send the updated Investment Policy Statement and the red-lined version.
- **ACTION ITEM:** Alliant will compare the updated 401(k) Investment Policy Statement to the Pension Plan Investment Policy Statement.
- **ACTION ITEM:** A summary of comments in regards to the Investment Policy Statement will be discussed in future Committee meetings.

OTHER BUSINESS:

- Mrs. Smith requested that the next Investment Committee Meeting be scheduled before the meeting is adjourned.
- **ACTION ITEM:** The next Investment Committee Meeting will take place in Atlanta on August 21, 2013 from 1:00 pm to 3:00 pm EST.
- The Western MDVA employees will move to the Rollins Plan on January 1, 2014.

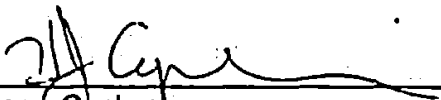
- The Nonelective Contribution percentage (Additional Company Contribution) for the Western Plan was documented in these minutes per the auditor's request. If an employee meets the criteria, the contribution will be 3% of eligible compensation.

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Harry Cynkus
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Prudential will update the website and include the new rate in the quarterly statements.
- **ACTION ITEM:** Prudential will provide communications targeting participants invested in three or less funds.
- **ACTION ITEM:** Keep Oakmark Equity and Income Fund on the Watch List.
- **ACTION ITEM:** Keep Morgan Stanley Inst Mid Cap Growth I Fund on the Watch List.
- **ACTION ITEM:** Prudential will provide communications that explain the differences between the team management styles, especially the mid-cap funds.
- **ACTION ITEM:** Keep American Funds Capital World Growth and Income Fund on the Watch List.
- **ACTION ITEM:** Alliant will send the updated Investment Policy Statement and the red-lined version.
- **ACTION ITEM:** Alliant will compare the updated 401(k) Investment Policy Statement to the Pension Plan Investment Policy Statement.
- **ACTION ITEM:** A summary of comments in regards to the Investment Policy Statement will be discussed in future Committee meetings.
- **ACTION ITEM:** The next Investment Committee Meeting will take place in Atlanta on August 21, 2013 from 1:00 pm to 3:00 pm EST.

Rollins, Inc.
Administrative Committee

Minutes

To: Harry Cynkus, John Wilson, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Steve Petouvis, Craig Innes, and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: October 28, 2013
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 1:00pm at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on August 21, 2013. This was the 2013 second quarter meeting.

Rollins Attendees:

Henry Anthony - (voting member)
Harry Cynkus - (voting member)
John Wilson (voting member)
Mary Lynn Parker - (voting member)
JoAnne Thomas - (voting member)
Craig Innes - (voting member)
Pat Mahoney – (voting member) (not in attendance)
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Cara Reynolds

Prudential Retirement Services:

Milissa Dumont
Sally Heim (teleconference)

CALL TO ORDER:

- The meeting was called to order by Harry Cynkus.
- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Administrative Committee Meeting.

COMMITTEE MEMBER CHANGES:

- Mr. Steve Petouvis has officially retired and will be removed from the Committee.
- Pat Mahoney was added to the Committee during the June 28, 2013 Meeting.

REVIEW OF ACTION ITEMS: (June 28, 2013)

- **ACTION ITEM:** Prudential will update the website and include the new rate in the quarterly statements. Completed.
- **ACTION ITEM:** Prudential will provide communications targeting participants invested in three or less funds. Completed.
- **ACTION ITEM:** Keep Oakmark Equity and Income Fund on the Watch List. Completed.
- **ACTION ITEM:** Keep Morgan Stanley Inst Mid Cap Growth I Fund on the Watch List. Completed.
- **ACTION ITEM:** Prudential will provide communications that explain the differences between the team management styles, especially the mid-cap funds. This communication has been added to Rollins' internal communication schedule for publication the end of the year or early next year. Completed.
- **ACTION ITEM:** Keep American Funds Capital World Growth and Income Fund on the Watch List. Completed.
- **ACTION ITEM:** Alliant will send the updated Investment Policy Statement and the red-lined version. Completed.
- **ACTION ITEM:** Alliant will compare the updated 401(k) Investment Policy Statement to the Pension Plan Investment Policy Statement. Completed.
- **ACTION ITEM:** A summary of comments in regards to the Investment Policy Statement will be discussed in future Committee meetings. Ongoing.

WATCH LIST/ ADD and REMOVE ACTIVITY: (June 28, 2013)

- Keep Oakmark Equity and Income Fund on the Watch List.
- Keep Morgan Stanley Inst Mid Cap Growth I Fund on the Watch List.
- Keep American Funds Capital World Growth and Income Fund on the Watch List

REVIEW & APPROVE MINUTES FROM JUNE 28, 2013 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 2nd QUARTER 2013

- Mr. Waggoner gave a brief overview of the 2nd Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of June 30, 2013)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of June 30, 2013, there was \$89,927,109 of all plan assets in the Prudential Guaranteed Fund. The effective rate was reset on July 1, 2013 at 3.08%.
- The Oakmark Equity and Income Fund is currently on the Watch List. The fund has seen the new management team of Clyde McGregor, Colin Hudson, and Matt Logan work as a

team since April 2013. Despite the new team, the underlying management of the fund is unlikely to change. The equity sleeve of the fund can comprise up to 75% of assets and these are focused on stocks trading at a discount to intrinsic value, and they work from a vetted approved firm list. The team can invest up to 20% of high yield bonds, but they prefer U.S. government debt. Morningstar has raised its rating from a three to a four, and the five-year returns should improve when the last underperforming quarter rolls off. The fund will remain on the Watch List.

- The Morgan Stanley Inst Mid Cap Growth I Fund is currently on the Watch List. The fund has turned a corner, and the performance has seen an improvement. Dennis Lynch and his team are willing to go wherever their best stock picks take them and pay little notice to any benchmark sector weightings. The team usually buys stocks that have a market cap of between \$2 and \$10 billion, and sell when they reach \$15 billion. The fund has a concentrated, low turnover and sector agnostic approach that can see some volatility. Based upon the improved performance, the fund will be removed from the Watch List.
- **ACTION ITEM:** Remove Morgan Stanley Inst Mid Cap Growth I Fund from the Watch List.
- The Goldman Sachs Mid Cap Value Fund tracks the index closely. In this respect, the fund looks very average against its peers. The management takes a classic approach, with each sector analyst scouring his industry for firms that are trading cheaply relative to their peers. They tend to gravitate towards firms with generous cash flows for share buybacks, dividends, or acquisitions. The three and five year returns are firmly in the bottom half of its peer group, at 52nd and 69th respectively. The fund will be added to the Watch List due to underperformance.
- **ACTION ITEM:** Add Goldman Sachs Mid Cap Value Fund to the Watch List.
- The American Funds Capital World Growth and Income Fund is currently on the Watch List. The three-year return of 13.24% has placed it in the top half of the category for the first time in three quarters. The funds management made the decision to relax its yield objective, which had been approaching 5%. In the effort to hit their income target, the co managers had become yield driven, which in turn caused the stake in foreign investment to increase to a high of 71% of assets. The stake has now dropped to 56%, which is more in line with other funds in this category. The fund will be removed from the Watch List.
- **ACTION ITEM:** Remove American Funds Capital World Growth and Income Fund from the Watch List.

PLAN STATISTICS:

- Total assets as of June 30, 2013 for all Plans were \$408,414,346.
- Rollins Stock is the largest single investment (\$122,073,109 in assets) with 220 participants using it as their sole investment.
- There are 2,091 participant loans with a total value of \$1,217,381.
- There was an overall net cash flow activity of -\$1,021,646, this was made up of the following factors:
 - Cash Distributions = \$3,445,571
 - Rollovers Out = \$6,298,325
- There are 4,525 participants utilizing the GoalMaker program, with assets of \$67,946,957.

- GoalMaker Utilization is at 48.46%.
- Ms. Dumont and Ms. Heim recommended utilizing the partial GoalMaker approach, which would allow participants to have a portion of their investments in GoalMaker and Rollins Company Stock.
- **ACTION ITEM:** Prudential will work with Rollins and Alliant to implement Partial GoalMaker for the Rollins and Western Plans for a January 1, 2014 effective date.

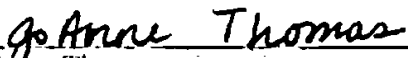
INVESTMENT POLICY STATEMENT:

- Alliant Retirement Services provided a red-lined version of the current Investment Policy Statement to the Committee.
- This reflected edits that Mr. Waggoner and his team have recommended for the document. This is a living document and should be revisited on an annual basis to ensure that it is still in line with the goals of the Committee.
- The Committee requested that the red-lined version be provided to the Rollins General Counsel for review.
- **ACTION ITEM:** Mr. Anthony will discuss the Investment Policy Statement with the attorney prior to the next meeting.

OTHER BUSINESS:

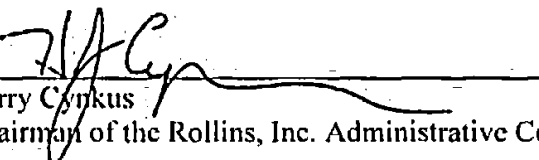
- The next quarterly meeting was scheduled for November 14, 2013 from 9-11am.

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Harry Cynkus
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Mr. Steve Petouvis will be removed from the Committee.

- **ACTION ITEM:** Remove Morgan Stanley Inst Mid Cap Growth I Fund from the Watch List.
- **ACTION ITEM:** Add Goldman Sachs Mid Cap Value Fund to the Watch List.
- **ACTION ITEM:** Remove American Funds Capital World Growth and Income Fund from the Watch List.
- **ACTION ITEM:** Prudential will work with Rollins and Alliant to implement Partial GoalMaker for the Rollins and Western Plans for a January 1, 2014 effective date.
- **ACTION ITEM:** Mr. Anthony will discuss the Investment Policy Statement with the attorney prior to the next meeting.

Rollins Inc.
Administrative Committee

Minutes


To: Harry Cynkus, John Wilson, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Pat Mahoney, Craig Innes and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: March 14, 2014
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plans**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially scheduled at 2170 Piedmont Road, NE., Atlanta, Georgia 30324 for November 14, 2013. This was the third quarter 2013 meeting.

The meeting of the Rollins, Inc. Administrative Committee did not occur due to scheduling conflicts for an established quorum.

In November 2013, a review of the Plans was conducted by Sean Waggoner of Alliant Retirement Services. There were no issues that required immediate attention of the Committee. All Action Items from the August 21, 2013 Meeting will be reviewed at the next Rollins, Inc. Administrative Committee Meeting.

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Harry Cynkus
Chairman of the Rollins, Inc. Administrative Committee

Rollins, Inc.
Administrative Committee

Minutes

To: Harry Cynkus, John Wilson, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Pat Mahoney, Craig Innes, and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: July 7, 2014

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially called to order at 1:30pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on March 26, 2014. This was the fourth quarter 2013 meeting.

Rollins Attendees:

Henry Anthony - (voting member) (not in attendance)
Harry Cynkus - (voting member)
John Wilson (voting member)
Mary Lynn Parker - (voting member)
JoAnne Thomas - (voting member)
Craig Innes - (voting member) (teleconference)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Wendy Conner (teleconference)

Prudential Retirement Services:

Milissa Dumont
Sally Heim

CALL TO ORDER:

- The meeting was called to order by Harry Cynkus.
- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (August 21, 2013)

- Mr. Steve Petouvis formally retired from the Company.
- Remove Morgan Stanley Inst Mid Cap Growth I from the Watch List.
- Add Goldman Sachs Mid Cap Value Gr I to the Watch List.

- Remove American Funds Cap World G&I R4 from the Watch List.
- Prudential will work with Rollins and Alliant to implement Partial GoalMaker on the plan for a January 1, 2014 effective date.
- Alliant is working on the Investment Policy Statement and upon completion, Alliant will send the Policy to Mrs. Smith so the Rollins ERISA Attorney can review it and provide comments for the next Committee meeting.

REVIEW & APPROVE MINUTES FROM AUGUST 21, 2013 MEETING:

- Minutes from the meeting were reviewed and signed as approved.
- Non-Quorum Minutes for the third quarter were reviewed and signed as approved.

ECONOMIC OVERVIEW: 4th QUARTER 2013

- Mr. Waggoner gave a brief overview of the 4th Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of December 31, 2013)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of December 31, 2013, there was \$90,197,543 of all plan assets in the Prudential Guaranteed Fund. The effective rate will reset on January 1, 2014 and is currently at 3.08%.
- The Oakmark Equity and Income Fund is currently on the Watch List. There are around 200 participants in the fund. Longer term this fund is more concerned with downside protection and has a strong 10-year performance. The fund is conservative on the fixed side with almost 100% in U.S. bonds. Based on the 3-year number, this fund meets the IPS standards.
- **ACTION ITEM:** Remove Oakmark Equity and Income from the Watch List.
- The Goldman Sachs Mid Cap Value is currently on the Watch List and not meeting IPS standards. This fund was stronger during the late 2007 to early 2009 bear market, but it did not meet its downside protection goal in the 2011 downturn like its peers and the index. There is a steady erosion of 3-year performance due to this miss. There have also been some changes in some of the key members of the team, but the veteran managers are still in place. The just has not be sufficient improvement and it does not appear that will happen any time soon.
- **ACTION ITEM:** Keep Goldman Sachs Mid Cap Value to the Watch List and bring options for consideration at the next Committee Meeting.
- The Franklin Growth Adv Fund is out-of-sync with the market. It narrowly missed on the 5-year basis, about a 60-basis difference and it is outpacing its benchmark of the S&P 500. The Committee will not put this on the Watch List because it is not underperforming by much and is performing in line with its philosophy.

PLAN STATISTICS:


- Total assets as of December 31, 2013 for all Plans were \$450,116,862.
- Rollins Stock is the largest single investment (\$136,589,631 in assets) with 224 participants using it as their sole investment.

- There are 2,193 participant loans with a total value of \$10,331,848.
- There was an overall net cash flow activity of -\$3,351,052, this was made up of the following factors:
 - Cash Distributions = \$4,166,497
 - Rollovers Out = \$6,843,717
- There are 5,003 participants or 51.61% utilizing the GoalMaker program, with assets of \$75,531,895.
- Partial Goal Maker was implemented January, 2014.
- Overall participation is 83.1%, which is slightly above the Benchmark of 79.5% and an Average Contribution Rate of 5.0%, which is below the benchmark of 6.4%.
- There are 828 participants who are invested in only one fund. Annual communication is sent to employees when they are invested in 3 funds or less. The concentration could be the result of prior default options, conservative investors in the fixed account and participants who have outside investments.

OTHER BUSINESS:

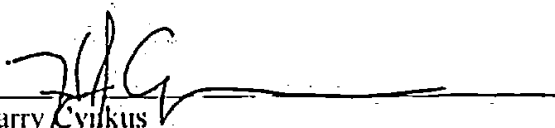
- Discussed the “Presumption of Prudence” lawsuit concerning company stock in 401(k) Plans - wait for decision in June.
- Baby boomers are reaching retirement age. Question – What are we doing to help our employees reach their retirement? What are we doing to make the Plans better?
- **ACTION ITEM:** As part of the 2015 Benefits Planning, look for ways to improve the 401(k) Plans.
- **ACTION ITEM:** Work with Wellness and Communication Manager and develop communication/education strategy.

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Harry Cynkus
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Remove Oakmark Equity and Income on the Watch List.
- **ACTION ITEM:** Keep Goldman Sachs Mid Cap Value Gr I on the Watch List.
- **ACTION ITEM:** As part of the 2015 Benefits Planning, look for ways to improve the 401(k) Plans.
- **ACTION ITEM:** Work with Wellness and Communication Manager and develop communication/education strategy.

Rollins, Inc.
Administrative Committee

Minutes

To: Harry Cynkus, John Wilson, Henry Anthony, JoAnne Thomas, Mary Lynn Parker, Pat Mahoney, Craig Innes, and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: August 19, 2014

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 9:00am EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on August 14, 2014. The first and second quarter information was reviewed.

Rollins Attendees:

Henry Anthony - (voting member) (not in attendance)

Harry Cynkus - (voting member)

John Wilson (voting member) (not in attendance)

Mary Lynn Parker - (voting member)

JoAnne Thomas - (voting member)

Craig Innes - (voting member) (not in attendance)

Pat Mahoney – (voting member) (teleconference)

Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner

Cara Reynolds

Prudential Retirement Services:

Milissa Dumont

Sally Heim

Mazursky Constantine, LLC:

David J. Putnal

CALL TO ORDER:

- The meeting was called to order by Harry Cynkus.
- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Administrative Committee Meeting.

REVIEW OF ACTION ITEMS: (March 26, 2014)

- Remove Oakmark Equity and Income on the Watch List.
- Keep Goldman Sachs Mid Cap Value Gr I on the Watch List.
- As part of the 2015 Benefits Planning, look for ways to improve the 401(k) Plans.
- Work with Wellness and Communication Manager and develop communication/education strategy.

REVIEW & APPROVE MINUTES FROM MARCH 26, 2014 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 2nd QUARTER 2014

- Mr. Waggoner gave a brief overview of the 2nd Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of June 30, 2014)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As June 30, 2014, the assets in the Prudential Guaranteed Fund were \$88,123,520 (for all 3 Plans). The effective rate reset on July 1, 2014 at 3.00%.
- The Morgan Stanley Mid Cap Growth Fund's recent underperformance in the 3- and 5-year periods is somewhat surprising. Manager Dennis Lynch and his team received Morningstar Domestic-Stock Fund Manager of the year award in 2013 after besting 80% of its category. However, as of 7/31/2014, the fund ranked 84% in its category. The Year-To-Date ranking trailed the category average by 3.3%. The fund is also somewhat contrarian as they do not factor in current macro themes as much and instead focus on companies that have superior growth stories that are independent of what the current business cycle or environment. This fund closed the end of May 2014 to new investors. As a result, the large asset base should be of less concern going forward. The fund will be added to the Watch List.
- **ACTION ITEM:** Add Morgan Stanley Mid Cap Growth to the Watch List.
- The Goldman Sachs Mid Cap Value Fund is currently on the Watch List and not meeting IPS standards. This fund aims to outpace the Russell Mid Cap Value Index Fund over the long term. The management team's emphasis is on downside protection. They achieved this goal in the economic downturn as the fund lost less than other funds in the category. However, with the recent bull market since March 2009, the fund appears less than average. The fund will remain on the Watch List and if the fund continues to underperform, Alliant will provide alternatives at the next Committee meeting.
- **ACTION ITEM:** Keep Goldman Sachs Mid Cap Value to the Watch List and bring options for consideration at the next Committee Meeting.
- Mr. Waggoner discussed with the Committee the option of providing index options in all categories in the lineup. The Department of Labor is favorable to offering an index option in each category to ensure that the participants have a low cost option to an actively managed fund. Alliant will provide funds for review in the following categories: Bond, Mid Cap, Small Cap, and International.
- **ACTION ITEM:** Alliant will provide index funds for review by the Committee.

PLAN STATISTICS:

- Total assets as of June 30, 2014 for all Plans were \$468,418,351.
- Rollins Stock is the largest single investment (\$133,822,234 in assets) with 201 participants using it as their sole investment.
- There are 2,146 participant loans with a total value of \$10,622,648.
- There was an overall net cash flow activity of -\$3,351,052, this was made up of the following factors:
 - Cash Distributions = \$4,419,232
 - Rollovers Out = \$5,712,627
- There were 5,245 participants or 53.91% utilizing the GoalMaker program, with assets of \$82,357,107.
- Partial GoalMaker was implemented January 2014. On June 30, 2014, there were 72 participants utilizing Partial Goal Maker. The Retirement Planning Guides provided to new employees discusses GoalMaker, but not Partial GoalMaker. The Committee requested an update to the Retirement Planning guides so they include Partial GoalMaker.
- **ACTION ITEM:** Prudential will work with Rollins to update the Retirement Planning Guides so they will include GoalMaker information.

OTHER BUSINESS:

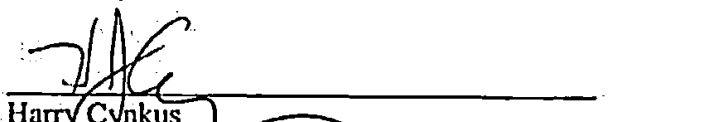
- Mr. Putnal and Mr. Waggoner discussed with the Committee the recent Supreme Court Ruling on the Fifth Third Bancorp v. Dudenhoefter.
- Mr. Waggoner discussed with the Committee the current cost per account of \$66.60. The current pricing structure requires a review by Prudential and a restructuring of the pricing.
- **ACTION ITEM:** Alliant and Prudential will work on new pricing for the Plans.
- PermaTreat associates will be auto-enrolled in the Rollins Plan and the deductions will begin with pay earned September 1, 2014.
- The PermaTreat Plan is administered by ADP. On August 31, 2014, the Plan will be frozen and it will be merged into the Rollins Plan by the end of 2014.

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:


Harry Cynkus
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** The Committee will review and sign the updated Investment Policy Statement.
- **ACTION ITEM:** Add Morgan Stanley Mid Cap Growth to the Watch List.
- **ACTION ITEM:** Keep Goldman Sachs Mid Cap Value Gr I on the Watch List.
- **ACTION ITEM:** Alliant will provide index funds for review by the committee.
- **ACTION ITEM:** Prudential will work with Rollins to update the Retirement Planning Guides so they will include GoalMaker information.
- **ACTION ITEM:** Alliant and Prudential will work on new pricing for the Plans.



Minutes

To: Harry Cynkus, John Wilson, Henry Anthony, James Benton, JoAnne Thomas, Pat Mahoney, Craig Innes, and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: February 26, 2015

Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on December 19, 2014. The third quarter information was reviewed.

Rollins Attendees:

Harry Cynkus - (voting member)
John Wilson (voting member)
Henry Anthony - (voting member)
James Benton - (voting member)
JoAnne Thomas - (voting member)
Craig Innes - (voting member) (teleconference)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Matt Arnoult
Cara Reynolds

Prudential Retirement Services:

Milissa Dumont
Sally Heim

CALL TO ORDER:

- The meeting was called to order by Harry Cynkus.
- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.
- Mary Lynn Parker will be removed from the Committee as a voting member as she is no longer employed by Rollins, Inc.
- James Benton will be added the Committee as a voting member.
- **ACTION ITEM:** Remove Mary Lynn Parker from the Committee.

- **ACTION ITEM:** Add James Benton to the Committee as a voting member.

REVIEW OF ACTION ITEMS: (August 14, 2014)

- The Committee will review and sign the updated Investment Policy Statement.
- Add Morgan Stanley Mid Cap Growth Fund to the Watch List. Completed.
- Keep Goldman Sachs Mid Cap Value Gr I Fund on the Watch List. Completed.
- Alliant will provide index funds for review by the Committee. Completed.
- Prudential will work with Rollins to update the Enrollment Workbook with Partial GoalMaker information. Completed.
- Alliant and Prudential will work on new pricing for the Plans. Completed.

REVIEW & APPROVE MINUTES FROM AUGUST 14, 2014 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 3rd QUARTER 2014

- Mr. Waggoner gave a brief overview of the 3rd Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of September 30, 2014)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - As September 30, 2014, there was \$90,171,381 of all plan assets in the Prudential Guaranteed Fund. The effective rate is 3.00%. Discussions around the Stable Value Fund and the underlying investments were an evergreen topic for the Committee. Alliant will provide additional analysis with respect to the Stable Value marketplace at the next meeting.
 - **ACTION ITEM:** Alliant will prepare a Stable Value comparison for review at the next meeting.
 - The PIMCO Total Return Bond Fund has experienced numerous changes over the course of 2014, including Co-CIO Mohamed El-Erian's sudden departure earlier this year. This change was due to ongoing disputes with Bill Gross. This fund has been on the Watch List numerous times due to weak relative performance in the 3- and 5-year periods. Most concerning was the size of its asset base which limited the fund's ability to be nimble and flexibility. The only positive thing was the fact that the fund had one of the highest regarded bond fund managers at the helm. With Bill Gross no longer in the picture, this fund's asset base coupled with the ongoing manager turnover, the Committee voted to replace this fund.
 - **ACTION ITEM:** Remove PIMCO Total Return A Fund from the lineup as soon as administratively feasible.
 - The Committee reviewed three alternatives to the PIMCO Total Return Fund:
 - *Loomis Sayles Investment Grade Bond Fund*– managed by Matt Eagan, Dan Fuss, Elaine Stokes and Brian Kennedy. The fund's credit sensitive portfolio held up well in 2013 as yields spiked. The management team utilizes a value-driven, credit-intensive approach and is always on the lookout for undervalued securities and currencies. The fund is performing in the top quartile at the each period.

- *Western Asset Core Bond Fund* – This fund has one of the best long-term returns with 5.90% 10-year return, which is better than 90% of the funds peers. The fund’s sector teams are responsible for bond selection. They rotate across issuers in given sector and along areas in the capital structure. The fund is managed by Ken Leech and has a deep research organization for security selection. The fund is in the top quartile over all timeframes.
- *Metropolitan West Total Return Bond Fund* – The management team for this fund have worked together for 20 years. They have a valuation-focused approach that has kept the fund’s risk profile less volatile. The team looks to buy bonds when the prices are low and sell them when they get expensive. The fund was in the top half of the category for the 1-year timeframe and the top decile for the three, five and 10-year periods. The Committee voted to replace the PIMCO Total Return Fund with the Metropolitan West Total Return Bond Fund.
- **ACTION ITEM:** The Metropolitan West Total Return Bond Fund will be added to the lineup as soon as administratively feasible.
- The Oakmark Equity and Income Fund is currently underperforming for the three and five year time frames. The fund is built for a softer landing during a down turn in the market. The equity position has grown to 75%, which has caused Morningstar to classify this as an aggressive fund. The fund has also seen poor stock selections in the healthcare and energy sectors that have been a drag on performance. The fund should be moving to a more moderate position soon. The fund will be placed on the Watch List. If the fund has not been reclassified by the next meeting, Alliant will provide alternatives.
- **ACTION ITEM:** Add the Oakmark Equity and Income Fund to the Watch List.
- **ACTION ITEM:** Alliant will provide alternatives for review, if the Oakmark Equity and Income fund has not been reclassified to the moderate category by Morningstar.
- The Victory Small Cap Fund is currently underperforming in the three and five year time frames. The fund management team has a strong quality focus, however a stake in Dean Foods, had an impact on the overall fund performance. The fund also saw performance hampered by holdings in the energy sector. The fund will be placed on the Watch List due to underperformance.
- **ACTION ITEM:** Add the Victory Small Cap Fund to the Watch List.
- The Morgan Stanley Instl Mid Cap Growth Fund is managed by Dennis Lynch. He was named Morningstar’s Domestic-Stock Fund Manager of the Year for 2013. This seems ironic now as the fund is underperforming for the three and five year time periods. One of the detractors was the funds stake in LinkedIn which posted double digit losses through April 2014. The fund will remain on the Watch List due to underperformance.
- **ACTION ITEM:** Keep the Morgan Stanley Mid Cap Growth Fund on the Watch List.
- **ACTION ITEM:** Alliant will provide alternatives in the Mid Cap Growth category if the fund continues to underperform.
- The Goldman Sachs Mid Cap Value Fund is currently on the Watch List. The fund has seen its performance rebound and is now in the top half of its category. The management team scours each sector for firms that are trading cheaply relative to their peers. They seek out firms with ample free cash flows for share buy backs, dividends or acquisitions. The fund will be removed from the Watch List.
- **ACTION ITEM:** Remove the Goldman Sachs Mid Cap Value Fund from the Watch List.

- Mr. Waggoner discussed with the Committee the option of providing index options in all categories. It is viewed as favorable by the Department of Labor to offer an index option in each category to ensure that the participants have a low cost option to an actively managed fund. The Committee voted to add index funds to the following categories:
 - Bond
 - Mid Cap
 - Small Cap
 - International
- **ACTION ITEM:** Add the Vanguard Total Bond Market Index Fund to the lineup as soon as administratively feasible.
- **ACTION ITEM:** Add the Vanguard Mid Cap Index Fund to the lineup as soon as administratively feasible.
- **ACTION ITEM:** Add the Vanguard Small Cap Index Fund to the lineup as soon as administratively feasible.
- **ACTION ITEM:** Add the Vanguard Total International Stock Index Fund to the lineup as soon as administratively feasible.

PLAN STATISTICS:

- Total assets as of September 30, 2014 for all Plans were \$462,211,412.
- Rollins Stock is the largest single investment (\$129,016,850 in assets) with 200 participants using it as their sole investment.
- There are 2,210 participant loans with a total value of \$11,388,230.
- There was an overall net cash flow activity of -\$1,155,057, this was primarily made up of the following factors:
 - Cash Distributions = \$3,718,264
 - Rollovers Out = \$5,700,221
- There are 5,493 participants or 55.4% utilizing the GoalMaker program, with assets of \$83,167,902.

Respectfully Submitted:



JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Harry Cynkus
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Remove Mary Lynn Parker from the Committee.
- **ACTION ITEM:** Add James Benton to the Committee as a voting member.
- **ACTION ITEM:** Alliant will prepare a Stable Value comparison for review at the next meeting.
- **ACTION ITEM:** Remove PIMCO Total Return A Fund from the lineup as soon as administratively feasible.
- **ACTION ITEM:** The Metropolitan West Total Return Bond Fund will be added to the lineup as soon as administratively feasible.
- **ACTION ITEM:** Add the Oakmark Equity and Income Fund to the Watch List.
- **ACTION ITEM:** Alliant will provide alternatives for review, if the Oakmark Equity and Income fund has not been reclassified to the moderate category by Morningstar.
- **ACTION ITEM:** Add the Victory Small Cap to the Watch List.
- **ACTION ITEM:** Keep the Morgan Stanley Mid Cap Growth Fund on the Watch List.
- **ACTION ITEM:** Alliant will provide alternatives in the Mid Cap Growth category if the fund continues to underperform.
- **ACTION ITEM:** Remove the Goldman Sachs Mid Cap Value Fund from the Watch List.
- **ACTION ITEM:** Add the Vanguard Total Bond Market Index Fund to the lineup as soon as administratively feasible.
- **ACTION ITEM:** Add the Vanguard Mid Cap Index Fund to the lineup as soon as administratively feasible.
- **ACTION ITEM:** Add the Vanguard Small Cap Index Fund to the lineup as soon as administratively feasible.
- **ACTION ITEM:** Add the Vanguard Total International Stock Index Fund to the lineup as soon as administratively feasible.



Minutes

To: John Wilson, Harry Cynkus, Eddie Northen, Henry Anthony, James Benton, JoAnne Thomas, Pat Mahoney, Craig Innes and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: May 12, 2015
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 2:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on March 31, 2015. The fourth quarter information was reviewed.

Rollins Attendees:

Harry Cynkus - (voting member)
John Wilson (voting member)
Henry Anthony - (voting member)
James Benton - (voting member)
JoAnne Thomas - (voting member)
Craig Innes - (voting member) (teleconference)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Insurance Services Attendees:

Sean Waggoner
Cara Reynolds

Prudential Retirement Services:

Milissa Dumont
Sally Heim

CALL TO ORDER:

- The meeting was called to order by Harry Cynkus.
- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Administrative Committee Meeting.
- At the end of the Meeting, Mr. Harry Cynkus resigned from the Committee due to his upcoming retirement from the Company, as of May 1, 2015. Mr. Eddie Northen was added to Committee.
- **ACTION ITEM:** Mr. Harry Cynkus will be removed from the Committee.

- **ACTION ITEM:** Mr. Eddie Northen will be added to the Committee as a voting member.
- The Committee briefly discussed the Rollins Stock Fund as an investment option and how the Department of Labor and the Internal Revenue Service view it. Mr. Waggoner suggested that Bruce Ruud, the ex-regional director of the Department Of Labor address the Committee at the next meeting to review the fiduciary responsibilities of the Committee.
- **ACTION ITEM:** Bruce Ruud, DOL Consultant, will attend the next investment Committee meeting.

REVIEW OF ACTION ITEMS: (December 19, 2014)

- Ms. Mary Lynn Parker will be removed from the Committee.
- Mr. Jamie Benton will be added to the Committee as a voting member.
- Alliant will prepare a Stable Value Fund comparison for review at the next meeting.
- PIMCO Total Return will be removed from the lineup as of April 1, 2015.
- Metro West Total Return Bond will be added to the lineup as soon as administratively feasible.
- Oakmark Equity and Income will be added to the Watch List.
- Alliant will provide alternatives for review if Oakmark Equity and Income is not categorized to the moderate category by Morningstar.
- Add Victory Small Cap to the Watch List.
- Keep Morgan Stanley Mid Cap Growth on the Watch List.
- Alliant will provide alternatives in the Mid Cap Growth category if the fund continues to underperform.
- Remove Goldman Sachs Mid Cap Value from the Watch List.
- Add Vanguard Total Bond Market Index Fund to the lineup as soon as administratively feasible.
- Add Vanguard Mid Cap Index Fund to the lineup as soon as administratively feasible.
- Add Vanguard Small Cap Index Fund to the lineup as soon as administratively feasible.
- Add Vanguard Total International Stock Index Fund to the lineup as soon as administratively feasible.

REVIEW & APPROVE MINUTES FROM DECEMBER 19, 2014 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 4th QUARTER 2014

- Mr. Waggoner gave a brief overview of the 4th Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of December 31, 2014)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As December 31, 2014, the Prudential Guaranteed Fund held \$92,289,165 in Plan assets (all 3 Plans). The effective rate is at 3.00%. Mr. Waggoner discussed with the Committee the underlying mechanics of the fund. It was requested that the team


managing the fund review the fund and their processes with any of the Committee members who would be interested in attending a conference call.

- **ACTION ITEM:** Prudential and Alliant will facilitate a conference call with Committee members and the Stable Value Fund Manager.
- The Oakmark Equity and Income Fund is currently performing within the criteria of the investment policy statement. Morningstar has re-categorized the fund back to moderate, after briefly attributing it to the Aggressive category (based upon the growth of the equity sleeve to 75% of the portfolio). The equity positions have been trimmed back to approximately 65%. The fund is now solid in the top half of the moderate category for the three and five year time frames. The fund will be removed from the Watch List.
- **ACTION ITEM:** Remove Oakmark Equity and Income Fund from the Watch List.
- The Victory Small Cap Fund is currently meeting the criteria of the Investment Policy Statement. The fund management concentrates their research efforts on leading businesses in sound financial condition. These are companies trading at undemanding valuation levels. Stock selection has been key to the improved performance, with holdings in six of nine economic sectors.
- **ACTION ITEM:** Remove Victory Small Cap Fund from the Watch List.
- The Morgan Stanley Instl Mid Cap Growth Fund is still currently underperforming. The fund has a highly concentrated portfolio with only 55 holdings. The manager, Dennis Lynch, takes a bottom-up stock selection and long-term outlook approach. This lends itself to low turnover. A technology heavy portfolio paired with poor stock selection in this sector affected the performance of the fund. The fund will remain on the Watch List due to underperformance and Alliant will continue to provide alternatives at the next meeting.
- **ACTION ITEM:** Keep Morgan Stanley Mid Cap Growth on the Watch List.
- **ACTION ITEM:** Alliant will provide alternatives in the Mid Cap Growth category, if the fund continues to underperform.


PLAN STATISTICS:

- Total assets as of December 31, 2014 for all Plans were \$493,568,180.
- Rollins Stock is the largest single investment (\$144,503,624 in assets) with 201 participants using it as their sole investment.
- There are 2,234 participant loans, with a total value of \$11,598,414.
- There are 5,759 participants or 56.6% utilizing the GoalMaker program, with assets of \$91,624,998.
- The Committee requested data on employee complaints made to Prudential. The Prudential team will provide statistics at the next meeting related to any complaints made to the call center.
- **ACTION ITEM:** Prudential will provide statistics on participant complaints, at the next Committee meeting.
- The Committee discussed the possibility of adding the ROTH rollover source for incoming rollovers related to employees added at the time of acquisitions.
- **ACTION ITEM:** The Committee will continue to discuss and consider amending the Plans to allow employees to roll ROTH monies into the Plans.

Respectfully Submitted:


JoAnne Thomas
Secretary of the Rollins, Inc. Administrative Committee

Approved:


Harry Cynkus
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Mr. Harry Cynkus will be removed from the Committee.
- **ACTION ITEM:** Eddie Northen will be added to the Committee
- **ACTION ITEM:** Bruce Ruud, DOL Consultant, will attend the next investment Committee meeting.
- **ACTION ITEM:** Prudential and Alliant will facilitate a conference call with Committee members and the Stable Value Fund Manager.
- **ACTION ITEM:** The Oakmark Equity and Income fund will be removed from the Watch List.
- **ACTION ITEM:** The Victory Small Cap Fund will be removed from the Watch List.
- **ACTION ITEM:** The Morgan Stanley Mid Cap Growth fund will remain on the Watch List.
- **ACTION ITEM:** Alliant will continue to provide alternatives in the mid cap growth category for Committee review.
- **ACTION ITEM:** Prudential will provide statistics on participant complaints at the next Committee meeting.
- **ACTION ITEM:** The Committee will continue to discuss and consider amending the Plans to allow employees to roll ROTH monies into the Plans.



Minutes

To: John Wilson, Eddie Northen, Henry Anthony, James Benton, Pat Mahoney, Craig Innes and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: September 3, 2015

Re: **Minutes of Rollins, Inc. Administrative Committee Stable Value Conference Call**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 2:00pm EST via teleconference on June 9, 2015.

Rollins Attendees:

Eddie Northen – (voting member) (teleconference)
John Wilson (voting member)
Henry Anthony - (voting member)
James Benton - (voting member)
JoAnne Thomas - (voting member)
Craig Innes - (voting member) (teleconference)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Stacey Cribley (teleconference)

Prudential Retirement Services:

Milissa Dumont
Robert Ferguson
Melanie Calhoun
Carlos Prata

CALL TO ORDER:

- Meeting materials reviewed were provided by Prudential via email.
- The meeting attendees conducted the review via teleconference.

PRUDENTIAL STABLE VALUE REVIEW:

- As of of March 31, 2015, the Prudential Guaranteed Fund held \$88,326,866 in Plan assets (all 3 plans). The effective rate is at 3.03%. The new crediting rate for July 1, 2015 through December 31, 2015 will be 2.99%.

- As of May 31, 2015, the Rollins Market Value of the fund was \$90,989,249.68 and the market value for the fund as a whole was \$3,573,513,068.03.
- The effective duration is 5.24 years and the effective yield is 2.14%.
- The underlying investment strategy for the fund is the Prudential Core Conservative Bond Fund.
- The fund is made up of 869 holdings with an average credit rating of Aa2.
- The US Government is the largest sector with 33.4% of the assets, and IG Corporates in second place at 28.1%.
- The fund attribution as of April 30, 2015 includes an overweight position in short private-label CMBS and seasoned 5-year notes.
- Holdings in the corporate sector within the Cable, Electronic, and Healthcare & Pharmaceuticals was a contributor to the position return in the fund.
- The Committee voted and unanimously approved to remain with the current investment strategy and stable value fund for all three 401(k) Plans.

Respectfully Submitted:

Secretary of the Rollins, Inc. Administrative Committee

Approved:



P. Edward Northen
Chairman of the Rollins, Inc. Administrative Committee



Minutes

To: John Wilson, Eddie Northen, Henry Anthony, James Benton, Pat Mahoney, Craig Innes and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: September 3, 2015

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:30pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on June 25, 2015. The first quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member) (teleconference)
John Wilson (voting member)
Henry Anthony - (voting member)
James Benton - (voting member)
JoAnne Thomas - (voting member)
Craig Innes - (voting member) (teleconference)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Stacey Cribley (teleconference)

Prudential Retirement Services:

Milissa Dumont
Sally Heim

Guest:

Bruce D. Ruud, CFP®, CEBS

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.
- Ms. Joanne Thomas has terminated employment with Rollins and will be removed from the Rollins, Inc. Administrative Committee effective immediately.
- **ACTION ITEM:** Remove Ms. Joanne Thomas from the Committee.

- The Committee discussed replacing Joanne Thomas with Teresa Smith as the Secretary of the Committee. However, in order to do so, the Committee Bylaws need to be reviewed.
- **ACTION ITEM:** Review the Committee Bylaws and present recommendations during the next Committee Meeting.
- The Committee elected Mr. Eddie Northen to the position of Chairman of the Rollins, Inc. Administrative Committee.
- **ACTION ITEM:** Mr. Eddie Northen was elected Chairman of the Committee.

REVIEW OF ACTION ITEMS: (March 31, 2015)

- Mr. Harry Cynkus will be removed from the Committee.
- Mr. Eddie Northen will be added to the Committee.
- Bruce Ruud, DOL Consultant, will attend the next Investment Committee Meeting.
- Prudential and Alliant will facilitate a conference call with Committee members and the Stable Value Fund Manager.
- The Oakmark Equity and Income fund will be removed from the Watch List.
- The Victory Small Cap Fund will be removed from the Watch List.
- The Morgan Stanley Mid Cap Growth fund will remain on the Watch List.
- Alliant will continue to provide alternatives in the mid cap growth category for Committee review.
- Prudential will provide statistics on participant complaints at the next Committee meeting.
- The Committee will continue to discuss and consider amending the Plans to allow employees to roll ROTH monies into the plans.

REVIEW & APPROVE MINUTES FROM MARCH 31, 2015 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 1st QUARTER 2015

- Mr. Waggoner gave a brief overview of the 1st Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of March 31, 2015)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
 - As of March 31, 2015, the Prudential Guaranteed Fund held \$88,326,866 in Plan assets (all 3 plans). The effective rate is at 3.03%. The new crediting rate for July 1, 2015 through December 31, 2015 will be 2.99%.
 - The Committee, Alliant Retirement Services, and the Prudential Stable Value Team conducted a conference call on June 9, 2015 to review the underlying investment strategy of the fund; minutes from this meeting will be provided separately to the Committee.
 - The Morgan Stanley Inst Mid Cap Growth Fund is currently on the Watch List. The fund manager, Dennis Lynch continues to stay the course despite the recent dismal performance. The fund is highly concentrated with only 50-60 holdings. The management team has a long-term record of implementing a patient and disciplined

approach to growth investing. They look for companies with a defensible business model earning high returns on capital and significant cash flows. They have however, made some bad trades that have been a drag on performance. The fund should be allowed time for the manager to work his way out of the slump.

- **ACTION ITEM:** Keep Morgan Stanley Mid Cap Growth on the Watch List.
- **ACTION ITEM:** Alliant will continue to provide alternatives in the Mid Cap Growth category.

PLAN STATISTICS:

- Total assets as of March 31, 2015 for all Plans were \$517,434,049.
- Rollins Stock is the largest single investment (\$166,407,913 in assets) with 248 participants using it as their sole investment.
- There are 2,198 participant loans with a total value of \$11,323,561.
- There are 5,905 participants or 57.2% utilizing the GoalMaker program, with assets of \$98,051,409.
- Prudential provided the Committee with the complaints for the First Quarter of 2015, of the entire plan population there were only nine (9) participant complaints.

Review of Best Practices for ERISA Plan Fiduciaries

- Mr. Waggoner of Alliant Retirement Services introduced Mr. Bruce Ruud as an expert in Best Practices for ERISA Plan Fiduciaries.
- Bruce D. Ruud, CFP®, CEBS is president of Bruce Ruud & Associates, LLC, an employee benefits consulting firm serving clients throughout the U.S. The firm performs fiduciary audits of employee benefit plans to determine compliance with ERISA and provides advice and training to fiduciaries and plan sponsors regarding their obligations under Title I of ERISA. They also provide litigation support and expert witness services to attorneys as well as being a registered investment advisor. In addition, they provide investment advice to plan fiduciaries and participants.
- Mr. Ruud discussed topics from an outline he provided to the Committee, including and not limited to:
 - Current Plan Landscape – the shift of personal ownership by participants versus the employer. There has been a proliferation of class action litigation including areas involving selection of improper share classes to excessive and hidden fees.
 - Committee Structure/Governance – the makeup of the Committee, duties and documentation of the meetings.
 - Delegation of Fiduciary Responsibility – what is allowed by ERISA, plan administration and what the Department of Labor requires in respect to ongoing duty to monitor the plan. Familiarity with plan documents is important for the Committee and all fiduciaries. The overriding principal is that the Committee must hold the interests of the participants and beneficiaries above all other interests. The definition of who is a fiduciary, the liability involved and fiduciary duties were addressed.
- Mr. Ruud discussed with the Committee the inclusion of the Rollins Company Stock in the Plans and the fiduciary responsibility implications related to this offering.
- Based upon the discussion with the Committee, Mr. Ruud made the following recommendations to the Committee:
 - Reduce concentration of individual participant accounts in Rollins Stock. At present, the participants can hold up to 100% of their account in Rollins Stock.

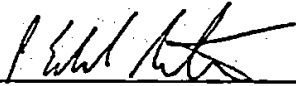
The Committee could consider a gradual approach to stock restrictions by reducing stock purchases for those accounts with 40% in the first year, 30% in the second and down to 20% after three for more years.

- Consider the services of an outside fiduciary to assist with the handling of the Rollins Stock in the 401(k) Plan.
- Review D&O, E&O or fiduciary liability policies to determine if the policy limits are appropriate and all Plan employees and fiduciaries were covered.
- Review the Plan Documents, Amendments, Trust Agreements, Investment Policy Statement, Summary Plan Descriptions and provide all fiduciaries with copies of their duties, responsibilities and timelines as prescribed in those documents.
- Review the GoalMaker portfolio manager and determine if their glide path is appropriate for the Rollins participants.
- Review Retirement Readiness of Plan participants
- **ACTION ITEM:** The Committee will review the recommendations by Mr. Ruud and put together a plan on addressing each one.

Respectfully Submitted:

Secretary of the Rollins, Inc. Administrative Committee

Approved:



P. Edward Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Remove Ms. Joanne Thomas from the Committee.
- **ACTION ITEM:** Review the Committee Bylaws and present recommendations during the next Committee Meeting.
- **ACTION ITEM:** Mr. Eddie Northen was elected Chairman of the Committee.
- **ACTION ITEM:** Keep Morgan Stanley Mid Cap Growth on the Watch List.
- **ACTION ITEM:** Alliant will continue provide alternatives in the Mid Cap Growth category.
- **ACTION ITEM:** The Committee will review the recommendations by Mr. Ruud and put together a plan on addressing each one.



Minutes

To: John Wilson, Henry Anthony, James Benton, Pat Mahoney, Craig Innes, Eddie Northen, and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: November 17, 2015

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 3:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on September 24, 2015. The Second quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson (voting member)
Henry Anthony - (voting member)
James Benton - (voting member)
Craig Innes - (voting member) (teleconference)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds

Prudential Retirement Services:

Milissa Dumont
Sally Heim (teleconference)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

GENERAL DISCUSSION:

- The Committee discussed the vacant Secretary position on the Committee, the Committee elected Teresa Smith to this position.
- **ACTION ITEM:** Teresa Smith was elected Secretary of the Rollins, Inc. Administrative Committee.

- The Committee discussed with Mr. Waggoner the options related to the Rollins and Western Plans and limiting the amount of Company Stock held by the participants. The Committee requested additional research related to stock drop cases.
- **ACTION ITEM:** Alliant will research stock drop lawsuits and how much the stock lost.
- **ACTION ITEM:** Prudential will research the system capabilities in handling stock restrictions on employee accounts.
- At this time, instead of limiting the amount of Rollins Stock a participant can have, the Committee would like to provide the participants who hold 50% or more in Rollins Stock with communication and education materials discussing asset allocation and diversification. The communication pieces will need to be reviewed by the Prudential Compliance Department and David Putnal, Rollins ERISA attorney.
- **ACTION ITEM:** Prudential will work with Rollins and Alliant to draft diversification communication and asset allocation.
- The Committee reviewed the option of increasing the fiduciary liability coverage limits in addition to limiting the Company Stock. The Committee will recommend increasing the fiduciary coverage limit to Mr. Rollins.
- **ACTION ITEM:** The Committee will recommend increasing the fiduciary coverage limit to Mr. Rollins.
- The Committee reviewed the draft Investment Policy Statement for final approval. The language contained minor typographical errors, these errors will be corrected and the final draft will be provided to the Committee for signatures.
- **ACTION ITEM:** The Investment Policy Statement language will be corrected and then signed by the Committee.
- The Committee will review different documents during each meeting beginning.
- **ACTION ITEM:** The Committee will review the Summary Plan Descriptions during the next Committee meeting.
- The Committee discussed how in service withdrawals/loans/hardships for Company match is handled currently. At this time, an employee is not able to remove company match while currently employed by Rollins. This could be a financial hardship for an employee who would like to have access to the assets. The Committee has approved a change to the Rollins and Western Plans allowing for withdrawals/distributions of the Company match for employees who are age 59 ½.
- **ACTION ITEM:** The Rollins and Western Plans will be amended to allow employees who are 59 ½ the ability to access the Company match for withdrawals/distributions.

REVIEW OF ACTION ITEMS: (JUNE 25, 2015)

- Remove Ms. Joanne Thomas from the Committee.
- Review the Committee Bylaws and present recommendations during the next Committee Meeting.
- Mr. Eddie Northen was elected Chairman of the Committee.
- Keep Morgan Stanley Mid Cap Growth on the Watch List.
- Alliant will continue to provide alternatives in the Mid Cap Growth Category.
- The Committee will review the recommendations by Mr. Ruud and put together a plan on addressing each one.

REVIEW & APPROVE MINUTES FROM JUNE 25, 2015 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 2nd QUARTER 2015

- Mr. Waggoner gave a brief overview of the 2nd Quarter Economic and Capital Markets Review with an update on current market conditions.

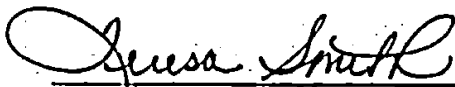
INVESTMENT REVIEW: (as of JUNE 30, 2015)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of June 30, 2015, the Prudential Guaranteed Fund held \$88,518,855 in assets (all 3 Plans). The effective rate is at 3.03%. The new crediting rate for July 1, 2015 through December 31, 2015 will be 2.99%.
- The Morgan Stanley Instl Mid Cap Growth Fund is currently on the Watch List. The fund managed by Dennis Lynch who has an aggressive portfolio with only 55 funds. Poor stock picks have a significant impact on a portfolio as concentrated as this one; holdings in Keurig Green Mountain and Twitter were two of the largest detractors. The fund will remain on the Watch List and Alliant will continue to provide alternatives to the Committee at the next meeting.
- **ACTION ITEM:** Alliant will continue provide alternatives in the Mid Cap Growth category if the fund continues to underperform.
- The Goldman Sachs Mid Cap Value A Fund saw the retirement of co-lead manager Dolores Bamford on September 1, 2015. This follows the departure of Andrew Braun who was replaced by Timothy Ryan. Bamford was replaced by Sung Cho. The new team of Cho and Ryan will continue the consistent value strategy that seeks firms that are trading cheaply relative to their peers. The fund's performance is firmly in the median of the category. The fund will be placed on the Watch List due to management change.
- **ACTION ITEM:** Add Goldman Sachs Mid Cap Value A Fund to the Watch List.

PLAN STATISTICS:

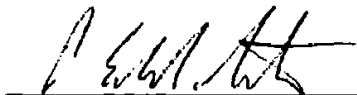
- Total assets as of June 30, 2015 for all Plans were \$531,812,607.
- Rollins Stock is the largest single investment (\$191,032,362 in assets) with 265 participants using it as their sole investment.
- There were 2,214 participant loans with a total value of \$11,299,913.
- There were 5,960 participants or 57.8% utilizing the GoalMaker program, with assets of \$99,590,750.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Teresa Smith was elected Secretary of the Rollins, Inc. Administrative Committee.
- **ACTION ITEM:** Alliant will research stock drop lawsuits and how much the stock lost.
- **ACTION ITEM:** Prudential will research the system capabilities in handling stock restrictions on employee accounts.
- **ACTION ITEM:** Prudential will work with Rollins and Alliant to draft diversification communication and asset allocation.
- **ACTION ITEM:** The Committee will recommend increasing the fiduciary coverage limit to Mr. Rollins.
- **ACTION ITEM:** The Investment Policy Statement language will be corrected and then signed by the Committee.
- **ACTION ITEM:** The Committee will review the Summary Plan Descriptions during the next Committee meeting.
- **ACTION ITEM:** The Rollins and Western Plans will be amended to allow employees who are 59 ½ the ability to access the Company match for withdrawals/distributions.
- **ACTION ITEM:** Alliant will continue provide alternatives in the Mid Cap Growth
- **ACTION ITEM:** Add Goldman Sachs Mid Cap Value A Fund to the Watch List.



Minutes

To: John Wilson, Henry Anthony, James Benton, Pat Mahoney, Craig Innes, Eddie Northen, and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: March 7, 2016

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 3:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on December 14, 2015. The Third quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson (voting member)
Henry Anthony - (voting member)
James Benton - (voting member)
Craig Innes - (voting member) (teleconference)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds (teleconference)

Prudential Retirement Services:

Milissa Dumont (teleconference)
Sally Heim (teleconference)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (SEPTEMBER 24, 2015)

- Teresa Smith was elected Secretary of the Rollins, Inc. Administrative Committee.
- Alliant will research stock drop lawsuits and how much the stock lost.
- Prudential will research the system capabilities in handling stock restrictions on employee accounts.

- Prudential will work with Rollins and Alliant to draft diversification communication and asset allocation.
- The Committee will recommend increasing the fiduciary coverage limit to Mr. Rollins.
- The Investment Policy Statement language will be corrected and then signed by Committee.
- The Committee will review the Summary Plan Descriptions during the next Committee meeting.
- The Rollins and Western Plans will be amended to allow employees who are 59 ½ the ability to access the Company match for withdrawals/distributions.
- Alliant will continue to provide alternatives in the Mid Cap Growth category.
- Add Goldman Sachs Mid Cap Value A Fund to the Watch List.

REVIEW & APPROVE MINUTES FROM SEPTEMBER 24, 2015 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 3RD QUARTER 2015

- Mr. Waggoner gave a brief overview of the 3rd Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of SEPTEMBER 30, 2015)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of September 30, 2015, the Prudential Guaranteed Fund held \$89,274,673 in Plan assets (all 3 plans). The effective rate is at 2.99%.
- The Morgan Stanley Inst Mid Cap Growth Fund is currently on the Watch List. This fund is managed by Dennis Lynch. This fund is a highly concentrated with only 56 stocks; he has a technology bent with stakes in Twitter, LinkedIn, Amazon, and Workday. The performance has been in the bottom quartile of the category since the mid to late 2014. The Committee reviewed options to consider to replace this fund:
 - *Buffalo Discovery* – this fund has a similar expense ratio as the current fund at 1.00%. The portfolio contains stakes in the technology sector including Pandora, Google and Facebook. Holdings in industrials, consumer staples, and materials and energy comprise 30% of the overall portfolio. The returns for this fund are the best of the three options reviewed by the Committee.
 - *Eagle Mid Cap Growth* – Technology, Consumer Cyclical, and Healthcare are the three largest sectors. The fund managers focused on high-quality companies with strong management teams that are well positioned to gain market share. They look for growth trends in the technology sector that are related to security software, cloud computing, and mobility.
 - *Hartford Mid Cap* – The managers, Phillip Ruedi and Mark Whitaker, utilize security selection as a key driver of relative outperformance, mainly in information technology, industrials, and consumer discretionary. The security selection in information technology, industrials, and consumer discretionary lead to the top quartile returns. The fund has an expense ratio of 76 bps.
- **ACTION ITEM:** Remove Morgan Stanley Mid Cap Growth Fund from the lineup.
- **ACTION ITEM:** Add Hartford Mid Cap Y Fund to the lineup.

- **ACTION ITEM:** Map assets from Morgan Stanley Mid Cap Growth Fund to Hartford Mid Cap Y Fund.
- The Goldman Sachs Mid Cap Value is currently on the Watch List. The fund continues to underperform for the one, three, five, and ten-year periods. This fund has seen the retirement of the lead manager, Delores Bamford, as of September 1, 2015. This follows the departure of Andrew Braun in February 2015. The managers target firms that are trading cheaply relative to their peers, with ample free cash flows, and high returns on invested capital. The fund will remain on the Watch List.
- **ACTION ITEM:** Keep Goldman Sachs Mid Cap Value Fund on the Watch List.

GOALMAKER:

- Mr. Waggoner and Ms. Dumont discussed with the Committee the GoalMaker Portfolios and how the underlying funds used to create the asset allocation are selected. The Committee determines the funds used in the models, these funds need to be reviewed periodically to ensure they are the appropriate investments for the product.
- **ACTION ITEM:** The Committee will review the funds utilized for GoalMaker portfolios at the next Committee meeting.
- **ACTION ITEM:** Prudential will provide the Committee with details of the GoalMaker portfolios.

ROTH FEATURE:

- The Committee discussed the possibility of adding the ROTH feature, as the Company continues to acquire more entities the employees may have ROTH assets in 401(k) plans.
- A ROTH 401(k) offers participants an after tax option to contribute to their retirement.
- Participants pay taxes on ROTH deferrals at the time deferrals are made, rather than at the tax rate, in effect when the ROTH deferrals are distributed.
- Participants should consider:
 - If they believe tax rates are going to higher now or when they retire.
 - If they need to reduce their level of contribution to the plan on a before tax basis if contributions were made on a ROTH/after tax basis.
 - The amount of time before they expect to retire.
 - If they will need to withdraw the funds from the plan before reaching age 59 ½
- In plan transfers have been approved since January 2013 for Pre-Tax to ROTH, however the contributions will be taxed and the participant will receive a 1099 at the end of the year to file with their tax return.
- **ACTION ITEM:** Prudential and Alliant will provide the Committee with ROTH Benchmarking during the Second Quarter 2016 Committee meeting.

INVESTMENT POLICY STATEMENT (IPS):

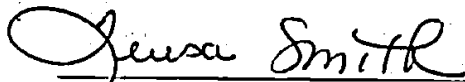
- The Investment Policy Statement language has been finalized and provided to the Committee. Eddie Northen signed the IPS at the end of the Committee Meeting.

PLAN STATISTICS:

- Total assets as of September 30, 2015 for all Plans were \$516,276,472.
- Rollins Stock is the largest single investment (\$180,022,003 in assets) with 284 participants using it as their sole investment.
- There are 2,219 participant loans with a total value of \$11,576,717.

- There are 6,016 participants or 58.0% utilizing the GoalMaker asset allocation tool, with assets of \$94,022,341.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



P. Edward Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Remove Morgan Stanley Mid Cap Growth Fund from the lineup.
- **ACTION ITEM:** Add Hartford Mid Cap Y Fund to the lineup.
- **ACTION ITEM:** Map assets from Morgan Stanley Mid Cap Growth Fund to Hartford Mid Cap Y Fund.
- **ACTION ITEM:** Keep Goldman Sachs Mid Cap Value Fund on the Watch List.
- **ACTION ITEM:** The Committee will review the funds utilized for GoalMaker portfolios at the next Committee meeting.
- **ACTION ITEM:** Prudential will provide the Committee with details of the GoalMaker portfolios.
- **ACTION ITEM:** Prudential and Alliant will provide the Committee with ROTH Benchmarking during the Second Quarter 2016 Committee meeting.



Minutes

To: John Wilson, Eddie Northen, Henry Anthony, James Benton, Pat Mahoney and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: May 11, 2016

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 2:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on March 25, 2016. The fourth quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)

John Wilson - (voting member)

Henry Anthony - (voting member)

James Benton - (voting member)

Craig Innes - (voting member) (teleconference)

Pat Mahoney – (voting member) (teleconference)

Teresa Smith - (teleconference)

Alliant Retirement Services Attendees:

Sean Waggoner

Cara Reynolds

Prudential Retirement Services:

Milissa Dumont (teleconference)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Administrative Committee Meeting.

REVIEW OF ACTION ITEMS: (DECEMBER 14, 2015)

- Remove Morgan Stanley Mid Cap Growth Fund from the lineup.
- Add Hartford Mid Cap Y Fund to the lineup.
- Map assets from Morgan Stanley Mid Cap Growth Fund to Hartford Mid Cap Y Fund.
- Keep Goldman Sachs Mid Cap Value Fund on the Watch List.

- The Committee will review the funds utilized for GoalMaker portfolios at the next Committee Meeting.
- Prudential will provide the Committee with details of the GoalMaker portfolios.
- Prudential and Allaint will provide the Committee with ROTH Benchmarking during the Second Quarter 2016 Committee meeting.

REVIEW & APPROVE MINUTES FROM DECEMBER 14, 2015 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 4th QUARTER 2015

- Mr. Waggoner gave a brief overview of the 4th Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of DECEMBER 31, 2015)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of December 31, 2015, the Prudential Guaranteed Fund held \$90,389,279 in Plan assets (all 3 plans). The effective rate is at 2.99%.
- The Goldman Sachs Mid Cap Value is currently on the Watch List. The fund continues to underperform for the one, three, five, and ten year periods. This fund has a strict mid-cap mandate that has kept the weighted market cap in line with the Russell Mid-Ctimeap Value Index. The managers will gravitate toward firms with ample free cash flows for share buybacks, dividends, or, acquisitions. The fund will remain on the Watch List. The fund will also be removed from the GoalMaker Portfolios due to underperformance.
- **ACTION ITEM:** Keep Goldman Sachs Mid Cap Value A Fund on the Watch List.
- **ACTION ITEM:** Remove Goldman Sachs Mid Cap Value A Fund from the GoalMaker Portfolios.
- The Hartford Mid Cap Y Fund was added to the portfolio as a replacement for the Morgan Stanley Mid Cap Growth Fund as of April 4, 2016. This fund will now be added to GoalMaker Portfolios to provided added diversity to the participants in the program.
- **ACTION ITEM:** Add Hartford Mid Cap Y Fund to the GoalMaker Portfolios.
- The American Funds EuroPacific Growth Fund has seen mediocre returns for the three and five-year periods, but the fund's performance for the one-year period of -0.82 which placed the fund in the 73rd percentile. This fund is the largest with total assets in the foreign stock fund. The multimanager approach allows each manager to run separate sleeves of the portfolio in line with their own style. This fund is the only foreign offering in the GoalMaker portfolios. The fund will be added to the Watch List due to underperformance.
- **ACTION ITEM:** Add American Funds EuroPacific Growth Fund to the Watch List.
- **ACTION ITEM:** Alliant will provide alternatives in the foreign large blend category for Committee review.

PLAN STATISTICS:

- Total assets as of December 31, 2016 for all Plans were \$521,738,539.
- Rollins Stock is the largest single investment (\$173,889,286 in assets) with 260 participants using it as their sole investment.

- There are 2,245 participant loans with a total value of \$12,082,096.
- There are 6,258 participants or 59.1% utilizing the GoalMaker program, with assets of \$99,408,965.

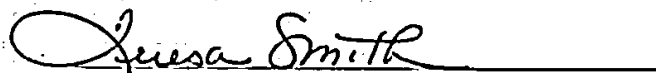
EDUCATION AND COMMUNICATION

- Prudential reviewed with the Committee the Communications Calendar for the First Quarter 2016.
- Samples of the communications were provided and the topics covered included:
 - Web Registration
 - Saving More
 - Birthday
- Prudential will share with the Committee the results of the communications campaign at the next meeting.
- Pat Mahoney addressed the possibility of conducting onsite education meetings for employees.
- Prudential will organize a call with Rollins and Alliant to discuss the opportunity for onsite education meetings.
- **ACTION ITEM:** Prudential will organize a call with Rollins and Alliant to review education meetings.

OTHER BUSINESS:

- Craig Innes is retiring and the Committee decided to replace him instead of reducing the number of members.
- **ACTION ITEM:** Teresa Smith will work with the Committee to elect a replacement for Craig.

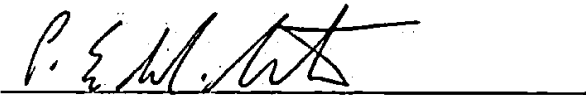
Respectfully Submitted:



Teresa Smith

Secretary of the Rollins, Inc. Administrative Committee

Approved:



P. Edward Northen

Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Keep Goldman Sachs Mid Cap Value A Fund on the Watch List.
- **ACTION ITEM:** Remove Goldman Sachs Mid Cap Value A Fund from the GoalMaker Portfolios.
- **ACTION ITEM:** Add Hartford Mid Cap Y Fund to the GoalMaker Portfolios.
- **ACTION ITEM:** Add American Funds EuroPacific Growth Fund to the Watch List.
- **ACTION ITEM:** Alliant will provide alternatives in the foreign large blend category for Committee review.
- **ACTION ITEM:** Prudential will organize a call with Rollins and Alliant to review
ACTION ITEM: Teresa Smith will work with the Committee to elect a replacement for Craig.



Minutes

To: John Wilson, Henry Anthony, James Benton, Pat Mahoney, Eddie Northen, and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: September 14, 2016
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on July 7, 2016. The first quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson (voting member)
Henry Anthony - (voting member)
James Benton - (voting member)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds (Teleconference)

Prudential Retirement Services:

Milissa Dumont
Sally Haim (Teleconference)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (MARCH 25, 2016)

- Keep Goldman Sachs Mid Cap Value A Fund on the Watch List.
- Remove Goldman Sachs Mid Cap Value A Fund from the GoalMaker Portfolios. This was discussed again during the 1st quarter meeting and will be completed during 3rd quarter.
- Add Hartford Mid Cap Y Fund to the GoalMaker Portfolios. This was not completed, due to additional information obtained from Mr. Waggoner and Prudential. Email approvals were obtained from the Committee to re-evaluate and select an alternate fund.

In addition to the emails, the changes were discussed during the 1st quarter Committee Meeting outlined in these minutes.

- Add American Funds EuroPacific Growth Fund to the Watch List.
- Alliant will provide alternatives in the foreign large blend category for the Committee to review.
- Prudential will organize a call with Rollins and Alliant to review education meetings. Completed.
- Teresa Smith will work with the Committee to elect a replacement for Mr. Innes. With the recent organizational changes, Jerry Gahlhoff will be voted on during the next meeting to take Mr. Innes' place on the Committee.

REVIEW & APPROVE MINUTES FROM MARCH 25, 2016 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 1st QUARTER 2016

- Mr. Waggoner gave a brief overview of the 1st Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of MARCH 31, 2016)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of March 31, 2016, the Prudential Guaranteed Fund held \$91,335,356 in Plan assets (all 3 plans). The effective rate is at 2.99%.
- The Goldman Sachs Mid Cap Value Fund is currently on the Watch List. This fund fails to meet the Investment Policy Statement criteria by placing outside the top 50th percentile in the both 3 and 5-year periods as well as the 1 and 10-year periods. This fund has also experienced manager turnover, due to retirement rather than unforeseen departures. Delores Bamford retired in September 2015 and was replaced by longtime analysts Sung Cho and Tim Ryan. Sean Gallagher (CIO of Goldman Sachs Value team) continues to oversee the transition and strategy execution. The goal is the same here: keep volatility low and outperform over the long haul. Managers try to keep beta (fund's relative risk to the broad market) below 1.0 and keep the fund truly Mid Cap Value by limiting style drift. This fund places a premium on quality and will not take too much risk chasing deep value companies. While the performance has been mediocre lately, it is not uncommon for a fund like this to trail in an extended bull market. This team is disciplined in its process, and does not massage its value mandate by purchasing companies at a premium. It places an emphasis on providing competitive returns with less volatility and better downside protection. One of the biggest drags on performance over the past few years has been the lack of REITs in the portfolio. REITs have done very well in this low interest rate environment, but management has felt that they are too expensive with more risk than any potential returns could merit. REITs had a very strong rebound in late 2015 as the Fed delayed interest rate hikes in September and a flight to quality kept interest rates low.
 - **ACTION ITEM:** Remove Goldman Sachs Mid Cap Value A Fund.
- The Committee reviewed alternatives provided, the Victory Sycamore Established Value A Fund was selected. The fund whose management team won the Thompson Reuters Lipper Fund Award employs a disciplined bottom up, fundamental process to invest in

better businesses that are trading at a discount to the team's estimate of intrinsic value. The fund performance for the one, three, five, and ten year time periods are all solidly in the top quartile their peer group. The fund expense ratio of 99 bps is lower than the Goldman Sachs Mid Cap Value A Fund. This fund will replace Goldman Sachs in GoalMaker.

- **ACTION ITEM:** Add Victory Sycamore Established Value A Fund to the lineup and in GoalMaker.
 - **ACTION ITEM:** Map the assets from Gold Sachs Mid Cap Value A Fund to Victory Sycamore Established Value A Fund.
- The Vanguard Windsor II Fund is currently performing well for all time periods. The fund has seen the long-term manager, James Barrow stepped down at the end of 2015. The departure was not a surprise, in 2013 his eventual successors, Jeff Fahenbruch and David Ganucheau were added to the team. It is expected that the new managers will continue the investment thesis of Barrow. The fund will be added to the Watch List due to manager change.
 - **ACTION ITEM:** Add Vanguard Windsor II to the Watch List due to manager change.
- The American Funds EuroPacific Growth Fund is on the Watch List. The fund has seen the performance bounce back slightly. The multi-manager approach allows each group to have divergent investment thesis from concentrated growth to more value-oriented strategies. High turnover is forbidden; even the more concentrated managers can often hold positions for five years or longer. The Committee reviewed alternatives, but the Committee is not ready to make a change at this time. The fund will remain on the Watch List.
 - **ACTION ITEM:** Keep American Funds EuroPacific Growth Fund on the Watch List.

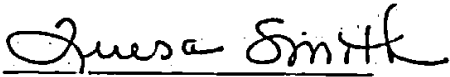
PLAN STATISTICS:

- Total assets as of March 31, 2016 for all Plans were \$513,353,171.
- Rollins Stock is the largest single investment (\$178,565,341 in assets) with 250 participants using it as their sole investment.
- There are 2,259 participant loans with a total value of \$12,325,967.
- There are 6,356 participants or 59.7% utilizing the GoalMaker program, with assets of \$99,020,761.

EDUCATION AND COMMUNICATION

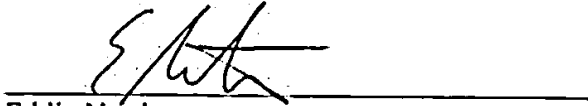
- The Committee reviewed the loan statistics across all three plans. The total amount of loans is \$12,325,967 for 2,259 participants. The Committee is concerned about the number of loans outstanding and the number of new loans each quarter. The impact of taking a 401(k) loan should be addressed with the employees to ensure that the ramifications on asset growth are fully understood. The Committee requested that a communication piece be send to all employees.
 - **ACTION ITEM:** A communication piece will be provided to employees on the impact of taking a loan.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Remove Goldman Sachs Mid Cap Value A Fund.
- **ACTION ITEM:** Add Victory Sycamore Established Value A Fund to the lineup and in GoalMaker.
- **ACTION ITEM:** Map the assets from Gold Sachs Mid Cap Value A Fund to Victory Sycamore Established Value A Fund.
- **ACTION ITEM:** Add Vanguard Windsor II to the Watch List due to manager change.
- **ACTION ITEM:** Keep American Funds EuroPacific Growth Fund on the Watch List.
- **ACTION ITEM:** A communication piece will be provided to employees on the impact of taking a loan.



Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, Henry Anthony, James Benton, Pat Mahoney and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: November 29, 2016

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plans**

The meeting of the Rollins Inc. Administrative Committee (the Committee) was officially scheduled at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on July 7, 2016. This was the first quarter 2016 meeting.

The meeting of the Rollins Inc. Administrative Committee for the second quarter of 2016 could not be convened due to scheduling conflicts to establish a quorum.

A plan review was conducted by Sean Waggoner of Alliant Retirement Consulting. There were no issues that required immediate attention that required an Administrative Committee action in their review of the information provided. Fund and Plan Performance was provided for review by Alliant Retirement Consulting.

All Action Items listed below will be reviewed at the next scheduled Investment Committee Meeting and completed to include fund alternatives.

This document is not intended to serve as official minutes but a record that there was consideration made for the Plans over the first quarter in absence of a formal Administrative Committee Meeting.

REVIEW OF ACTION ITEMS: (July 7, 2016):

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Remove Goldman Sachs Mid Cap Value A Fund from the lineup.
- **ACTION ITEM:** Add Victory Sycamore Established Value A Fund to the lineup and GoalMaker.
- **ACTION ITEM:** Map the assets from Goldman Sachs Mid Cap Value A Fund to Victory Sycamore Established Value A Fund.
- **ACTION ITEM:** Add Vanguard Windsor II Fund to the Watch List due to a manager change.
- **ACTION ITEM:** Keep American Funds EuroPacific Growth Fund on the Watch List.

- **ACTION ITEM:** A communication piece will be provided to employees on the impact of taking a loan.

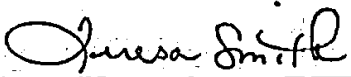
WATCH LIST:

- Vanguard Windsor II Fund
- American Funds EuroPacific Growth Fund

ADD/REMOVE FUNDS:

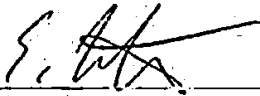
- Remove Goldman Sachs Mid Cap Value A Fund from the lineup
- Add Victory Sycamore Established Value A Fund to the lineup and GoalMaker
- Map assets from Goldman Sachs Mid Cap Value Fund to Victory Sycamore Established Value A Fund

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

Rollins, Inc.
Administrative Committee

Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, Henry Anthony, James Benton, Pat Mahoney and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: February 14, 2017
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plans**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 11:00am EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on November 29, 2016. The third quarter information was reviewed by the Committee.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson (voting member)
Henry Anthony - (voting member)
James Benton - (voting member)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds (Teleconference)

Prudential Retirement Services:

Milissa Dumont (Teleconference)
Sally Haim (Teleconference)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (JULY 7, 2016)

- **ACTION ITEM:** Remove Goldman Sachs Mid Cap Value A Fund from the lineup.
- **ACTION ITEM:** Add Victory Sycamore Established Value A Fund to the lineup and GoalMaker.
- **ACTION ITEM:** Map the assets from Goldman Sachs Mid Cap Value A Fund to Victory Sycamore Established Value A Fund.
- **ACTION ITEM:** Add Vanguard Windsor II to the Watch List due to a manager change.
- **ACTION ITEM:** Keep American Funds EuroPacific Growth Fund on the Watch List.

- **ACTION ITEM:** A communication piece will be provided to employees on the impact of taking a loan.

REVIEW & APPROVE MINUTES FROM JULY 7, 2016 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 3rd QUARTER 2016

- Mr. Waggoner gave a brief overview of the Third Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of SEPTEMBER 30, 2016)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of September 30, 2016, the Prudential Guaranteed Fund held \$95,791,610 in Plan assets (all 3 plans). The effective rate is at 2.80%.
- The Vanguard Windsor II Fund is on the Watch List due to manager change. The fund is currently performing in the top half of the peer group for the one, three and ten year periods. The fund saw a change in management when two subadvisors were added and three were removed. The five subadvisors invest mainly in out-of-favor large and mid-cap stocks. They look for dividend paying companies with strong balance sheets and business models. The fund will remain on the Watch List due to management change.
 - **ACTION ITEM:** Keep Vanguard Windsor II on the Watch List due to a manager change.
- The American Funds EuroPacific Growth Fund is on the Watch List. The fund is performing in the top half of the category for the three, five and ten year periods. The fund takes a multi-manager approach that allows the managers to independently run their own sleeves of the portfolio. This allows each manager to pursue their best ideas with their own style. The managers can develop multiyear investment theses and this keeps the portfolio turnover low. The fund will be removed from the Watch List.
 - **ACTION ITEM:** Remove American Funds EuroPacific Growth from the Watch List.

PLAN STATISTICS:

- Total assets as of September 30, 2016 for all Plans were \$543,622,055.
- Rollins Stock is the largest single investment (\$188,098,822 in assets) with 258 participants using it as their sole investment.
- There are 2,362 participant loans with a total value of \$13,627,680
- There are 6,792 participants or 61.8% utilizing the GoalMaker program, with assets of \$108,809,766.

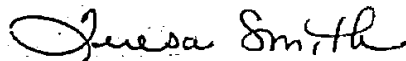
EDUCATION AND COMMUNICATION:

- Prudential is working with Teresa Smith and Alliant to provide a variety of education and communication pieces for the end of 2016 and 2017.
- The topics range from loans, diversification, participant life milestones, and a general newsletter.
 - **ACTION ITEM:** Prudential and Alliant will continue to work with Rollins on employee communication and education.

REQUEST FOR PROPOSAL:


- The Request for Proposal process was completed for the Advisor services, and Alliant Retirement Consulting was retained.
- As part of ongoing due diligence of fees and services, a formal Request for Proposal will be completed for recordkeeping services.
 - **ACTION ITEM:** Rollins will initiate a formal Request for Proposal process for Recordkeeping services.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Keep Vanguard Windsor II on the Watch List due to a manager change.
- **ACTION ITEM:** Remove American Funds EuroPacific Growth from the Watch List.
- **ACTION ITEM:** Prudential and Alliant will continue to work with Rollins on employee communications and education.
- **ACTION ITEM:** Rollins will initiate a formal Request for Proposal process for Recordkeeping services.



Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, Henry Anthony, James Benton, Pat Mahoney and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: April 24, 2017

Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:30am EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on March 3, 2017. The fourth quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson - (voting member)
Jerry Gahlhoff – (added as a voting member)
Henry Anthony - (voting member)
James Benton - (voting member)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds (Teleconference)

Prudential Retirement Services:

Milissa Dumont (Teleconference)
Sally Haim (Teleconference)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Administrative Committee Meeting.

COMMITTEE CHANGE:

- Henry Anthony is retiring the end of April.
- The Committee unanimously voted to add Jerry Gahlhoff to the Committee as a voting member. This was initially discussed during the July Meeting but was not voted on at that time.

REVIEW OF ACTION ITEMS: (NOVEMBER 29, 2016)

- **ACTION ITEM:** Keep Vanguard Windsor II on the Watch List due to manager change.
- **ACTION ITEM:** Remove American Funds EuroPacific Growth Fund from the Watch List.
- **ACTION ITEM:** Prudential and Alliant will continue to work with Rollins on employee communications and education.
- **ACTION ITEM:** Rollins will initiate a formal Request for Proposal process for Recordkeeping services.

REVIEW & APPROVE MINUTES FROM NOVEMBER 29, 2016 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

INVESTMENT REVIEW: (as of DECEMBER 31, 2016)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of December 31, 2016, the Prudential Guaranteed Fund held \$98,947,098 in Plan assets (all 3 plans). The effective rate is at 2.80%.
- The Vanguard Windsor II Fund is on the Watch List due to manager change. The fund is currently performing in the top half of the peer group for the three, five, and ten year periods. The firm looks for dividend-paying companies with strong balance sheets and business models. The fund has a highly concentrated portfolio with only about 50 or fewer stocks that they will hold for long time horizons. The fund will remain on the Watch List due to management change.
 - **ACTION ITEM:** Keep Vanguard Windsor II on the Watch List.
- Vanguard notified Alliant that a new share class of the Vanguard S&P 500 Index was becoming available around March 21st. The new share class has a lower expense ratio of 3.5 bps. The Committee had elected to add this lower share class once it became available. After the meeting, Vanguard notified Alliant that the fund share class was being put on hold by the SEC and would not be available at this time.
- Subsequent to the conversation to the reduced share class for the Vanguard S&P 500 index, Alliant discussed with the Committee reviewing the lineup holistically to see where additional expenses could be reduced.
 - **ACTION ITEM:** Alliant will provide the Committee with recommendations to reduce expense ratio and revenue share for the fund lineup.

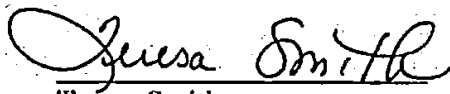
PLAN STATISTICS:

- Total assets as of September 30, 2016 for all Plans were \$573,266,299.
- Rollins Stock is the largest single investment (\$212,817,275 in assets) with 254 participants using it as their sole investment.
- There are 2,422 participant loans with a total value of \$14,146,952.
- There are 7,028 participants or 62.6% utilizing the GoalMaker program, with assets of \$109,871,537.

REQUEST FOR PROPOSAL:

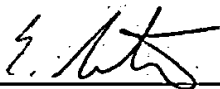
- The Request for Proposal search will begin for the Record-keeping services. This is being conducted as part of ongoing due diligence of fees and services.
- Alliant Retirement Consulting will take lead on the Request for Proposal process and report the findings to the Committee for review and action.
 - **ACTION ITEM:** Alliant will work with Ms. Smith to begin the Request for Proposal process for the vendor search.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Keep Vanguard Windsor II on the Watch List.
- **ACTION ITEM:** Alliant will work with Ms. Smith to begin the Request for Proposal process for vendor search.
- **ACTION ITEM:** Alliant will provide the committee with recommendations to reduce expense ratio and revenue for the fund lineup.

Rollins, Inc.
Administrative Committee

Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, Pat Mahoney and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on June 28, 2017. The first quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson - (voting member)
Jerry Gahlhoff - (voting member)
James Benton - (voting member)
Pat Mahoney – (voting member) (teleconference)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds

Prudential Retirement Services:

Milissa Dumont
Sally Heim - (not in attendance)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (MARCH 3, 2017)

- o **ACTION ITEM:** Keep Vanguard Windsor II on the Watch List.
- o **ACTION ITEM:** Alliant will work with Ms. Smith to begin the Request for Proposal process for vendor search. Completed.
- o **ACTION ITEM:** Alliant will provide the Committee with recommendations to reduce expense ratio and revenue for the fund lineup. Completed.

REVIEW & APPROVE MINUTES FROM MARCH 3, 2017 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 1ST QUARTER 2017

- Economic Overview was submitted to the Committee for review prior to the Meeting. There were no questions or concerns relating to the information provided.

INVESTMENT REVIEW: (as of MARCH 31, 2017)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of March 31, 2017, the Prudential Guaranteed Fund held \$97,255,535 in Plan assets (all 3 Plans). The effective rate is at 2.65%. The new rate for July 1 – December 31, 2017 will be 2.63%
- The Vanguard Windsor II fund was placed on the Watch List due to manager change. Over the past decade, the fund has added 2 subadvisors and removed three others. In total, this fund-of-funds is subadvised by 5 managers- Barrow, Hanley, Mewhinney & Strauss – 60%
 - Lazard – 17%
 - Hotchkis & Wiley – 13%
 - Sanders Capital – 12%
 - Vanguard – 1%

Most recently, Barrow, Hanley, Mewhinney & Strauss replaced the now retired James Barrow with Jeff Fahrenbruch and David Ganucheau. These two managers did have experience with the fund and its process prior to 2015, as they were both co-managers at this fund starting in early 2013. While they both have been in the industry for 20 years, their money management experience only dates back to July 2011, has yet to span a full market cycle. The good news is that Fahrenbruch and Ganucheau are backed by the same deep analyst bench, and they're using the same sound process focusing on companies with strong balance sheets and business models, but with shares that offer above-average dividend yields and below-average valuations. Three of the four other subadvisors have been on the fund for nearly a decade and use complementary approaches. The near term performance has been average, but the same process that has led to competitive long term results remains the same. The fund is currently meeting investment performance criteria, but until the near term performance improves this fund should remain on the Watch List.

- **ACTION ITEM:** Keep Vanguard Windsor II on the Watch List.

LEGAL LANDSCAPE:

- Mr. Waggoner reviewed with the Committee recent class action lawsuits brought by plan participants.
- *Bell v. Pension Comm. Of ATH Holding Co. (Anthem)*
 - The plaintiffs allege in this suit that the plan fiduciaries had breached their fiduciary duty by providing funds with high fees, failed to monitor record-keeper

fees, and failed to follow a specific process in reviewing fees. The fourth count of failing to provide a Stable Value fund instead of a money market was dismissed.

- *Troudt v. Oracle Corporation*
 - The plaintiffs allege that the relationship between the plan sponsor (Oracle) and the record-keeper (Fidelity) caused the participants to pay record-keeping fees well above the market rate for the services. Fidelity is the sixth largest institutional holder of Oracle stock.

2018 PLAN DESIGN CONSIDERATIONS:

- The Committee reviewed and discussed Plan changes that could be implemented for the 2018 Plan year.
 - The approved changes are as follows:
 - Add Roth to Rollins/Western/Waltham Plans. This change will not produce additional match dollars.
 - Increase Highly Compensated Employee Deferral Limit from 7% to 8%.
 - **ACTION ITEM:** Rollins will work with Prudential and David Putnal to implement both of these changes.
 - The following considerations were not approved:
 - Move Western Office Employees from Western Plan to Rollins Plan.
 - Change Auto-Enrollment from 3% to 4% for new hires.
 - Automatically enroll all of the previously eligible employees (not enrolled or participating) at 3%.
 - Change Rollins Match Formula to 60% to 6%.
 - Implement PPA Safe Harbor Match for Rollins and Western 100% to 1% and 50% to the next 5% with auto-enrollment at 3% for all, after 4 years auto escalated to 6%.

REQUEST FOR PROPOSAL:

- Alliant completed the Request for Proposal process for record-keeper services. Mr. Waggoner reviewed the results of this process with the Committee.
- Alliant reached out to the following vendors to provide pricing for the Defined Contribution Plan, Deferred Compensation Plan, Custom Guaranteed Fund, and Company Stock Record-Keeping:
 - Prudential – Incumbent
 - Transamerica
 - Bank of America Merrill Lynch
 - Wells Fargo
 - T. Rowe Price
 - Voya
 - Empower
 - Principal
 - Fidelity
 - John Hancock – Declined to quote
 - Vanguard – Declined to quote

- The vendors provided full request for proposal responses that included corporate background, service structure, company stock administration, deferred compensation administration. The pricing requested was to be provided in a per account format, based on the pricing provided the following companies were the top four:
 - Prudential \$43.00 per account
 - Transamerica \$43.00 per account
 - BOAML
 - Rollins \$42 per account
 - Western \$130 per account
 - Waltham \$250 per account
 - Wells Fargo - \$47 per account
- The reduction of fees from the current \$67.00 per account to \$43.00 per account will result in a decrease of approximately \$253,000. This will result in a direct impact to plan participants: this will allow the reduction in expense ratios for the funds on the lineup.
- In addition to the per account fee, a key discussion point is the guaranteed income fund that contains 16% of participant assets. The crediting rate provided on the custom fund managed by Prudential is 2.63%, however if the Plans were to move to a new provider the best rate available to the Plans would be 1.90%, this move could cause a decrease of interest to the participants in this account by approximately \$235,000.
- The Committee elected to remain with Prudential as the record-keeper and accept the \$43 per account fee arrangement.
 - **ACTION ITEM:** Prudential will proceed with the reduction of fees to a per account fee of \$43.00.

FUND REVENUE REDUCTION:

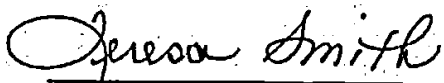
- Upon the reduction of record-keeper fees, this will result in an increase of the revenue generated by the lineup. There are funds on the lineup that have multiple share classes that provide for lower revenue share.
- The Guaranteed Income Fund is flexible in the revenue share that can be generated, the fund currently provides for 20 bps (\$195,000). This could be reduced to 10 bps and this would provide a direct increase in crediting rate to the participants who utilize this fund, 2.63% to 2.73%.
- The following funds also offer opportunities for reducing expense/revenue share:
 - T. Rowe Price New Horizons
 - Oakmark Equity and Income
 - Victory Sycamore Small Company Opp
 - Victory Sycamore Established Value
 - American Funds EuroPacific Growth
 - American Funds Captial World Growth & Income
 - **ACTION ITEM:** Alliant and Prudential will provide scenarios for reducing expense ratio and revenue with the new lower record-keeper fees.

PLAN STATISTICS:

- Total assets as of March 31, 2017 for all Plans were \$620,553,589.

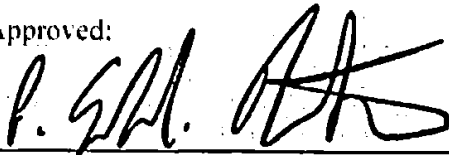
- Rollins Stock is the largest single investment (\$230,200,636 in assets) with 258 participants using it as their sole investment.
- There are 2,482 participant loans with a total value of \$14,385,864.
- There are 6,988 participants or 62.8% utilizing the GoalMaker program, with assets of \$116,498,822.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Keep Vanguard Windsor II on the Watch List.
- **ACTION ITEM:** Rollins will work with Prudential and David Putnal to implement both of these changes.
- **ACTION ITEM:** Prudential will proceed with the reduction of fees to a per account fee of \$43.00.
- **ACTION ITEM:** Alliant and Prudential will provide scenarios for reducing expense ratio and revenue with the new lower record-keeper fees.



Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, Pat Mahoney and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:30pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on August 23, 2017. The second quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)

John Wilson (voting member)

James Benton - (voting member)

Jerry Gahlhoff - (voting member)

Pat Mahoney – (voting member) (not in attendance)

Teresa Smith – (teleconference)

Alliant Retirement Services Attendees:

Sean Waggoner

Cara Reynolds

Prudential Retirement Services:

Milissa Dumont

Sally Haim (teleconference)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (JUNE 28, 2017)

- **ACTION ITEM:** Keep Vanguard Windsor II on the Watch List.
- **ACTION ITEM:** The Committee approved the addition of the Roth feature to all three plans.
- **ACTION ITEM:** The Committee approved the increase to the Highly Compensated Employee Deferral Limit to 8%.
- **ACTION ITEM:** Prudential will proceed with the reduction of fees to a per account fee of \$43.00.
- **ACTION ITEM:** Alliant and Prudential will provide scenarios for reducing expense ratio and revenue with the new lower record-keeper fees.

REVIEW & APPROVE MINUTES FROM JUNE 28, 2017 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 2nd QUARTER 2017

- Mr. Waggoner gave a brief overview of the Second Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of JUNE 30, 2017)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of June 30, 2017, the Prudential Guaranteed Fund held \$97,827,667 in Plan assets (all 3 plans). The effective rate is 2.63%.
- The Vanguard Windsor II fund was placed on the Watch List, due to manager change. Over the past decade, the fund has added 2 subadvisors and removed three others. In total, this fund-of-funds is sub advised by 5 managers:
 - Barrow, Hanley, Mewhinney & Strauss – 60%
 - Lazard – 17%
 - Hotchkis & Wiley – 13%
 - Sanders Capital – 12%
 - Vanguard – 1%

Most recently, Barrow, Hanley, Mewhinney & Strauss replaced the now retired James Barrow as of January 2016 with Jeff Fahrenbruch and David Ganucheau. These two managers did have experience with the fund and its process prior to 2015, as they were both co-managers at this fund starting in early 2013. The good news is that Fahrenbruch and Ganucheau are backed by the same deep analyst bench, and they're using the same sound process focusing on companies with strong balance sheets and business models, but with shares that offer above-average dividend yields and below-average valuations. Three of the four other subadvisors have been on the fund for nearly a decade and use complementary approaches. During the second quarter, the managers have proven that they can outpace both benchmark indices. Strong stock selection in information technology and industrials with an underweight allocation to energy drove the returns for the quarter. The fund is meeting Investment Policy Statement criteria is eligible to come off the Watch List.

- **ACTION ITEM:** Remove Vanguard Windsor II from the Watch List.

2018 PLAN DESIGN CONSIDERATIONS:

- The Committee reviewed and discussed plan changes that could be implemented for the 2018 plan year.
 - Increase HCE Deferral Limit from 7% to 8% - completed August 1, 2017
 - Adding Roth to Rollins/Western/Waltham is no additional cost to the plan -- in process.
 - Automatically increase a participant's contribution rate by 1% each year up to a maximum rate of 6%. – This would result in an estimated increase to the Rollins Match of \$728,000 for the first year. The current plan document allows for only whole percentages for deferral limits. The Committee discussed amending the plan to allow for half/quarter percentage deferral election, this will be reviewed in

detail with the payroll department to ensure that it is allowable by the payroll system.

- **ACTION ITEM:** Rollins will research the ability for payroll to implement a half/quarter percentage deferral election.

FUND REVENUE REDUCTION:

- Prudential is working with the plan to implement the \$43 per account fee arrangement. Alliant prepared an analysis to review changes that could be made to the fund lineup to reduce the expense ratios for the plan participants. The plan participants will be charged the \$43 per account, this will then allow for the following funds to have lower expense ratios and revenue share:
 - Prudential Guaranteed Fund
 - Oakmark Equity and Income
 - T. Rowe Price New Horizons
 - Victory Sycamore Established Value
 - American Funds EuroPacific Growth
 - American Funds Capital World Growth and Income
 - **ACTION ITEM:** plan participants will pay the \$43 per account.
 - **ACTION ITEM:** Fund share class will be reduced on the following funds to facilitate a lower expense to the participants: Prudential Guaranteed Fund, Oakmark Equity & Income, T. Rowe Price New Horizons; Victory Sycamore Established Value, American Funds EuroPacific Growth, American Funds Capital World Growth & Income

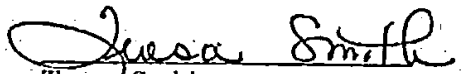
PLAN STATISTICS:

- Total assets as of June 30, 2017 for all Plans were \$637,581,760.
- Rollins Stock is the largest single investment (\$249,391.657 in assets) with 278 participants using it as their sole investment.
- There are 2,482 participant loans with a total value of \$15,413,744.
- There are 6,903 participants or 62.2% utilizing the GoalMaker program, with assets of \$122,876,578.

FIDUCIARY LIABILITY TRAINING:

- The Committee requested that Mr. Bruce Ruud attend a future meeting to provide additional Fiduciary Training.
- **ACTION ITEM:** Mr. Bruce Ruud will provide Fiduciary Liability training at a future meeting.

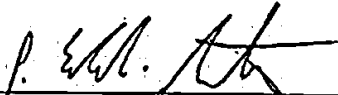
Respectfully Submitted:



Teresa Smith

Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen

Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Remove Vanguard Windsor II from the Watch List.
- **ACTION ITEM:** Rollins will research the ability for payroll to implement a half/quarter percentage deferral election.
- **ACTION ITEM:** The plan participants will pay the \$43 per account.
- **ACTION ITEM:** Fund share class will be reduced on the following funds to facilitate a lower expense to the participants: Prudential Guaranteed Fund, Oakmark Equity & Income, T. Rowe Price New Horizons; Victory Sycamore Established Value, American Funds EuroPacific Growth, American Funds Capital World Growth & Income
- **ACTION ITEM:** Mr. Bruce Ruud will provide Fiduciary Liability training at a future meeting.



Minutes

To: Eddie Northen, John Wilson, Jerry Gahloff, James Benton, Pat Mahoney, and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: January 5, 2017

Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 2:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on December 5, 2017. The third quarter information was reviewed.

Rollins Attendees:

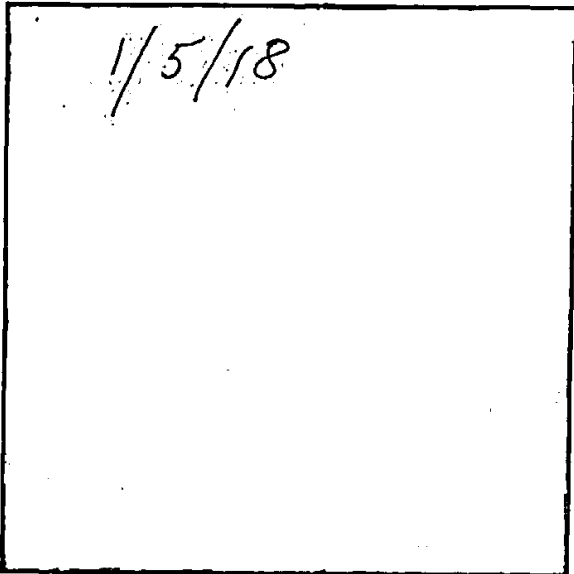
- Eddie Northen – (voting member)
- John Wilson (voting member)
- James Benton - (voting member)
- Jerry Gahlhoff - (voting member)
- Pat Mahoney – (voting member)
- Teresa Smith

Alliant Retirement Services Attendees:

- Sean Waggoner
- Cara Reynolds

Prudential Retirement Services:

- Milissa Dumont
- Sally Heim



CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (AUGUST 23, 2017)

- o **ACTION ITEM:** Remove Vanguard Windsor II from the Watch List. Completed
- o **ACTION ITEM:** Rollins will research the ability for payroll to implement a half/quarter percentage deferral election. Completed
- o **ACTION ITEM:** The plan participants will pay the \$43 per account. Approved
- o **ACTION ITEM:** Fund share class will be reduced on the following funds to facilitate a lower expense to the participants: Prudential Guaranteed Fund, Oakmark Equity & Income, T. Rowe Price New Horizons; Victory Sycamore Established Value, American Funds EuroPacific Growth, American Funds Capital World Growth & Income. Completed

- **ACTION ITEM:** Mr. Bruce Ruud will provide Fiduciary Liability training at a future meeting.

REVIEW & APPROVE MINUTES FROM AUGUST 23, 2017 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 3rd QUARTER 2017

- Mr. Waggoner gave a brief overview of the Second Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of SEPTEMBER 30, 2017)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of September 30, 2017, the Prudential Guaranteed Fund held \$99,759,280 in Plan assets (all 3 plans). The effective rate is 2.63%.
- The Vanguard Windsor II Fund is currently underperforming for the three and five year timeframes. The fund is managed by five subadvisors:
 - Barrow, Hanley 51%
 - Lazard 17%
 - Hotchkis & Wiley 14%
 - Sanders Capital 14%
 - Vanguard Equity 4%

Barrow, Hanley manages the largest percentages of the portfolio assets, they employ a traditional-value approach. The firm looks for dividend paying companies with strong balance sheets and business models that are trading at below-average valuation. Lazard utilizes an approach that looks for stocks that seem cheap relative to their companies' margin and returns based on invested capital. The returns of the fund hover close to the category average, the investment thesis of the portfolio will keep the performance close to the middle of the category. The fund will be placed on the Watch List due to underperformance. Alliant will provide the Committee with Large Cap Value options to review at the next meeting.

- **ACTION ITEM:** Add Vanguard Windsor II Fund to the Watch List.
- **ACTION ITEM:** Alliant will provide the Committee with Large Cap Value options for review.

PLAN STATISTICS:

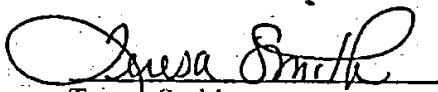
- Total assets as of September 30, 2017 for all Plans were \$681,874,872
- Rollins Stock is the largest single investment (\$277,613,406 in assets) with 292 participants using it as their sole investment.
- There are 2,523 participant loans with a total value of \$15,612,334.
- There are 7,162 participants or 63.3% utilizing the GoalMaker program, with assets of \$130,054,121.

LEGAL LANDSCAPE:

- The Committee reviewed *McCorvey vs. Nordstrom, Inc.* and Nordstrom 401(k) Plan Retirement Committee lawsuit.

- The complaint filed by, Megan McCorvey, asserts that the Nordstrom 401(k) Plan Retirement Committee breached its fiduciary duty by failing to adequately and prudently manage the plan. "It allowed unreasonable fees to be incurred by participants; it did not act prudently to lower costs; it failed to use lower cost investment vehicles, and it made inadequate disclosure on fees."
- The suit alleges that the company did not use its bargaining power to obtain reduced fees, participants in the plan, "lost savings of \$177.622 per participant, or over \$12 billion collectively as compared to the highest ranking peer plan." A formula for the calculation for this lost was not provided, a lost savings of this amount seems excessive.
- The attorneys for the plaintiff argues, "A reasonable administrative and recordkeeping fee per person is \$30." However based upon the recent market searches conducted by Aliant has netted a lowest fee of \$43 per account, this is the new fee will be paid by the Rollins participants effective January 2018.
- Alliant will continue to monitor the lawsuit and discuss any updates with the Committee.

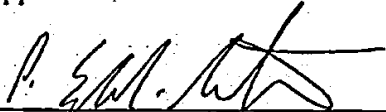
Respectfully Submitted:



Teresa Smith

Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen

Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Add Vanguard Windsor II fund to the watch list.
- **ACTION ITEM:** Alliant will provide the Committee with Large Cap Value options for review.



Minutes

To: John Wilson, Eddie Northen, Jerry Gahlhoff, James Benton, Pat Mahoney, and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Date: April 9, 2018

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on February 23, 2018. The fourth quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson (voting member)
James Benton - (voting member)
Jerry Gahlhoff - (voting member)
Pat Mahoney – (voting member) (not in attendance)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds (via teleconference)

Prudential Retirement Services:

Milissa Dumont
Sally Heim (via teleconference)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (December 5, 2017)

- **ACTION ITEM:** Add Vanguard Windsor II Fund to the Watch List.
- **ACTION ITEM:** Alliant will provide the Committee with Large Cap Value options for review.

REVIEW & APPROVE MINUTES FROM DECEMBER 5, 2018 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 4th QUARTER 2018

- Mr. Waggoner gave a brief overview of the Fourth Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of December 31, 2017)

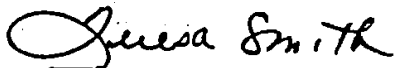
- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of December 31, 2017, the Prudential Guaranteed Fund held \$100,157,173 in Plan assets (all 3 plans). The effective rate is 2.63%, effective January 1, 2018 the new crediting rate will be 2.82%.
- As of December 31, 2017, the Rollins Stock held \$276,547,011 in plan assets with the following returns:
 - One Year – 41.83%
 - Three Year – 32.92%
 - Five Year – 26.56%
 - Ten Year – 22.14%
- The Vanguard Windsor II Fund is currently underperforming for the three and five year timeframes. This fund was initially placed on the Watch List due to a manager change. During the second quarter review of 2017, this fund was removed from the Watch List due to improving performance and by placing in the top 50th percentile for both the 3- and 5-year time frames. However, after the 3rd quarter the fund was back outside of the top 50th percentile for both 3-year and 5-year time frames and thus failed to satisfy the Investment Policy Statement performance criteria and was placed on the Watch List again.
- As of October 2017, Vanguard has scaled back the Barrow, Hanley allocation from 61% to 48%. This is a troubling sign for the new management team. Vanguard does not comment on allocation changes as is company policy, but it is possible that the departure of James Barrow (who these new managers replaced in late 2015) was more impactful than originally anticipated.
- In addition to the allocation changes and what they may portend, the performance has been falling off as well. The fund now places in the bottom 50th percentile for the 3- and 5-year time frames. Alliant recommends keeping this fund on the Watch List due to management allocation shifts, unproven managers, and lackluster performance. Alliant provided the committee with alternatives to consider, however the Committee decided to keep the fund on the Watch List and continue to monitor the fund and review alternatives.
 - **ACTION ITEM:** Keep Vanguard Windsor II Fund to the Watch List.
 - **ACTION ITEM:** Alliant will continue to provide the Committee with Large Cap Value options for review.

PLAN STATISTICS:

- Total assets as of December 31, 2017 for all Plans were \$714,913,690.
- Rollins Stock is the largest single investment (\$276,541,001 in assets) with 287 participants using it as their sole investment.
- There are 2,518 participant loans with a total value of \$15,551,042.
- There are 7,472 participants or 63.8% utilizing the GoalMaker program, with assets of \$135,511,856.

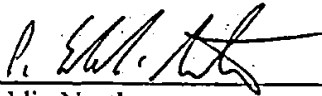
- The Committee discussed the possibility of determining the returns of those participants invested in GoalMaker versus those employees who are doing their own asset allocation.
 - **ACTION ITEM:** Alliant and Prudential will research the ability to compare the returns of GoalMaker participants vs. Non-GoalMaker participants.
- Auto-escalation is a feature that is available to the plan that automatically increases a participant's deferral percentage each year. This would be added to the plan as an amendment and sample language could be:
 - "A participant's deferral will be increased 1% each April 1st, up to a maximum employee deferral of 10%."
 - **ACTION ITEM:** The Committee will discuss the Auto-Escalation provisions at the next meeting.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Add Vanguard Windsor II Fund to the Watch List.
- **ACTION ITEM:** Alliant will provide the Committee with Large Cap Value options for review.
- **ACTION ITEM:** The Committee will discuss the Auto-Escalation provisions at the next meeting.



Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: August 28, 2018
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 2:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on July 30, 2018. The fourth quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson (voting member)
James Benton - (voting member)
Jerry Gahlhoff - (voting member)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds

Prudential Retirement Services:

Milissa Dumont
Sally Heim (not in attendance)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (February 23, 2018)

- **ACTION ITEM:** Keep Vanguard Windsor II Fund to the Watch List.
- **ACTION ITEM:** Alliant will provide the Committee with Large Cap Value options for review.
- **ACTION ITEM:** The Committee will discuss the Auto-Escalation provisions at the next meeting.

REVIEW & APPROVE MINUTES FROM FEBRUARY 23, 2018 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 1st QUARTER 2018

- Mr. Waggoner gave a brief overview of the Fourth Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of March 31, 2018)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- As of March 31, 2018, the Prudential Guaranteed Fund held \$105,053,265 in Plan assets (all 3 plans). The effective rate is 2.82%.
- As of March 31, 2018, the Rollins Stock held \$292,494,771 in plan assets with the following returns:
 - One Year – 39.28%
 - Three Year – 29.32%
 - Five Year – 26.60%
 - Ten Year – 22.54%
- The Vanguard Windsor II Fund is still slightly underperforming against the category. The Fund has five sub-advisors who each have a slightly different approach to stock selection. The largest single portfolio manager is Barrow, Hanley with 51% of assets. They tend to take a more conservative approach to portfolio construction. Barrow, Hanley look for firms that pay dividends and have strong balance sheets and business models. This approach leads the Fund to look more average than its peers. Alliant provided the committee with alternatives to consider, however the Committee decided to keep the Fund on the Watch List and continue to monitor the Fund and review alternatives.
 - **ACTION ITEM:** Keep Vanguard Windsor II Fund to the Watch List.
 - **ACTION ITEM:** Alliant will continue to provide the Committee with Large Cap Value options for review.
- Mr. Waggoner and Ms. Dumont discussed with the committee that the Plan's forfeiture account is currently being invested in the Oakmark Equity and Income Fund, which is a mutual fund and is subject to market fluctuation. Typically, these monies are invested in a stable value fund. The Committee was asked to approve the change in investment from Oakmark Equity Fund to the Stable Value Fund. The Committee approved the recommended change.
 - **ACTION ITEM:** The investment option for forfeitures will be changed from Oakmark Equity and Income to the Stable Value Fund.

PLAN STATISTICS:

- Total assets as of March 31, 2018 for all Plans were \$735,813,409.
- Rollins Stock is the largest single investment (\$292,494,771 in assets) with 280 participants using it as their sole investment.
- There are 2,470 participant loans with a total value of \$15,038,436.
- The Committee discussed strategies to educate participants on the impact of 401(k) loans on their retirement preparedness.
 - **ACTION ITEM:** Prudential and Alliant will research and compare Rollins loan communications against other employers of similar size/demographics.
- The Committee discussed the loan provisions: currently participants are able to take a new loan 30 days after a previous loan is paid in full. There is a concern about the

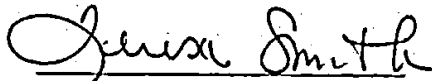
number of loans that are outstanding and the Committee would like to review options to discourage the use of loans and assist participants in retirement readiness.

- **ACTION ITEM:** Alliant and Prudential will review the loan provisions and make recommendations for changes to the policy.
- There are 8,175 participants or 65.3% utilizing the GoalMaker program, with assets of \$143,748,850.

AUTO ESCALATION:

- Auto Escalation is the automatically increasing plan participant's deferral by 1% annually to a set maximum. For example: 1% per year to a maximum of 10%
- This can be implemented for just auto-enrolled participants or all plan participants. Plan participants can opt out. The auto increase can be done upon the plan participant anniversary year or the entire population can auto increased on a specific date.
- The Committee requested that Alliant and Prudential provide their recommendations for using Auto-Escalation and/or Auto-Enrollment for plan participants.
 - **ACTION ITEM:** Alliant and Prudential will review auto-features and make recommendations to for changes to the plan provisions.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Keep Vanguard Windsor II Fund to the Watch List.
- **ACTION ITEM:** Alliant will continue to provide the Committee with Large Cap Value options for review.
- **ACTION ITEM:** The investment option for forfeitures will be changed from Oakmark Equity and Income to the Stable Value Fund.
- **ACTION ITEM:** Alliant and Prudential will review the loan provisions and make recommendations for changes to the policy.
- **ACTION ITEM:** Alliant and Prudential will review auto-features and make recommendations to for changes to the plan provisions.
- **ACTION ITEM:** Alliant and Prudential will review auto-features and make recommendations to for changes to the plan provisions.



Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins Inc. Administrative Committee (the Committee) for the second quarter could not be convened, as a quorum could not be met. All Action Items were completed.

LISTING OF ACTION ITEMS:

- o **ACTION ITEM:** Keep Vanguard Windsor II fund to the Watch List.
- o **ACTION ITEM:** Alliant will continue to provide the Committee with Large Cap Value options for review.
- o **ACTION ITEM:** The investment option for forfeitures will be changed from Oakmark Equity and Income to the Stable Value Fund.
- o **ACTION ITEM:** Alliant and Prudential will review the loan provisions and make recommendations for changes to the policy.
- o **ACTION ITEM:** Alliant and Prudential will review auto-features and make recommendations to for changes to the plan provisions.
- o **ACTION ITEM:** Alliant and Prudential will review auto-features and make recommendations to for changes to the plan provisions.

Respectfully Submitted:

A handwritten signature in cursive script that reads "Teresa Smith".

Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:

A handwritten signature in cursive script that reads "Eddie Northen".

Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee



Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: February 27, 2019
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on December 3, 2018. The third quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson (voting member)
James Benton - (voting member)
Jerry Gahlhoff - (voting member)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds

Prudential Retirement Services:

Milissa Dumont *(Not in attendance)*
Sally Heim *(teleconference)*

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (July 30, 2018)

- **ACTION ITEM:** Keep Vanguard Windsor II fund to the Watch List. **Completed**
- **ACTION ITEM:** Alliant will continue to provide the Committee with Large Cap Value options for review. **Completed**
- **ACTION ITEM:** The investment option for forfeitures will be changed from Oakmark Equity and Income to the Stable Value fund. **Completed**
- **ACTION ITEM:** Alliant and Prudential will review the loan provisions and make recommendations for changes to the policy. **Completed**
- **ACTION ITEM:** Alliant and Prudential will review auto-features and make recommendations for changes to the plan provisions. **Completed**

REVIEW & APPROVE MINUTES FROM JULY 30, 2018 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 3rd QUARTER 2018

- Mr. Waggoner gave a brief overview of the Third Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of September 30, 2018)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Vanguard Windsor II was placed on the Watch List on December 15, 2017. This fund meets the performance measurement standards for the three and five year periods. The fund has had a management change within two of the five sub-advisors. The largest single portfolio manager is Barrow, Hanley with 46% of assets. This subadvisor had a management change when the lead manager, James Borrow, stepped down in 2015. Jeff Fahrenbruch and David Ganucheau took over, but the duo lacks a public record and their money management experience has yet to span a full market cycle. In addition, there was a recent management change affecting Lazard's 21% slice of the portfolio in July 2018, when Andrew Lacey replaced Christopher Blake as lead manager and ceased investing in significantly mispriced stocks. Mr. Waggoner and the Committee looked at the first sixty days of the fourth quarter numbers and saw that the numbers for the three and five year timeframes underperform and place the fund in the bottom 50th percentile. The Committee thoroughly discussed this fund, and decided that although the fund is meeting the third quarter the performance measurement standards, there is enough concern created when looking at the current fourth quarter's underperforming numbers for the three and five year time frames, that the fund will remain on the Watch List. Alliant will continue to provide alternatives.
- **ACTION ITEM:** Keep Vanguard Windsor II on the Watch List.
- **ACTION ITEM:** Alliant will continue to provide alternatives in the Large Cap Value category.
- As of September 30, 2018, the Prudential Guaranteed Fund held \$111,129,798 in Plan assets (all 3 plans). The effective rate is 2.82%.
- As of September 30, 2018, the Rollins Stock held \$330,154,433 in plan assets with the following returns:
 - One Year – 33.28%
 - Three Year – 33.25%
 - Five Year – 30.04%
 - Ten Year – 23.78%

PLAN STATISTICS:

- Total assets as of September 30, 2018 for all Plans were \$821,215,689.
- Rollins Stock is the largest single investment (\$330,154,433 in assets) with 288 participants using it as their sole investment.
- There are 2,626 participant loans with a total value of \$17,301,294.
- There are 8,235 participants or 66.0% utilizing the GoalMaker program, with assets of \$160,405,430.

LOAN PROVISIONS:

- The Committee discussed the loan provisions; currently participants are able to take a new loan 30 days after a previous loan is paid in full.
- The Committee agreed that the 30-day provision is still appropriate for the participants and no changes will be made at this time.

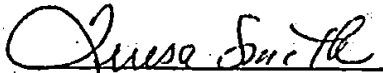
AUTO ENROLLMENT AND AUTO ESCALATION:

- Mr. Waggoner recommended the Committee to consider auto enrolling at 6% rather than 3%.
- 783 people were auto enrolled last quarter.
- The plan currently offers auto-escalation which is an opt in provision; the participant must initiate the increase. The other option would be implement auto-escalation at plan level, this could auto increase everyone in the plan and the participant would need to opt-out.

EMERGENCY SAVINGS PRODUCT:


- This is a brand new product offered by Prudential that is funded via payroll deduction.
- This product would allow the employees to save on an after tax basis in their 401(k) plan using their same investment options.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- Keep Vanguard Windsor II on the Watch List.
- Alliant will continue to provide alternatives in the Large Cap Value Category.



Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, and Teresa Smith

From: Cara Reynolds, Alliant Retirement Services

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 10:00 am EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on April 11, 2019. The fourth quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)

John Wilson (voting member)

James Benton - (voting member)

Jerry Gahlhoff - (voting member)

Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner *(teleconference)*

Cara Reynolds

Prudential Retirement Services:

Milissa Dumont

Sally Burlage *(Not in Attendance)*

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

WALTHAM PLAN

- A proposal introduced the idea of combining the Rollins, Waltham and Western Plans into one Plan.
- The Committee had a discussion around the Waltham Plan which included:
 - Provisions of the Plan.
 - Changing the Plan's eligibility to participate from one-year eligibility to eligible first of the quarter following three months of service for full-time employees, and first of the quarter following one-year for part-time employees.
 - Allow for automatic enrollment.
 - No changes to match at this time.
 - Roll out/Communication plan and time-line.
 - The possibility of allowing the participants the opportunity to purchase Rollins Stock.

- The Committee approved allowing employees to participate in the Plan like Rollins and Western but the match will not change from 1st of the quarter following 1 year of service.
- **ACTION ITEM**: Teresa Smith will work with Manny Silva and Prudential to ensure we communicate the changes to those eligible for the Plan.

REVIEW OF ACTION ITEMS: (December 3, 2018)

- Keep Vanguard Windsor II on the Watch List.
- Alliant will continue to provide alternatives in the Large Cap Value Category.

REVIEW & APPROVE MINUTES FROM December 3, 2018 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 4th QUARTER 2018

- Mr. Waggoner gave a brief overview of the Fourth Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of December 31, 2018)

- All matters in the materials were discussed among the Committee and Mr. Waggoner at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Oakmark Equity and Income Investor is underperforming for the one-, five-, and ten-year timeframe, however is still meeting the Investment Policy Statement criteria. Although the fund performed well throughout the fourth quarter, the lag of the first three quarters dragged on performance for the year. The fund has been led by Clyde McGregor since its 1995 inception, and is co-managed by Colin Hudson and Edward Wojciechowski. This management team buys companies whose share prices reflect steep discounts to their estimates of the business' intrinsic value. The Committee recognizes the underperformance however, due to the fund still meeting the Investment Policy Statement criteria, they have elected for no change at this time.
- T. Rowe Price New Horizons is in the top fifth percentile for the one-, three-, five-, and ten- year timeframes and therefore has no concern quantitatively, however, there is concern qualitatively due to a manager change. Henry Ellenbogen, who has managed the fund since March 2010, will be leaving on March 31, 2019 to launch his own venture. Josh Spencer, manager of the T. Rowe Price Global Technology, will be replacing Ellenbogen. Due to this fund being heavily tilted towards the technology sector, Josh Spencer was chosen because of his expertise in that particular sector. Another qualitative concern is the difference in asset base between the T. Rowe Price New Horizons fund, which has twenty-four billion dollars in assets, compared to Josh Spencer's T. Rowe Price Global Technology fund with less than five billion dollars in assets. The Committee elected to put the fund on the Watch List due to qualitative concerns regarding the recent manager change that will take place on April 1, 2019.
- **ACTION ITEM**: Add T. Rowe Price New Horizons to the Watch List.
- Vanguard Windsor II was placed on the Watch List on December 5, 2017 due to poor performance and a recent manager change. This fund is underperforming for the three-year timeframe. However, it is technically meeting the Investment Policy Statement criteria. When James Barrow stepped down in 2015, Jeff Fahrenbruch and David Ganucheau took over the firm's forty-six percent of the portfolio, but the duo lacked a

public record, and their money management experience has yet to span a full market cycle. In addition, in July of 2018, Andrew Lacey replaced Christopher Blake as lead manager and ceased investing in significantly mispriced stocks. Its sleeve is now solely devoted to stocks that seem cheap relative to their companies' margins and returns on invested capital. The Committee recognizes the management change, however has seen an improvement on performance and therefore elected to remove the fund from the Watch List.

- **ACTION ITEM:** Remove Vanguard Windsor II from the Watch List.
- As of December 31, 2018, the Prudential Guaranteed Fund held \$108,132,955 in Plan assets (all 3 plans). The effective rate is 2.82%.
- As of December 31, 2018, the Rollins Stock held \$298,427,562 in plan assets with the following returns:
 - One Year – 17.89%
 - Three Year – 29.76%
 - Five Year – 23.71%
 - Ten Year – 22.98%

PLAN STATISTICS:

- Total assets as of December 31, 2018 for all Plans were \$740,857,220.
- Rollins Stock is the largest single investment (\$298,427,562 in assets) with 350 participants using it as their sole investment.
- There are 2,625 participant loans with a total value of \$17,340,865.
- There are 8,564 participants or 66.7% utilizing the GoalMaker program, with assets of \$145,539,770.

TERMINATING PENSION PLAN

- The Committee held a discussion around the termination of the Pension Plan that is scheduled for July 2019 which included:
 - Over 2000 participants who have a lump sum within the Pension Plan can roll over to the 401(k) plan.
 - The 401(k) plan will be opened up for termed employees that don't have an account with Prudential to allow for the assets to roll in.

CLARK PLAN

- The Committee discussed the Clark plan integration with details around the following:
 - Asset increase
 - Timeline around the plan integration
 - HSR delay built around health insurance
 - Demographics that are required
 - Costs

FEE AND REVENUE

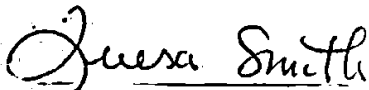
- Alliant and the Committee discussed monitoring cost and saving options. They discussed currently holding the lowest share classes available and the option of collective investment trusts becoming available as the asset increase. These collective investment trusts would allow for cost savings.

- The Committee addressed their concern for the expense side of the equation as their assets increase due to the acquisitions and termination of the pension plan. The Committee recognizes the fee pressure with the investments, and it is their intention as fiduciaries, that they are harvesting those savings for the employees when they become available.

LOAN PROVISIONS:

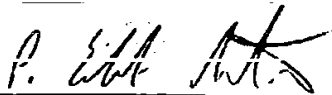
- The Committee discussed plans to improve loans which include:
 - Prudential providing lunch and learns that include the Momentum On-Up option
 - The integration of the Emergency Savings Product which included:
 - The product being an after tax source
 - In-service withdrawal
 - A 10% penalty fee
 - Adds a source within the 401(k) plan
- **ACTION ITEM:** The Emergency Savings Feature will be reviewed at the next Committee meeting.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved: _____



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- Teresa Smith will work with Manny Silva and Prudential to ensure we communicate the changes to those eligible for the Plan.
- Add T. Rowe Price New Horizons to the Watch List.
- Remove Vanguard Windsor II from the Watch List.
- The Emergency Savings Feature will be reviewed at the next Committee meeting.



Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: August 9, 2019
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on July 17, 2019. The first quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson (voting member)
James Benton - (voting member)
Jerry Gahlhoff - (voting member)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds
Arwa Hasanali

Prudential Retirement Services:

Milissa Dumont *(Via Teleconference)*
Sally Burlage *(Via Teleconference)*

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

WALTHAM PLAN

- The following plan provision changes will be made effective January 1, 2020 instead of October 1, 2019.
 - Eligibility and enrollment will change to the 1st of the quarter following three (3) months of service for full-time employees and the 1st of the quarter following one (1) year of service with 1,000 hours for part-time employees.
 - Auto-enrollment will be added at 3% Pre-Tax
 - Add opt-in for the auto escalation feature.

REVIEW OF ACTION ITEMS: (April 11, 2019)

- Add T. Rowe Price New Horizons to the Watch List.
- Remove Vanguard Windsor II from the Watch List.
- Prudential will review a demo of the Emergency Savings Feature with Teresa.
- The Emergency Savings Feature will be reviewed at the next Committee meeting.

REVIEW & APPROVE MINUTES FROM April 11, 2019 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 1st QUARTER 2019

- Mr. Waggoner gave a brief overview of the First Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of March 31, 2019)

- All matters in the materials were discussed among the Committee, Mr. Waggoner, and Ms. Hasanali at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Oakmark Equity and Income Investor fund does not meet IPS standards on a 5- year basis, but does meet standards on a 3-year basis. The fund has been led by Clyde McGregor since its 1995 inception, and is co-managed by Colin Hudson and Edward Wojciechowski. This management team buys companies whose share prices reflect steep discounts to their estimates of the business' intrinsic value. The strategy's consistent value-leaning approach drives security selection for both the equity and bond sleeves, as well as the overall asset allocations. Within the fixed income portfolio, the strategy can invest in up to 20% in high-yield bonds. Given the long bull run that the market has observed, the fund's value tilt has served as a headwind in recent years. Exposure to high-yield bonds has also added volatility and detracted performance. The fund ranks in the 58th percentile of its peer group on a 5-year period, underperforming the peer group by 13 bps. The fund ranks in the 31st percentile on a 3-year basis, outperforming the peer group by 65 bps.
- **ACTION ITEM:** Add Oakmark Equity and Income to the Watch List.
- T. Rowe Price New Horizons fund was placed on the watchlist due to a manager change. Henry Ellenbogen, who has managed the fund since March 2010, left on March 31, 2019 to launch his own venture. Josh Spencer, manager of the T. Rowe Price Global Technology, will be replacing Ellenbogen. Josh Spencer is promising but will have his hands full as he lacks Ellenbogen's experience in private-company investing and is losing two key analysts who supported the fund and covered key holdings. While Josh Spencer intends to replicate Ellenbogen's approach, this will be a challenge for him as he'll be unable to replicate the high-turnover, concentrated approach he used at his tech charge. Another qualitative concern is the difference in asset base between the T. Rowe Price New Horizons fund, which has twenty-four billion dollars in assets, compared to Josh Spencer's T. Rowe Price Global Technology fund with less than five billion dollars in assets. From a performance perspective, the fund meets IPS standards as it ranks in the top decile of its peer group on a 3-, 5-, and 10-year basis.
- **ACTION ITEM:** Keep T. Rowe Price New Horizons on the Watch List.
- As of March 31, 2019, the Prudential Guaranteed Fund held \$109,675,357 in Plan assets (all 3 plans). The effective rate is 2.79%.

- As of March 31, 2019, the Rollins Stock held \$338,501,217 in plan assets with the following returns:
 - One Year – 23.89%
 - Three Year – 33.94%
 - Five Year – 27.30%
 - Ten Year – 25.39%

PLAN STATISTICS:

- Total assets as of March 31, 2019 for all Plans were \$821,280,022.
- Rollins Stock is the largest single investment (\$338,501,217 in assets) with 350 participants using it as their sole investment.
- There are 2,594 participant loans with a total value of \$17,096,685.
- There are 8,877 participants or 67.7% utilizing the GoalMaker program, with assets of \$161,938,708.
- The Committee discussed at length ways to improve employee understanding of the plan and plan provisions. The plan has 98% participation, however after recent employee meetings it was clear that the employees may be participating, but did not fully understand how the plan works.
- **ACTION ITEM:** Rollins will have internal meetings around employee education meetings and tools.
- **ACTION ITEM:** Rollins, Prudential, and Alliant will meet to discuss communication strategies.

TERMINATING PENSION PLAN

- The Rollins 401(k) Savings Plan has seen approximately \$9M in assets flow in from the Pension Plan termination.

CLARK PLAN

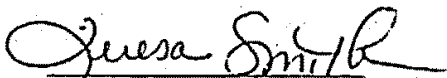
- The Rollins 401(k) Savings Plan should see approximately \$30M in assets to flow into the Plan from the Clark merger.

TUSSEY vs. ABB:

- Alliant and the Committee reviewed the Tussey vs. ABB Inc. lawsuit which included the following:
 - On March 28, 2019 - Schlichter, Bogard, & Denton, a leading national law firm, announced that it reached a \$55 million settlement with ABB, on behalf of the company's employees and retirees.
 - As one of the original 401(k) plan fee and disloyalty lawsuits, Tussey vs. ABB proved to be one of the most complicated.
- Summary:
 - Plaintiffs alleged, and the court ruled, that the defendant allowed excessive recordkeeping fees and selected high cost and poor performing investments compared to available alternatives. To put the cost of prolonged litigation in perspective, defendants paid their attorneys more than \$42 million during the first decade of Tussey litigation. Millions more went to pay expenses.
 - The plaintiffs alleged that ABB engaged in self-dealing by using Fidelity for recordkeeping both the 401(k) and corporate plans, which included a corporate

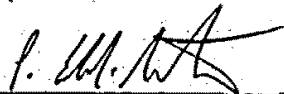
- pension plan, the health and welfare plan, and payroll processing. Fidelity made over a 50% profit from the employees' 401(k) plan.
- Plaintiffs suggested Fidelity operated ABB's corporate plans at a loss, while turning a strong profit of over 50% on the 401(k) plan—a form of disloyalty and self-dealing prohibited by ERISA.
- Both ABB and Fidelity denied many of the allegations and defended themselves in court.
- Aside from the \$55 million settlement, ABB agreed to:
 - Utilize a competitive bidding process within 18 months, including a request for proposal, to select a new record-keeper. Fidelity Trust is allowed to take part in this process.
 - Determine the dollar amount the plans are paying the record-keeper and will leverage the plan's size to negotiate for rebates if recordkeeping is being paid by revenue generated from the funds in the plan.
 - Not use the plan record-keeper to provide any corporate services to ABB if they serve as plan fiduciaries.
 - Choose share classes with the lowest expense ratio, and manage the Plans for the exclusive benefit of the Plans' participants and beneficiaries.
- Impact:
 - This lawsuit permanently affected the retirement plan industry and increased the use of lower-cost share classes and to make recordkeeping and asset management fees more transparent.
 - There are three types of fiduciary breach claims that dominate retirement litigation:
 - Inappropriate investment options
 - Excessive fees
 - Self-dealing
 - Plaintiffs' attorneys received a third of the settlement which is a powerful incentive for future lawsuits.
- The Committee recognizes the issues associated with the lawsuit and they will continue to monitor the fund lineup, fees and relationship with Prudential.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- The Waltham Plan Provision changes will be made effective January 1, 2020.
- Add Oakmark Equity and Income to the Watch List.
- Keep T. Rowe Price New Horizons on the Watch List.
- Rollins will have internal meetings around employee education meetings.
- Rollins, Prudential, and Alliant will meet to discuss communication strategies for reaching out to a larger population.



Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 on September 30, 2019. The second quarter information was reviewed.

Rollins Attendees:

Eddie Northen – (voting member)
John Wilson (voting member)
James Benton - (voting member)
Jerry Gahlhoff - (voting member)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds
Arwa Hasanali

Prudential Retirement Services:

Milissa Dumont
Sally Burlage (*Via Teleconference*)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics to be covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (July 17, 2019)

- The Waltham Plan Provision changes will be made effective January 1, 2020.
- Add Oakmark Equity and Income to the watch list.
- Keep T. Rowe Price New Horizons on the watch list.
- Rollins will have internal meetings around employee education meetings.
- Rollins, Prudential, and Alliant will meet to discuss communication strategies for reaching out to a larger population.

REVIEW & APPROVE MINUTES FROM July 17, 2019 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: 2nd QUARTER 2019

- Mr. Waggoner gave a brief overview of the Second Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of June 30, 2019)

- All matters in the materials were discussed among the Committee, Mr. Waggoner, and Ms. Hasanali at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Metropolitan West Total Return Bond is underperforming for the three- year timeframe, however, is in the top seventeenth percentile for the one-, and ten- year timeframe, and forty-fourth percentile for the five- year timeframe, and therefore, does not contain any quantitative concern. Qualitatively, however, there is concern around Morningstar recently breaking the Intermediate Term Bond Category into two separate categories, the Intermediate Term Core Plus Bond Peer Group and the Intermediate Bond Peer Group. This fund is now classified under the Intermediate Term Core Plus Bond Peer Group. The Intermediate Term Core Plus Bond Group tends to be slightly more aggressive than the Intermediate Bond Peer Group. The Committee recognizes this change, however, elected to make no change at this time.
- Oakmark Equity and Income Investor fund was placed on the watch list on July 17, 2019. The fund is underperforming for the five – and ten- year timeframes, but meets standards for the three- year timeframe, with a ranking in the fifteenth percentile. The fund has been led by Clyde McGreggor since its 1995 inception, and is co-managed by Colin Hudson and Edward Wojciechowski. This management trio works cohesively, buying companies whose share prices reflect steep discounts to their estimates of the business' intrinsic value. The patient and disciplined approach produces a 60% equity portfolio that is consistently value-leaning and distinct from its peers. The 40% bond portfolio is biased to lower-rated issuers. This combination served as a strong headwind in 2018. Although performance has lagged, established management and consistent approach rewards long-term investors. Given the long bull run that the market has observed, the fund's value tilt has served as a headwind in recent years. Exposure to high-yield bonds has also added volatility and detracted performance. The Committee elected to keep this fund on the watch list.
- **ACTION ITEM:** Keep Oakmark Equity and Income on the watch list.
- T. Rowe Price New Horizons fund was placed on the watch list due to a manager change. Henry Ellenbogen, who has managed the fund since March 2010, left on March 31, 2019 to launch his own venture. Josh Spencer, manager of the T. Rowe Price Global Technology, will be replacing Ellenbogen. Josh Spencer is promising, but will have his hands full as he lacks Ellenbogen's experience in private-company investing and is losing two key analysts who supported the fund and covered key holdings. While Josh Spencer intends to replicate Ellenbogen's approach, this will be a challenge for him as he will be unable to replicate the high-turnover, concentrated approach he used at his tech charge. Another qualitative concern is the difference in asset base between the T. Rowe Price New Horizons fund, which has twenty-four billion dollars in assets, compared to Josh Spencer's T. Rowe Price Global Technology fund with less than five billion dollars in assets. Finally, with the asset level now reaching \$28 billion and the strategy's rising market cap, partly owing to Ellenbogen's low-turnover approach and reticence to sell winners, the fund is now in the mid-cap growth Morningstar Category. This style drift from small cap growth to mid-cap growth is a qualitative violation of the Investment

Policy Statement. The strategy has been closed to new investors year-end 2013, but such size makes it difficult to be opportunistic at the lower-end of the market-cap spectrum. It is worth monitoring how the new manager, Spencer, will handle to asset size and portfolio style tilt. From a performance perspective, the fund meets IPS standards as it ranks in the top decile of its peer group on a three-, five-, and ten-year basis. The Committee elected to keep the fund on the watch list due to the qualitative issues. In addition, due to the style drive, the Committee elected that Alliant provide Small Cap Growth alternatives.

- **ACTION ITEM:** Keep T. Rowe Price New Horizons on the watch list.
- **ACTION ITEM:** Alliant will provide Small Cap Growth alternatives to the Committee for review.
- Vanguard Windsor II seeks long-term capital appreciation and income by investing in a broadly diversified portfolio of large- and mid-capitalization value stocks. The fund has no quantitative issues as the fund performed in the top fortieth percentile for the one-, three-, five-, and ten- year timeframes. There is, however, qualitative issues due to shuffled responsibilities within two of the five subadvisors, Barrow, Hanley's and Lazard, who manage the biggest share of assets. Jeff Fahrenbruch and David Ganucheau took over Barrow, Hanley's 39% slice of the portfolio at year-end 2015, when longtime lead manager, James Barrow, stepped down. Since they took sole charge in 2016, they have struggled executing the same strategies, which caused Vanguard to reduce their management stake. The management change affecting Lazard's slice includes Andrew Lacey replacing Christopher Blake as lead manager in July 2018. Andrew Lacey ceased investing in significantly mispriced stocks, and is now solely devoted to stocks that seem cheap relative to their companies' margins and returns on investment capital. The Committee is aware of the qualitative changes, however elected to make no change at this time.
- American Funds Capital World Growth and Income is underperforming for the one-, and ten- year timeframe, with the ten- year number landing in the fiftieth percentile. There is no quantitative concern at this time due to the fund meeting performance measurement standards based of the three- and five- year timeframes. Although the fund is meeting the performance measurement standards, Alliant addressed the reasoning for underperformance. This fund is a World Stock fund, which means that typical peers will invest 50% in US, and 50% in International market. This fund, however, has a little more tilt to the International market. This tilt has influenced the minor underperformance. The Committee recognizes this International exposure, however, elected for no change at this time.
- As of June 30, 2019, the Prudential Guaranteed Fund held \$110,196,095 in Plan assets (all 3 plans). The effective rate is 2.73%.
- As of June 30, 2019, the Rollins Stock held \$287,445,085 in plan assets with the following returns:
 - One Year – 3.63%
 - Three Year – 24.23%
 - Five Year – 23.75%
 - Ten Year – 23.41%

PLAN STATISTICS:

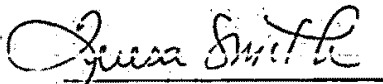
- Total assets as of June 30, 2019 for all Plans were \$789,704,173.

- Rollins Stock is the largest single investment (\$287,445,085 in assets) with 325 participants using it as their sole investment.
- There are 2,595 participant loans with a total value of \$16,995,280.
- There are 8,797 participants or 67.7% utilizing the GoalMaker program, with assets of \$174,032,531.

COMMUNICATION:

- Prudential and the Committee discussed communication with detail around the following topics:
 - 2019 Participant Engagement Program Results
 - Happy Birthday Campaign -- 6.44% participants took action in response.
 - Plan Anniversary Campaign
 - Financial Wellness
 - SunTrust Momentum On Up-- Rollins has contracted with SunTrust to provide a Financial Wellness program to their employees. This program covers all areas of financial wellness, including and not limited to: budgeting, social security, wills, and student loans.
 - Prudential Pathways -- this is a similar service to Momentum on Up that is offered through Prudential. To prevent confusion by the employees, Prudential Pathways will not be communicated to the plan participants.
 - Asset Allocation
 - Loan Discouragement

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- Keep Oakmark Equity and Income on the watch list.
- Keep T. Rowe Price New Horizons on the watch list.
- Alliant will provide Small Cap Growth alternatives to the Committee for review.

Rollins, Inc.
Administrative Committee

Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, Keith Payne, and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: January 7, 2020
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plans**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 10:00am EST via conference call on December 13, 2019. The third quarter information was reviewed.

Rollins Attendees:

Eddie Northen (voting member)
John Wilson (voting member)
Jerry Gahlhoff (voting member)
James Benton (voting member)
Keith Payne (voting member)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds
Arwa Hasanali

Prudential Retirement Services:

Milissa Dumont

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics covered during the Rollins, Inc. Administrative Committee Meeting.
- Mr. Keith Payne was appointed to join the Committee as the newest Voting Member.
- **ACTION ITEM:** Mr. Keith Payne has been added to the Committee as a Voting Member.
- The Rollins Plan will see approximately \$25M deposited into a Pension Excess Account; this money is excess pension funds from the terminated pension plan. The Committee discussed the investment that the pension excess funds will be held in until they are fully utilized. It was determined that the optimal investment for these funds would be the Stable Value Fund.
- **ACTION ITEM:** The Stable Value Fund will be used as the investment for the Pension Excess Account.

REVIEW OF ACTION ITEMS: (September 30, 2019):

- Keep Oakmark Equity and Income on the Watch List.
- Keep T. Rowe Price New Horizons on the Watch List.
- Alliant will provide Small Cap Growth alternatives to the Committee for review.

REVIEW & APPROVE MINUTES FROM SEPTMBER 30, 2019 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: THIRD QUARTER 2019

- Mr. Waggoner gave a brief overview of the Third Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of September 30, 2019)

- All matters in the materials were discussed among the Committee, Mr. Waggoner and Ms. Hasanali at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Oakmark Equity and Income Investor Fund was placed on the Watch List on July 17, 2019. The fund does not meet IPS standards on a 5- and 10-year basis, but does meet standards on a 3-year basis. The fund has been led by Clyde McGregor since its 1995 inception, and is co-managed by Colin Hudson and Edward Wojciechowski. This management trio works cohesively, buying companies whose share prices reflect steep discounts to their estimates of the business' intrinsic value. The patient and disciplined approach produces a 60% equity portfolio that is consistently value leaning and distinct from its peers. The 40% bond portfolio is biased to lower-rated issuers. This combination served as a strong headwind in 2018. Although performance has lagged, established management and consistent approach rewards long-term investors. The fund has seen improvement in the short-term, ranking in the top 50th percentile of its peer group for the 2nd quarter of 2019 and on a year-to-date 2019 basis. Given the long bull-run that the market has observed, the fund's value tilt has served as a headwind in recent years. Exposure to high-yield bonds has also added volatility and detracted performance. The fund ranks in the 54th percentile of its peer group for the 5-year period and in the 56th percentile for the 10-year period. The fund ranks in the 33rd percentile on a 3-year basis, outperforming the peer group by 65 bps. The Committee elected to keep this fund on the Watch List.
- **ACTION ITEM:** Keep Oakmark Equity and Income Fund on the Watch List.
- T. Rowe Price New Horizons Fund was placed on the Watch List due to a manager change. Henry Ellenbogen, who has managed the fund since March 2010, left on March 31, 2019 to launch his own venture. Josh Spencer, manager of the T. Rowe Price Global Technology, will be replacing Ellenbogen. Josh Spencer is promising but will have his hands full as he lacks Ellenbogen's experience in private-company investing and is losing two key analysts who supported the fund and covered key holdings. While Josh Spencer intends to replicate Ellenbogen's approach, this will be a challenge for him as he will be unable to replicate the high-turnover, concentrated approach he used at his tech charge. Another qualitative concern is the difference in asset base between the T. Rowe Price New Horizons Fund, which has twenty-four billion dollars in assets, compared to Josh Spencer's T. Rowe Price Global Technology Fund with less than five billion dollars in assets. Finally, with the asset level now reaching \$28 billion and the strategy's rising market cap – partly owing to Ellenbogen's low-turnover approach and reticence to sell

winners, the fund is now in the mid-cap growth Morningstar Category. This style drift from small cap growth to mid-cap growth is a qualitative violation of the IPS. The strategy has been closed to new investors since year-end 2013, but such size makes it difficult to be opportunistic at the lower-end of the market-cap spectrum. It is worth monitoring how the new manager, Spencer, will handle to asset size and portfolio style tilt. From a performance perspective, the fund meets IPS standards as it continues to rank in the top decile of its peer group on a 3-, 5-, and 10-year basis. The Committee elected to keep the fund on the Watch List and Alliant will continue to provide Small Cap Growth alternatives.

- **ACTION ITEM:** Keep T. Rowe Price New Horizons Fund on the Watch List.
- **ACTION ITEM:** Alliant will continue to provide Small Cap Growth alternatives to the Committee for review.
- As of September 30, 2019, the Prudential Guaranteed Fund held \$120,302,366 in Plan assets (all 3 Plans). The effective rate is 2.73%.
- Mr. Waggoner and the Committee discussed the custom stable value product that has been utilized for the three plans. This product is controlled by Rollins. The Committee can review the product, the underlying managers, and insurance providers to determine if they are still appropriate for the fund. Alliant will work on a benchmarking project for the stable value fund in 2020.
- **ACTION ITEM:** Alliant will conduct a benchmarking project for the stable value fund in 2020.
- As of September 30, 2019, the Rollins Stock held \$259,860,410 in Plan assets with the following returns:
 - One Year – -14.67%
 - Three Year – 22.08%
 - Five Year – 23.07%
 - Ten Year – 21.73%

PLAN STATISTICS:

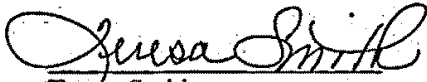
- Total assets as of September 30, 2019 for all Plans were \$806,219,665.
- Rollins Stock is the largest single investment with \$256,890,711 in assets and 306 participants using it as their sole investment.
- There are 2,686 participant loans with a total value of \$17,605,329
- There are 9,701 participants or 70.1% utilizing the GoalMaker program, with assets of \$206,279,017.

FEE AND REVENUE

- The Committee reviewed the current fees and revenue sharing for each of the Plans:
 - Plans Combined
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus \$48,952.42
 - Rollins:
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus \$51,705
 - Waltham
 - Weighted Expense Ratio 0.44%
 - ERISA Account Shortfall -\$73

- Western
 - Weighted Expense Ratio 0.44%
 - ERISA Account Shortfall -\$5,097
- The Committee discussed the revenue sharing currently being generated by the lineup and have determined that they would like to reduce the share class for Victory Sycamore Small Company Opp and Hartford Mid Cap to reduce the revenue share generated by these funds and pass on this savings to the Plan participants. This change is be targeted to be completed by April 1, 2020.
- **ACTION ITEM:** Reduce the share class of the Victory Sycamore Small Company Opp by April 1, 2020.
- **ACTION ITEM:** Reduce the share class of Hartford Mid Cap by April 1, 2020.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- Mr. Keith Payne has been added to the Committee as a Voting Member.
- The Stable Value fund will be used as the investment for the Pension Excess Account.
- Keep Oakmark Equity and Income on the Watch List.
- Keep T. Rowe Price New Horizons on the Watch List.
- Alliant will continue to provide Small Cap Growth alternatives to the Committee for review.
- Alliant will conduct a benchmarking project for the stable value fund in 2020.
- Reduce the share class of the Victory Sycamore Small Company Opp by April 1, 2020.
- Reduce the share class of Hartford Mid Cap by April 1, 2020.

Rollins, Inc.
Administrative Committee

Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, Keith Payne, and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: March 17, 2020
Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plans**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:00pm EST at 2170 Piedmont Road, NE, Atlanta, Georgia 30324 February 24, 2020. The fourth quarter information was reviewed.

Rollins Attendees:

Eddie Northen (voting member)
John Wilson (voting member)
Jerry Gahlhoff (voting member)
James Benton (voting member)
Keith Payne (voting member)
Teresa Smith
Michael Johnson

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds
Arwa Hasanali

Prudential Retirement Services:

Milissa Dumont (*not in attendance*)
Sally Burlage (*not in attendance*)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics covered during the Rollins, Inc. Administrative Committee.

REVIEW OF ACTION ITEMS: (December 13, 2019):

- Mr. Keith Payne has been added to the Committee as a Voting Member.
- The Stable Value fund will be used as the investment for the Pension Excess Account.
- Keep Oakmark Equity and Income on the Watch List.
- Keep T. Rowe Price New Horizons on the Watch List.
- Alliant will continue to provide Small Cap Growth alternatives to the Committee for review.
- Alliant will conduct a benchmarking project for the stable value fund in 2020.

- Reduce the share class of the Victory Sycamore Small Company Opp.
- Reduce the share class of Hartford Mid Cap

REVIEW & APPROVE MINUTES FROM DECEMBER 13, 2019 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: FOURTH QUARTER 2019:

- Mr. Waggoner gave a brief overview of the Fourth Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of December 31, 2019):

- All matters in the materials were discussed among the Committee, Mr. Waggoner, and Ms. Hasanali at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Oakmark Equity and Income Investor Fund was placed on the Watch List on July 17, 2019. The fund does not meet IPS standards for the 3-, 5-, and 10-year timeframes as of the fourth quarter of 2019, ranking in the 68th, 63rd, and 56th percentile of its peer group, respectively. The fund has been led by Clyde McGregor since its 1995 inception, and is co-managed by Colin Hudson and Edward Wojciechowski. This management trio works cohesively, buying companies whose share prices reflect steep discounts to their estimates of the business' intrinsic value. The patient and disciplined approach produces a 60% equity portfolio that is consistently value-leaning and distinct from its peers. The 40% bond portfolio is biased to lower-rated issuers. This combination served as a strong headwind in 2018 and 2019. Although performance has lagged, established management and consistent approach rewards long-term investors. We are seeing an improvement in performance over the short-term. For the fourth quarter of 2019, the fund ranked in the top quartile of its peer group, outperforming the peer group median by 63 basis points. For the 2019 year, the fund ranked in the 46th percentile, outperforming the peer group median by 17 basis points. Given the long bull run that the market has observed, the fund's value tilt has served as a headwind in recent years. Exposure to high-yield bonds has also added volatility and detracted performance.
 - **ACTION ITEM:** Keep Oakmark Equity and Income Fund on the Watch List.
- T. Rowe Price New Horizons Fund was placed on the Watch List due to a manager change. Henry Ellenbogen, who has managed the fund since March 2010, left on March 31, 2019 to launch his own venture. Josh Spencer, manager of the T. Rowe Price Global Technology, will be replacing Ellenbogen. Josh Spencer is promising but will have his hands full as he lacks Ellenbogen's experience in private-company investing and is losing two key analysts who supported the fund and covered key holdings. While Josh Spencer intends to replicate Ellenbogen's approach, this will be a challenge for him as he'll be unable to replicate the high-turnover, concentrated approach he used at his tech charge. Another qualitative concern is the difference in asset base between the T. Rowe Price New Horizons fund, which has twenty-four billion dollars in assets, compared to Josh Spencer's T. Rowe Price Global Technology fund with less than five billion dollars in assets. Finally, with the asset level now reaching \$28 billion and the strategy's rising market cap – partly owing to Ellenbogen's low-turnover approach and reticence to sell winners -, the fund is now in the mid-cap growth Morningstar Category. This style drift from small cap growth to mid-cap growth is a qualitative violation of the Investment Policy Statement. The strategy has been closed to new investors year-end 2013, but such

size makes it difficult to be opportunistic at the lower-end of the market-cap spectrum. It's worth monitoring how the new manager, Spencer, will handle to asset size and portfolio style tilt. From a performance perspective, the fund meets IPS standards as it continues to rank in the top decile of its peer group on a 3-, 5-, and 10-year basis.

- **ACTION ITEM:** Remove T. Rowe Price New Horizons Fund from the Watch List.
- Vanguard Windsor III - In December 2019, Vanguard announced they were dismissing and removing subadvisors Barrow, Hanley and Vanguard Quantitative Equity Group. They added Aristotle Capital to the subadvisor line-up, joining current subadvisors Lazard, Hotchkis & Wiley, and Sanders Capital. With this subadvisor shake-up, Aristotle will manage 20% of the portfolio. Lazard's sleeve of the portfolio increased from 25% to 36%, and Hotchkis & Wiley's sleeve increased from 18% to 22%. Sanders Capital's sleeve remains at roughly 20%. Aristotle is a boutique value manager, and is 100% employee owned (like all of Vanguard's subadvisors). Aristotle looks for high-quality firms trading at attractive valuations and have an identifiable catalyst. There is a slight concern that Aristotle's value-leaning, core strategy, in combination with Lazard's (which now manages the biggest slice and thus has the biggest impact on the strategy) less value-oriented approach, may move the fund from large-value to large-blend category. Hotchkis & Wiley and Sanders Capital continue to employ deep-value strategies here. However, with more than half of the assets in core-like approaches of Lazard and Aristotle, the fund is different from the days when traditional value manager Barrow, Hanley ran most of the money here. There is no action that needs to be taken by the Committee at this time.
- As of December 31, 2019, the Prudential Guaranteed Fund held \$123,186,557 in Plan assets (all 3 plans). The effective rate is 2.73%.
- Mr. Waggoner and the Committee discussed the custom stable value product that has been utilized for the three plans. This product is controlled by Rollins and the Committee can review the product, the underlying managers and insurance providers to determine if they are still appropriate for the fund. The request for proposal project is under way and results are expected to be shared with the Committee at next Committee meeting.
- As of December 31, 2019, the Rollins Stock held \$246,586,908 in plan assets with the following returns:
 - One Year – -6.96%
 - Three Year – 15.26%
 - Five Year – 19.38%
 - Ten Year – 21.13%

PLAN STATISTICS:

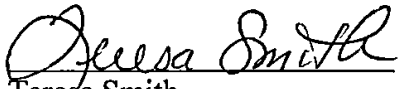
- Total assets as of September 30, 2019 for all Plans were \$829,019,908.
- Rollins Stock is the largest single investment with \$246,586,908 in assets and 293 participants using it as their sole investment.
- There are 2,725 participant loans with a total value of \$17,419,103
- There are 9,891 participants or 70.8% utilizing the GoalMaker program, with assets of \$221,145,543.

FEE AND REVENUE:

- The Committee reviewed the current fees and revenue sharing for each of the plans:
 - Plans Combined

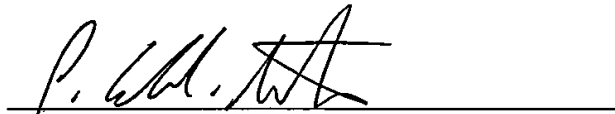
- Weighted Expense Ratio 0.44%
- ERISA Account Surplus \$59,546
- Rollins:
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus \$61,762
- Waltham
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus \$1
- Western
 - Weighted Expense Ratio 0.44%
 - ERISA Account Shortfall -\$4,234
- The fund changes to reduce the expense ratios and revenue sharing will be completed as of April 1, 2020.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- Keep Oakmark Equity and Income Fund on the Watch List.
- Remove T. Rowe Price New Horizons Fund from the Watch List.

Rollins, Inc.
Administrative Committee

Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, Keith Payne, and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: June 2, 2020

Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 10:00pm EST via WebEx and teleconference on May 29, 2020. The first quarter information was reviewed.

Rollins Attendees:

Eddie Northen (voting member)
John Wilson (voting member)
Jerry Gahlhoff (voting member)
James Benton (voting member)
Keith Payne (voting member)
Teresa Smith

Rollins Guest:

David Putnal – ERISA Attorney

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds
Arwa Hasanali

Prudential Retirement Services:

Milissa Dumont (*not in attendance*)
Sally Burlage (*not in attendance*)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics covered during the Rollins, Inc. Investment Committee Meeting.

REVIEW OF ACTION ITEMS: (February 24, 2020):

- Keep Oakmark Equity and Income Fund on the Watch List.
- Remove T. Rowe Price New Horizons Fund from the Watch List.

REVIEW & APPROVE MINUTES FROM FEBRUARY 24, 2020 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: FIRST QUARTER 2020:

- Mr. Waggoner gave a brief overview of the First Quarter Economic and Capital Markets Review with an update on current market conditions.

ROLLINS CUSTOM GUARANTEE FUND ISSUE:

- The 20 basis point fee reduction on the Guarantee fund was not implemented correctly on January 1, 2018.
- To implement the fee reduction (that was negotiated and implemented on January 1, 2018) from 70 bps to 50 bps correctly, Prudential should have taken two steps:
 - Reduce by 20 bps the fee deducted from the Plans' book value credited interest rate.
 - Reduce by 20 bps the fee deducted from the market value of the Plans' investment in the Prudential Core Conservative Bond Fund.
- The steps are taken by two separate operational teams. As of January 1, 2018, Prudential properly implemented the first step. However, due to an internal communication error, the market value operational team was not notified of the fee reduction. As a result, Prudential failed to implement the second step.
- It is now apparent that part of the difficulty in 2017 is that fee changes for the Prudential Stable Value Fund (PSVF) with a product design that requires different operational areas to make adjustments to the book value and market value, are relatively infrequent and some of the employees lacked sufficient familiarity with the product design to avoid the miscommunication.
- Prudential has examined its existing PSVF fee change implementation processes and is enhancing the internal notification and documentation process across the relevant operational teams, instituting multiple checks to confirm full implementation of fee changes, and providing for periodic reviews of the fee systems.
- In preparation of the fund changes that were implemented on April 2, 2020, Prudential completed a final review of the process and the investment option fees of the lineup.
- During that review, Prudential discovered that there was a discrepancy between the fee deducted from the book value credited interest rate and the market value of the Prudential Core Conservative Bond Fund.
- The error came to the attention of different areas of Prudential at roughly the same time in early January 2020.
 - The Prudential pricing team discovered the error when they were reviewing the pricing for the Rollins plans' overall line-up in connection with Rollins' changes for the Hartford Mid Cap Y and Victory Sycamore Small Company I funds.
 - Concurrently in early January, Prudential implemented a new computer-based tool that captures a snapshot of their clients. Upon review of the new tool's reporting, it appeared the fees reported for the Rollins plans' were not accurate.
- This prompted a review by the pricing team to verify the data input. These discoveries led various operational teams to review the situation in detail, leading to the conclusion, as we have discussed, that a fee correction needed to be made.
- Prudential has corrected the fee for future deductions effective January 1, 2020.

- The fee error from January 1, 2018 through December 31, 2019 resulted in (1) a total overcharge of \$437,168.48 to the market value fund; and (2) as of February 29, an under-crediting of interest to the Plan's book value of \$56,535.
- Alliant has worked with Prudential to develop an updated process in an effort to prevent this situation from repeating. Prudential believes that these improvements will avoid future discrepancies in fees and resulting crediting rates, and the prompt discovery of any errors.
 - Prudential now has a single point person, the implementation manager, designated to be responsible for the overall end-to-end management of the fee change process.
 - Prudential has taken steps to ensure that the implementation team charged with this responsibility is properly trained in the special features of the PSVF design. The implementation manager's responsibilities will include confirming the full implementation of a fee change, and verifying with the necessary areas of the firm that both the book value and the market value have been updated and that the documentation of the relevant fee change has been generated and shared with the sponsor.
- Prudential has taken full responsibility for the error that occurred and will make full restitution to the plan participants affected.
- As a plan of restitution, Prudential proposes that the Plan direct it:
 - (a) to increase the plan's current unit total in the Core Conservative Bond Fund to the amount that the plan would have held if the fee had been correctly deducted and the plan earned additional units due to the growth of the fund during the correction period; and
 - (b) to increase the account balance of each affected participant (including each former participant) by the amount that the account would have held if the crediting rate had been correctly calculated based on the revised balances of the plan's investment in the Core Conservative Bond fund, with associated growth.
- All affected participants will receive a credit of at least \$1.00, even if the calculated adjustment would be less than \$1.00 for that participant. No participant balances will be decreased.
- At this time, there has been preliminary calculations completed as of February 29, 2020 that result in the amount of roughly \$119,000 to be paid into participant accounts.
- The market value of the fund will also be credited with the amount that was overcharged, plus any lost earnings. The preliminary calculations completed as of February 29, 2020 result in the amount of roughly \$482,000 to be paid into the market value.
- The correction increases can be implemented simultaneously with the crediting rate adjustment as of July 1, 2020. Estimates based on information through February 2020 indicate that a correction on this basis will provide over 10,000 of the approximately 17,000 affected participants with a \$1.00 adjustment. Approximately 3,000 participants will receive an adjustment of up to \$10.00, and the remainder will receive larger amounts, with seven receiving the largest amounts, between \$1,000 and \$5,000.
- 16,962 account holders impacted
- 2,189 account holders will have no adjustment to their account balance
- 227 account holders will have an adjustment of \$100 or more to their account balance.
- Next Steps include:
 - Rollins approve correction methodology and instruct Prudential to move forward.

- Date of correction to be selected, for example July 1, 2020.
- Alliant and Prudential work together to finalize correction calculations.
- Rollins, Alliant and Prudential determine appropriate way to communicate the situation to plan participants.
- Alliant to work with Prudential to develop a process to audit any fund changes in the future to prevent this from happening again.
- Rollins and Alliant to review the Prudential Stable Value fund to determine if it is still the appropriate investment for the plan.
- Prudential provided a draft participant notice letter for review, the Committee will review the letter language with both internal and external counsel to finalize the appropriate language.
- This communication will be provided to the impacted account holders in mid-July.

INVESTMENT REVIEW: (as of March 31, 2020):

- All matters in the materials were discussed among the Committee, Mr. Waggoner, and Ms. Hasanali at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Oakmark Equity and Income Investor Fund was placed on the Watch List on July 17, 2019. The fund continues to not meet IPS standards for the 3-, 5-, and 10-year timeframes as of the first quarter of 2020, ranking in the 94th, 90th, and 82nd percentile of its peer group, respectively. The fund has been led by Clyde McGregor since its 1995 inception, and is co-managed by Colin Hudson. Edward Wojciechowski, a co-manager since 2013, left the management team in early 2020. As a result, the firm promoted Adam Abbas. Valuation drives security selection and asset allocation, as the team buys companies whose share prices reflect steep discounts to their estimates of the business' intrinsic value. The approach produces a 60% equity portfolio that is consistently value leaning and distinct from its peers. This value bias has limited the fund's participation in growth-led rallies. The 40% bond portfolio is biased to lower-rated issuers and is underweight low-yielding but safe government bonds, which has altered the strategy's downside protection during recent drawdowns such as 4Q18 and 1Q20. The investment styles, while consistent, have served strong headwinds in 2018, 2019, as well as the first quarter of 2020. Value stocks continued to lag their counterpart growth stocks in Q1, hitting this fund especially hard given its value-tilt compared to peers. Additionally, the bond portfolio did not act as a ballast to the equity sleeve. An overweight to high-yield bonds relative to peers significantly detracted performance as high-yield was the worst hit fixed income sector during Q1. The fund will remain on the Watch List due to underperformance and manager change. Alliant will provide options for consideration at the next Committee meeting.
 - **ACTION ITEM:** Keep Oakmark Equity and Income Fund on the Watch List.
 - **ACTION ITEM:** Alliant will provide alternatives in the allocation category for Committee review at our next meeting.
- American Funds EuroPacific Growth Fund is underperforming its peer group median for the 3-, 5-, and 10-year timeframes, ranking in the bottom 67th, 55th, and 55th percentiles, respectively. The fund returned -22.46% during the first quarter of 2020, ranking in the 85th percentile. This was largely the result of the fund being managed as a core strategy, which makes it less growth-oriented than its peers do. From a sector perspective, overweight is to financials and energy hurt it against its peers. Additionally, underweight positions to technology, consumer staples, and healthcare – which were among the best

performing sectors during the first quarter – also hurt performance. Another trend that has been a detractor for years and continued to be this quarter was the fund’ limited exposure to U.S. stocks. Many peers hold 10% or more in U.S. equities, which continued to outpace non-U.S. equities. From a long-term perspective, the fund is at a stylistic disadvantage. The fund’s portfolio has consistently landed in the growth portion of the Morningstar Style Box for many years after landing in blend territory up until 2012. Nevertheless, the fund is not as aggressive as many of its growth-oriented foreign large-cap peers. With growth stocks greatly outperforming those funds with core/blend traits, such as this fund, that influences its record. Managed as a core strategy, many of the trends that influenced Q1 2020 results – holding less health care and technology, and less U.S. companies – have affected longer-term results against peers as well. American’s multimanager approach lets managers independently run their own sleeves of the portfolio, each using his or her own style, ranging from concentrated growth to more-diffuse, value-oriented strategies. Additionally, the managers do not shy away from risk, as emerging markets stakes are usually relatively high, and occasionally individual managers will put a large allocation into one or few stocks. The fund’s larger-than-average exposure to emerging markets, roughly 30% of the portfolio, and remaining 70% in conservative, developed international markets has dragged returns over the long-term. The Committee elected to place this fund on the Watch List.

- **ACTION ITEM:** Add American Funds EuroPacific Growth to the Watch List.
- As of March 31, 2020, the Prudential Guaranteed Fund held \$128,820,565 in Plan assets (all 3 plans). The effective rate is 2.69%.
- As of March 31, 2020, the Rollins Stock held \$256,055,434 in plan assets with the following returns:
 - One Year – -12.02%
 - Three Year – 14.93%
 - Five Year – 18.71%
 - Ten Year – 20.73%

PLAN STATISTICS:

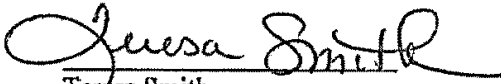
- Total assets as of March 31, 2020 for all Plans were \$767,954,257.
- Rollins Stock is the largest single investment with \$256,055,434 in assets and 289 participants using it as their sole investment.
- There are 2,691 participant loans with a total value of \$17,051,874
- There are 10,127 participants or 71.4% utilizing the GoalMaker program, with assets of \$191,833,773.

FEE AND REVENUE:

- The Committee reviewed the current fees and revenue sharing for each of the plans:
 - Plans Combined
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus \$30,720
 - Rollins:
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus \$34,361
 - Waltham
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus -\$224.99

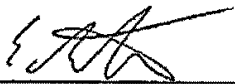
- o Western
 - Weighted Expense Ratio 0.44%
 - ERISA Account Shortfall -\$9,328

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- Keep Oakmark Equity and Income Fund on the Watch List.
- Alliant will provide alternatives in the allocation category for Committee review at our next meeting.
- Add American Funds EuroPacific Growth Fund to the Watch List.

**Rollins, Inc.
Administrative Committee**

Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, Keith Payne, and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: September 14, 2020
Re: Minutes of Rollins, Inc. Administrative Committee -- 401(k) Plan

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 10:00pm EST via WebEx and teleconference on August 31, 2020. The second quarter information was reviewed.

Rollins Attendees:

Eddie Northen (voting member) (*not in attendance*)
John Wilson (voting member)
Jerry Gahlhoff (voting member)
James Benton (voting member)
Keith Payne (voting member)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds
Arwa Hasanali

Prudential Retirement Services:

Milissa Dumont (*not in attendance*)
Sally Burlage (*not in attendance*)

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics covered during the Rollins, Inc. Investment Committee Meeting.
- The Committee briefly discussed the Fiduciary Liability Coverage and the current limits in place. Teresa Smith stated that currently we have \$45M of coverage. There will be additional research done to ensure that the limits are adequate for the plan.
 - **ACTION ITEM:** Rollins will work with Risk to ensure the \$45M of coverage is adequate for our plans.
- The Committee and Mr. Waggoner discussed the frequency of Fiduciary Liability training; it has been more than 12 months since the last training. The Committee will receive training during the Fourth Quarter 2020 meeting that will be held in either February or March of 2021.

- **ACTION ITEM:** Fiduciary Training will be conducted at the Fourth Quarter 2020 meeting held in either February or March 2021.
- The Committee discussed the volatility in the market for 2020 due to the economic downturn caused by the COVID-19 Pandemic. It was determined that sending out an additional communication piece to participants that are invested in three or less investment options would be prudent.
 - **ACTION ITEM:** Ms. Teresa Smith and Alliant will work with Prudential to send out a communication to the plan participants that are invested in three or less investment options.

REVIEW OF ACTION ITEMS: (May 29, 2020):

- Keep Oakmark Equity and Income on the Watch List.
- Alliant will provide alternatives in the allocation category for Committee review.
- Add American Funds EuroPacific Growth to the Watch List.

REVIEW & APPROVE MINUTES FROM MAY 29, 2020 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: SECOND QUARTER 2020:

- Mr. Waggoner gave a brief overview of the Second Quarter Economic and Capital Markets Review with an update on current market conditions.

INVESTMENT REVIEW: (as of June 30, 2020):

- All matters in the materials were discussed among the Committee, Mr. Waggoner, and Ms. Hasanali at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Oakmark Equity and Income Fund was placed on the Watch List on July 17, 2019. The fund continues to not meet IPS standards for the 1-, 3-, 5-, and 10-year timeframes as of Q2 2020, ranking in the 90th, 87th, 82nd, and 77th percentile of its peer group, respectively. The fund, however, rebounded in Q2 2020, ranking in the top 25th percentile of its peer group for the quarter. The fund has been led by Clyde McGregor since its 1995 inception, and is co-managed by Colin Hudson. Edward Wojciechowski, a co-manager since 2013, left the management team in early 2020. As a result, the firm promoted Adam Abbas. Valuation drives security selection and asset allocation, as the team buys companies whose share prices reflect steep discounts to their estimates of the business' intrinsic value. In recent years, this has translated into a higher exposure to more cyclical stocks, including a heavy stake in financials, as well as corporate bonds, both of which were badly singed in the Q1 2020 bear market correction. Additionally, the approach produces a 60% equity portfolio that is consistently value-leaning and distinct from its peers. This value bias has limited the fund's participation in growth-led rallies. The 40% bond portfolio is biased to lower-rated issuers and is underweight low-yielding but safe government bonds, which has altered the strategy's downside protection during recent drawdowns such as 4Q18 and 1Q20. The investment styles, while consistent, have served strong headwinds in 2018, 2019, as well as the first quarter of 2020. The stocks continued to lag their counterpart growth stocks substantially, hitting this fund especially hard given its value-tilt compared to peers. Additionally, the bond portfolio did not act as a ballast to the equity sleeve. An overweight to high-yield bonds relative to peers significantly detracted performance as high-yield was the worst hit fixed income sector

during Q1. Volatility has been higher than the norm as well. The portfolio has sizable stakes in more volatile, cyclical sectors while its credit picks have not provided enough diversification to mitigate volatility, making this strategy less resilient during drawdowns like in 2015, 2018, and 2020. Alliant provided the following options for review and consideration:

- *American Funds American Balanced* – The American Funds multimanager approach is most effective in handling the \$140B asset base of this fund. The fund fixed income portfolio has been a source of risk in the past but they have trimmed back the credit exposure while investing more in Treasuries in recent years. They now look to fixed income primarily to offset equity volatility, with income secondary. The equity stake is near the upper end of its range, a tilt toward mega-cap dividend payers to help keep risk in check. The equity managers focus on blue chip, dividend-paying stocks like Phillip Morris and they will hold growth oriented picks like Amazon. The equity portion of the fund is between 50% to 75% of the overall portfolio. The Committee selected this fund as the replacement for Oakmark Equity and Income.
- *Blackrock Balanced Capital* – This fund has been led by Phil Greene since 2006, he is supported by a 14 person investment team. This team has access to the firm’s extensive resources and analytical tools that help them track more micro themes, make tactical calls, and limit unintended risks. This strategy relies on a trio of factors: actively managed equity fund, actively managed bond fund, and tactical allocation tilts. Phil Greene utilizes the BlackRock Advantage Large Cap Core and the underlying equity fund. This fund takes a quantitative strategy that ranks stocks using a combination of traditional data and nontraditional data. The underlying bond strategy is the BlackRock Total Return Bond fund.
- *Columbia Balanced Inst3* – The management team maintains the fund’s duration to be slightly long relative to the benchmarks duration. Exposure to securitized products had a significantly positive effect on the performance, as they had strong returns relative to Treasuries. The largest overweight position was in ABS and non-agency collateralized mortgage obligations. The team continues to look for opportunities within each of the sectors. Stock selection in the equity sleeve of Lowe’s, eBay, and Amazon were the main drivers of performance. The fund is not shy about taking advantage of volatility and will deploy a contrarian process that has served them well over the long term.
 - **ACTION ITEM:** Remove Oakmark Equity and Income from the lineup
 - **ACTION ITEM:** Add American Funds American Balanced to the lineup.
 - **ACTION ITEM:** Map assets from Oakmark Equity and Income to American Funds American Balanced.
- Hartford MidCap Y fund is underperforming its peer group median for the 1-, 3-, 5-, and 10-year timeframes, ranking in the bottom 87th, 76th, 61st, and 57th percentiles, respectively. Middling performance in recent years, followed by a devastating YTD 2020 return, has led to long-term underperformance. Year-to-date 2020, the fund underperforms its peer group median by 966 basis points. Stock selection, led by weak selection within the healthcare, as well as underweights to info tech, energy, and consumer discretionary relative to the peer group, has driven underperformance the past

few quarters. The strategy is sub-advised by Wellington, and an experience trio of managers anchor the strategy. Phil Ruedi and co-manager Mark Whitaker have been managing the fund since 2011. The team looks for attractively valued, market-leading, blue-chip mid-cap companies. One of the most unusual trends this past year has been the extreme outperformance of the most expensive index stocks – both through the bear market of the first quarter and the rebound of the second quarter. Hartford MidCap’s valuation focus makes this fund more core-leaning relative to its typical mid-cap growth peer, and partially explains the fund’s relative underperformance as more expensive stocks continue to outperform. In fact, while Morningstar categorizes the fund in a growth asset category, the team benchmarks the fund against a blend index, the Russell Midcap Index. In other words, this a core strategy with a growth bias. This has led to a stylistic disadvantage relative to peers, especially over the long-term. Additionally, the team hunts for companies with market caps of \$2B to \$10B, but will let names appreciate above that threshold if they continue to look attractive. The strategy’s growing asset base sat at \$22B at the beginning of the year, but subsequently fell down to \$12B at the end of Q2. The team has recently trimmed their larger market cap holdings and reinvested the proceeds into strong business models firmly within the mid-cap territory. However, the fund is one of the largest mid-cap growth funds that is still open to new investors. This could present some challenges in maintaining both its mid-cap focus and ample liquidity without a divergence from the fund’s historical portfolio construction.

- **ACTION ITEM:** Place Hartford MidCap Y on the Watch List.
- Franklin Growth Adv fund is currently underperforming its peer group median for the 1-, 3-, 5-, and 10-year timeframes, ranking in the 68th, 63rd, 54th, and 60th percentiles respectively. Lead manager Serena Perin Vinton has led this fund since 2008, with the support of co-managers Chris Anderson and Robert Rendler. The fund lands on the conservative side of growth, especially in the last 5 years. Perin Vinton maintains a disciplined buy-and-hold approach, aiming to grow less proven names into portfolio staples. The bulk of assets are in blue-chip stocks, with persistent over weights in the industrials and healthcare sectors. They model bear, base, and bull scenarios for each prospective holding, and purchase holdings between their bear and base cases. While this differentiates the fund from its peer group, buoyant markets have rewarded riskier investors recently, leaving Perin Vinton little opportunity to demonstrate this fund’s valuable down-market shield. Tilts toward smaller large-cap firms and consistent underweights to top-performing sectors have served as major headwinds in the last 5 years. The portfolio’s sector allocation has held the fund back. Perin Vinton allocated less of the portfolio to the benchmark’s top-performing sectors, such as technology and consumer discretionary. Her underweighting of tech names such as Microsoft, Apple, and Amazon have hurt the fund’s relative performance in recent years. In the COVID-19 induced drawdown, portfolio names tied to travel, such as Boeing and Alaska Air, took some of the largest hits. Perin Vinton’s ultralow turnover approach has also not proven effective over the long haul. With annual portfolio turnover below 10% (one of the category’s lowest), the patience has helped the strategy benefit from strong growth stories, but it has also resulted in holding some laggards past their prime. Some positions, such as IBM, underperform for years before they’re cut from the portfolio.
 - **ACTION ITEM:** Place Franklin Growth on the Watch List.
- American Funds EuroPacific Growth was placed on the Watch List on May 29, 2020. The fund is underperforming its peer group median for the 3-, 5-, and 10-year timeframes, ranking in the 58th, 52nd, and 51st percentiles. However, the fund’s return in

Q2 of 2020 ranks in the top 28th percentile of its peer group. Stock selection in tech, consumer discretionary, and energy helped the fund rebound significantly in Q2 2020. The fund's relative underperformance over the 5- and 10-year timeframes is minor, and is largely the result of the fund being managed as a core strategy, which makes it less growth-oriented than its peers. From a long-term perspective, the fund is at a stylistic disadvantage. The fund's portfolio has consistently landed in the growth portion of the Morningstar Style Box for many years after landing in blend territory up until 2012. But the fund is not as aggressive as many of its growth-oriented foreign large-cap peers. With growth stocks greatly outperforming those funds with core/blend traits, such as this fund, that influences its record. Managed as a core strategy, many of the trends that impacted 2019 and Q1 2020 results – holding less health care and technology, and less U.S. companies – have affected longer-term results against peers as well. American's multimanager approach lets managers independently run their own sleeves of the portfolio, each using his or her own style, ranging from concentrated growth to more-diffuse, value-oriented strategies. Additionally, the managers don't shy away from risk, as emerging markets stakes are usually relatively high, and occasionally individual managers will put a large allocation into one or few stocks. The fund's larger-than-average exposure to emerging markets, roughly 30% of the portfolio, and remaining 70% in conservative, developed international markets has dragged returns over the long-term.

- **ACTION ITEM:** Keep American Funds EuroPacific Growth on the Watch List.
- As of June 30, 2020, the Prudential Guaranteed Fund held \$143,820,825 in Plan assets (all 3 plans). The effective rate is 2.48%.
- Alliant conducted a Request for Proposal project benchmarking the Prudential Guaranteed Fund and comparing the fund against others in the market place. A follow up meeting will be conducted with the Committee to review the results in detail.
 - **ACTION ITEM:** Teresa Smith and Alliant will schedule a follow up conference call with the Committee to review the Prudential Guaranteed Fund and benchmarking in detail.
- As of June 30, 2020, the Rollins Stock held \$287,271,287 in plan assets with the following returns:
 - One Year – 19.62%
 - Three Year – 17.51%
 - Five Year – 19.07%
 - Ten Year – 23.22%

PLAN STATISTICS:

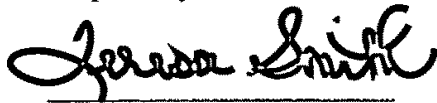
- Total assets as of June 30, 2020 for all Plans were \$885,291,610.
- Rollins Stock is the largest single investment with \$287,271,288 in assets and 265 participants using it as their sole investment.
- There are 2,633 participant loans with a total value of \$16,980,483.
- There are 10,422 participants or 72.1% utilizing the GoalMaker program, with assets of \$230,307,944.

FEE AND REVENUE:

- The Committee reviewed the current fees and revenue sharing for each of the plans:
 - Plans Combined
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus \$57,863

- Rollins:
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus \$60,340
- Waltham
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus -\$76
- Western
 - Weighted Expense Ratio 0.44%
 - ERISA Account Shortfall -\$8,559

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- Rollins will work with Risk to ensure the \$45M of coverage is adequate for our plans.
- Fiduciary Training will be conducted at the Fourth Quarter 2020 meeting held in either February or March 2021.
- Ms. Teresa Smith and Alliant will work with Prudential to send out a communication to the plan participants that are invested in three or less investment options.
- Remove Oakmark Equity and Income from the lineup
- Add American Funds American Balanced to the lineup.
- Map assets from Oakmark Equity and Income to American Funds American Balanced.
- Place Hartford MidCap Y on the Watch List.
- Place Franklin Growth on the Watch List.
- Keep American Funds EuroPacific Growth on the Watch List.
- Teresa Smith and Alliant will schedule a follow up conference call with the Committee to review the Prudential Guaranteed Fund and benchmarking in detail.

Rollins, Inc.
Administrative Committee

Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, Keith Payne, and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: October 5, 2020

Re: Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 1:30 pm EST via WebEx and teleconference on September 28, 2020. This was a special meeting called to review the results of the Stable Value benchmarking project.

Rollins Attendees:

Eddie Northen (voting member) *(not in attendance)*
John Wilson (voting member)
Jerry Gahlhoff (voting member)
James Benton (voting member)
Keith Payne (voting member)
Teresa Smith

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds
Arwa Hasanali

STABLE VALUE BENCHMARKING:

- Mr. Waggoner and Ms. Hasanali presented the results of a benchmarking project on Stable Value funds.
- Ms. Hasanali reviewed two different strategies: funds with a duration over 4 years and funds with a duration of 4 years or less.
- The current Prudential Stable Value fund has:
 - Crediting Rate: 2.69%
 - Market Value/Book Value: 105.8
 - Duration: 6.0 years
 - BBB or Below Bonds: 13%
 - Total Fee: 0.50%
- The results of the fund benchmarking has found that in both categories: less than 4 years and 4 years or longer, that Prudential has the best performing fund with competitive fees.

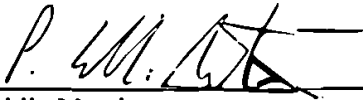
- The only fund with a better crediting rate is the MassMutual fund with 3.52%, however the fund takes on quite a bit of risk with 33% of the portfolio in BBB or below rated bonds.
- Prudential has offered Rollins an alternate strategy that has slightly shorter duration, expenses, and a similar crediting rate of 2.68%.
- The Committee has selected this new strategy and will be implemented effective January 1, 2021.
 - **ACTION ITEM:** The strategy for the Prudential Stable Value fund will be changed to the Core Intermediate Bond Fund with 0.36% expense ratio and 3.49 years duration.

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- The strategy for the Prudential Stable Value fund will be changed to the Core Intermediate Bond Fund with 0.36% expense ratio and 3.49-year duration.



Minutes

To: Eddie Northen, John Wilson, Jerry Gahlhoff, James Benton, Keith Payne, and Teresa Smith
From: Cara Reynolds, Alliant Retirement Services
Date: November 16, 2020

Re: **Minutes of Rollins, Inc. Administrative Committee – 401(k) Plan**

The meeting of the Rollins, Inc. Administrative Committee (the Committee) was officially called to order at 9:30am EST via WebEx and teleconference on November 10, 2020. The third quarter information was reviewed.

Rollins Attendees:

Eddie Northen (voting member)
John Wilson (voting member)
Jerry Gahlhoff (voting member)
James Benton (voting member)
Keith Payne (voting member)
Teresa Smith

Rollins Guest:

David Putnal

Alliant Retirement Services Attendees:

Sean Waggoner
Cara Reynolds
Arwa Hasanali

Prudential Retirement Services:

Milissa Dumont
Sally Burlage
Edward Gowarty

CALL TO ORDER:

- Mr. Waggoner provided an overview of the agenda and topics covered during the Rollins, Inc. Investment Committee Meeting.
- Mr. John Wilson has resigned as a Committee member due his appointment as Vice-Chairman of the Rollins Board of Directors.
 - **ACTION ITEM:** Mr. John Wilson has stepped down from the Committee as a voting member.

- The Committee discussed ongoing Committee membership now that Mr. John Wilson is stepping down from as a member. Mr. Jerry Gahloff offered following individuals to be invited to join the Committee as voting members:
 - Mr. Freeman Elliott
 - Mr. Stanford Phillips
- The Committee members discussed at length the historical process of naming members to the Committee and the documents that govern the process. It has been determined that the documents need to be reviewed by Counsel and language updated.
 - **ACTION ITEM:** Alliant and Teresa Smith will work with David Putnal to review and update the By-Laws and Investment Policy Statement language.
 - **ACTION ITEM:** Mr. Freeman Elliott has been appointed to the Investment Committee as the newest member.
 - **ACTION ITEM:** Mr. Stanford Phillips has been appointed to the Investment Committee as the newest member.

REVIEW OF ACTION ITEMS: (August 31, 2020):

- Rollins will discuss internally the current Fiduciary Liability policy limits and coverage.
- Fiduciary Training will be conducted at the Fourth Quarter 2020 meeting held in either February or March 2021.
- Ms. Teresa Smith and Alliant will work with Prudential to send out a communication to the plan participants that are invested in three or less investment options.
- Remove Oakmark Equity and Income from the lineup
- Add American Funds American Balanced to the lineup.
- Map assets from Oakmark Equity and Income to American Funds American Balanced.
- Place Hartford MidCap Y on the watch list.
- Place Franklin Growth on the watch list.
- Keep American Funds EuroPacific Growth on the Watch list.
- Alliant will schedule a follow up conference call with the Committee to review the Prudential Guaranteed Fund and benchmarking in detail.

REVIEW & APPROVE MINUTES FROM AUGUST 31, 2020 MEETING:

- Minutes from the meeting were reviewed and signed as approved.

ECONOMIC OVERVIEW: THIRD QUARTER 2020:

- Mr. Waggoner gave a brief overview of the Third Quarter Economic and Capital Markets Review with an update on current market conditions.

SETTING UP EVERY COMMUNITY FOR RETIREMENT ACT (SECURE ACT):

- The SECURE Act was signed into law on December 20, 2019, the intention is to increase access to retirement plans, improve retirement savings, and make it easier for workers to convert savings to guaranteed retirement income. There were mandatory provisions that must be adopted and optional provisions. The following optional provisions were reviewed:
 - **Long-term, Part-Time Employees:** Beginning in 2024, there will be a look back period of three years that will allow part-time employees to participant in the plan if they complete 500 hours or more a year for three consecutive years. The plan sponsor may amend the plan document to provide the same eligibility

requirements for the part-time employees as are offered full-time employees. This impacts the following population:

- Rollins – 149
- Western – 2
- Waltham – 2
- *Birth or Adoption Distributions:* a plan sponsor may allow in-service qualified distributions up to \$5,000 related to birth or adoption of a child. This is an optional provision. The Committee voted to not elect this option.
- **ACTION ITEM:** The Rollins, Western and Waltham plans will be amended to provide part-time employees the same eligibility requirements as full time employees and the match will follow the same eligibility for full-time employees.

INVESTMENT REVIEW: (as of September 30, 2020):

- All matters in the materials were discussed among the Committee, Mr. Waggoner, and Ms. Hasanali at length, including the fund managers, fund performances and expense ratios. The discussions included the following items:
- Hartford MidCap Y Fund was placed on the Watch List on August 31, 2020. The fund continues to underperform its peer group median for the 1-, 3-, 5-, and 10-year timeframes, ranking in the bottom 89th, 78th, 73rd, and 63rd percentiles, respectively. Middling performance in recent years, followed by a devastating YTD 2020 return, has led to long-term underperformance. Stock selection, led by weak selection within the healthcare and info tech sectors, as well as underweights to info tech and consumer discretionary relative to the peer group, has driven underperformance the past few quarters. The strategy is sub-advised by Wellington, and an experience trio of managers anchor the strategy. Phil Ruedi and co-manager Mark Whitaker have been managing the fund since 2011. The team looks for attractively valued, market-leading, blue-chip mid-cap companies. One of the most unusual trends this past year as has been the extreme outperformance of the most expensive index stocks – both through the bear market of the first quarter and the rebound of the second quarter. Hartford MidCap’s valuation focus makes this fund more core-leaning relative to its typical mid-cap growth peer, and partially explains the fund’s relative underperformance as more expensive stocks continue to outperform. In fact, while Morningstar categorizes the fund in a growth asset category, the team benchmarks the fund against a blend index, the Russell Midcap Index. In other words, this a core strategy with a growth bias. This has led to a stylistic disadvantage relative to peers, especially over the long-term. Additionally, the team hunts for companies with market caps of \$2B to \$10B, but will let names appreciate above that threshold if they continue to look attractive. The strategy’s growing asset base sat at \$22B at the beginning of the year, but subsequently fell down to \$13B at the end of Q3. The team has recently trimmed their larger market cap holdings and reinvested the proceeds into strong business models firmly within the mid-cap territory. However, the fund is one of the largest mid-cap growth funds that is still open to new investors. This could present some challenges in maintaining both its mid-cap focus and ample liquidity without a divergence from the fund’s historical portfolio construction.
 - **ACTION ITEM:** Keep Hartford MidCap Y Fund on the Watch List.
- Franklin Growth Adv Fund was placed on the Watch List on August 31, 2020. The fund continues to underperform its peer group median for the 1-, 3-, 5-, and 10-year timeframes, ranking in the 66th, 63rd, 54th, and 58th percentiles respectively. Lead manager Serena Perin Vinton has led this fund since 2008, with the support of co-managers Chris Anderson and Robert Rendler. The fund lands on the conservative side of growth,

especially in the last 5 years. Perin Vinton maintains a disciplined buy-and-hold approach, aiming to grow less proven names into portfolio staples, with a focus on companies with potential for sustainable growth. The bulk of assets are in blue-chip stocks, with persistent over weights in the industrials and healthcare sectors. They model bear, base, and bull scenarios for each prospective holding, and purchase holdings between their bear and base cases. While this differentiates the fund from its peer group, buoyant markets have rewarded riskier investors recently, leaving Perin Vinton little opportunity to demonstrate this fund's valuable down-market shield. Tilts toward smaller large-cap firms and consistent underweights to top-performing sectors have served as major headwinds in the last 5 years. The portfolio's sector allocation has held the fund back over the long run. Perin Vinton allocated less of the portfolio to the benchmark's top-performing sectors, such as technology and consumer discretionary. Her underweighting of tech names such as Microsoft, Apple, and Amazon have hurt the fund's relative performance in recent years. In the COVID-19 induced drawdown, portfolio names tied to travel, such as Boeing and Alaska Air, took some of the largest hits. It should be noted; however, that the focus on high-quality businesses at lower valuations helped the fund outperform in 3Q2020, when the gap between value and growth grew smaller, especially in September. Perin Vinton's ultralow turnover approach has also not proven effective over the long haul. With annual portfolio turnover below 10% (one of the category's lowest), the patience has helped the strategy benefit from strong growth stories, but it has also resulted in holding some laggards past their prime. Some positions, such as IBM, underperform for years before they're cut from the portfolio.

- **ACTION ITEM:** Keep Franklin Growth on the Watch List.
- American Funds EuroPacific Growth Fund was placed on the Watch list on May 29, 2020. The fund is underperforming its peer group median for the 3- and 10-year timeframes, ranking in the 60th and 52nd percentiles, respectively. However, the fund's return in Q2 and Q3 of 2020 ranks in the top 28th and 45th percentiles of its peer group. As a result, the fund now meets the performance standards for the 5-year timeframe, ranking at the 50th percentile of its peer group. Stock selection in tech and consumer discretionary, as well as an overweight allocation to emerging markets helped the fund rebound significantly in Q2 and Q3 2020. From a long-term perspective, the fund is at a stylistic disadvantage. The fund's portfolio has consistently landed in the growth portion of the Morningstar Style Box for many years after landing in blend territory up until 2012. But the fund is not as aggressive as many of its growth-oriented foreign large-cap peers. With growth stocks greatly outperforming those funds with core/blend traits, such as this fund, that influences its record. Managed as a core strategy, many of the trends that impacted 2019 and Q1 2020 results – holding less health care and technology, and less U.S. companies – have affected longer-term results against peers as well. American's multimanager approach lets managers independently run their own sleeves of the portfolio, each using his or her own style, ranging from concentrated growth to more-diffuse, value-oriented strategies. Additionally, the managers don't shy away from risk, as emerging markets stakes are usually relatively high, and occasionally individual managers will put a large allocation into one or few stocks. The fund's larger-than-average exposure to emerging markets, roughly 30% of the portfolio, and remaining 70% in conservative, developed international markets has dragged returns over the long-term.
 - **ACTION ITEM:** Keep American Funds EuroPacific Growth Fund on the Watch list.

- As of September 30, 2020, the Prudential Guaranteed Fund held \$157,443,797 in Plan assets (all 3 plans). The effective rate is 2.48%.
- As of September 30, 2020, the Rollins Stock held \$350,518,491 in plan assets with the following returns:
 - One Year – 60.72%
 - Three Year – 22.27%
 - Five Year – 26.54%
 - Ten Year – 24.71%

PLAN STATISTICS:

- Total assets as of September 30, 2020 for all Plans were \$997,177,936.
- Rollins Stock is the largest single investment with \$350,518,491 in assets and 231 participants using it as their sole investment.
- There are 2,601 participant loans with a total value of \$17,208,074.
- There are 10,707 participants or 72.7% utilizing the GoalMaker program, with assets of \$252,089,676.

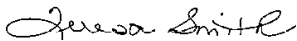
EDUCATION AND COMMUNICATION:

- Mr. Ed Gowarty of Prudential provided updates on the education and communication campaigns provided throughout the year and the stats associated with them. In many cases, Rollins Plans have surpassed Prudential’s book of business for action taken.

FEE AND REVENUE:

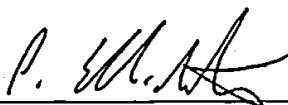
- The Committee reviewed the current fees and revenue sharing for each of the plans:
 - Rollins:
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus \$73,962
 - Waltham
 - Weighted Expense Ratio 0.44%
 - ERISA Account Surplus -\$16
 - Western
 - Weighted Expense Ratio 0.44%
 - ERISA Account Shortfall -\$8.269

Respectfully Submitted:



Teresa Smith
Secretary of the Rollins, Inc. Administrative Committee

Approved:



Eddie Northen
Chairman of the Rollins, Inc. Administrative Committee

LISTING OF ACTION ITEMS:

- **ACTION ITEM:** Mr. John Wilson will be removed from the Committee as a voting member.
- **ACTION ITEM:** Alliant and Teresa Smith will work with David Putnal to review and update the By-Laws and Investment Policy Statement language.
- **ACTION ITEM:** Mr. Freeman Elliott has been appointed to the Investment Committee as the newest member.
- **ACTION ITEM:** Mr. Stanford Phillips has been appointed to the Investment Committee as the newest member.
- **ACTION ITEM:** The Rollins, Western and Waltham plans will be amended to provide part-time employees the same eligibility requirements as full time employees and the match will follow the same eligibility for full-time employees.
- **ACTION ITEM:** Keep Hartford MidCap Y Fund on the Watch List.
- **ACTION ITEM:** Keep Franklin Growth Fund on the Watch List.
- **ACTION ITEM:** Keep American Funds EuroPacific Growth Fund on the Watch list.