

REDUNDANCY POLICY

Introduction

The Company values the contribution of its entire workforce, however, there may be times when business changes force us to think about reducing the number of workers doing a particular activity. In other words, it may sometimes be necessary to make employees redundant. This policy, which applies to our employees, outlines how we will approach that task.

Avoiding redundancy

First, we will try to avoid the need for redundancies. Accordingly, should circumstances arise where redundancy is seen to be a possibility, the first steps the Company will consider are:

Reduce overtime to a workable minimum (subject to contractual commitments).

Restrict recruitment.

Investigate measures such as temporary short-time working and/or lay-offs as a means of avoiding redundancies.

Investigate whether there are any opportunities for redeployment to other departments within the Company.

Explore other methods by which desired cost cuts can be achieved.

Explore whether there are any other options available in order to avoid the redundancy situation.

If redundancies cannot be avoided, the Company will then consider asking for volunteers for redundancy. Whilst we will aim to keep the number of compulsory redundancies to a minimum, the overriding consideration will always be the future needs of the business.

Selection

If the selection of employees for compulsory redundancy becomes necessary, having ascertained the relevant pool for selection, the Company will then apply one or more of the following as objective selection criteria:

- Relevant knowledge and skills.
- Relevant qualifications.
- Job performance.
- Achievement of targets.
- Geographical location.
- The ability to transfer to a new location and/or a different job.
- The ability to take on additional job responsibilities.
- Disciplinary record for misconduct/poor performance.

- Attendance record (excluding absences relating to maternity leave, other family-friendly leave, pregnancy-related illnesses and disabilities).
- Timekeeping record.
- Length of service with the Company.

It is our intention always to be able to justify the chosen criteria and to apply them in a non-discriminatory manner.

In deciding which criteria will apply for a particular redundancy programme, the overriding consideration will always be the future needs of the Company's business. This means that a particular criterion may carry more weight than another criterion, even though both criteria may be applied.

Consultation

There will be full consultation with employees throughout the redundancy selection process. Employees will be notified as soon as possible of the reasons for the potential redundancy situation and of the Company's proposals.

During the consultation exercise, information will be provided to employees and/or their representatives (if applicable) about the Company's proposals and there will be adequate opportunity for employees or their representatives to respond. Information provided may include: the reasons for the proposed redundancies; the numbers and categories of employees who may be made redundant; the proposed method of selecting employees for redundancy; the proposed method of carrying out the redundancies, including the time period over which the dismissals may take effect; and the proposed method of calculating redundancy payments (if non-statutory).

The Company will also enter into individual consultation with each employee provisionally selected for redundancy. Each employee will have the right to be informed of the basis for their selection and be invited to put forward any representations, which the Company will fully consider before making a final decision on which employees are to be made redundant.

Employees will be encouraged to be fully involved in the consultation procedure. It is important for the Company to take account of employees' views and suggestions before final decisions on redundancies are made.

Given the size of the Company, it is assumed that collective redundancy consultation requirements will not be triggered. If it turns out in a given case collective consultation is required, the Company will consult accordingly. Collective consultation is required if it is proposed to dismiss 20 or more employees at a single establishment within 90 days.

Voluntary redundancy

If the Company asks for volunteers for redundancy, invitations will be offered to all employees whose jobs are at risk of redundancy. The opportunity to volunteer for redundancy will be available for a defined period only. Employees who choose to apply for voluntary redundancy are not guaranteed to have their application accepted. The Company has the absolute discretion to decide whether or not to accept an employee's application for voluntary redundancy.

Where an employee's application is provisionally accepted, they will be notified of this in writing. Employees who volunteer and are accepted for redundancy will be entitled to statutory redundancy pay in the same way as employees who are made compulsorily redundant.

Alternative employment

Once provisional redundancy selections have been made, the Company will seek to identify any alternative vacancies that may be suitable. Generally, if the Company identifies a suitable position it will offer that position to the potentially redundant employee. However, occasionally that will not be possible. For example, if the position is suitable for more than one potentially redundant employee, we may operate a selective procedure. There may also be other employees requiring redeployment for other reasons, such as a reasonable adjustment for a disabled employee.

If a decision is made to offer a position, the offer will be made in writing. Where alternative employment is offered and accepted, it is the Company's policy to operate a trial period of four weeks in the new post. This is a statutory requirement. If it is established that the post is not objectively suitable for the employee, their employment will be terminated at the end of the trial period and the employee will still receive a redundancy payment based on the date on which their original job ended. The Company reserves the right to make the final decision on termination of employment. An employee who unreasonably refuses an offer of suitable alternative employment (whether before, during or after the trial period) may lose their right to a redundancy payment.

Suitable alternative employment, pregnancy and family leave

In accordance with statutory provisions, employees who are provisionally selected for redundancy during maternity leave, adoption leave, or, after they have informed us that they are pregnant, or within 18 months of their child's date of birth or placement for adoption, are entitled to be offered any suitable and appropriate alternative employment with the Company or an associated employer in preference to other employees who are also at risk of redundancy, where a suitable vacancy exists.

Employees who are on shared parental leave or have returned to work from a period of at least six consecutive weeks of shared parental leave ('the Protected Period') are also entitled to be offered any suitable and appropriate alternative employment with the Company or an associated employer in preference to other employees who are also at risk of redundancy, where a suitable vacancy exists for a period of 18 months from the child's date of birth, or the date the child is placed with the employee for adoption.

Where an employee is not entitled to maternity leave and is provisionally selected for redundancy, the Protected Period applies from when we are notified of the pregnancy until two weeks after the end of the pregnancy. This is an absolute entitlement and it applies regardless of whether other employees may be stronger candidates or better qualified, provided that the alternative employment is suitable for them. The Company is therefore bound to take this into account when deciding to whom to offer an available alternative position.

Redundancy pay

Redundant employees who have a minimum of two years' continuous employment with the Company will be entitled to be paid statutory redundancy pay, which is calculated according to the employee's age, length of service and gross weekly pay subject to a statutory maximum.

Time off to look for work or for training

Employees who have been given notice of dismissal due to redundancy and who have a minimum of two years' continuous employment with the Company (calculated as at the date of the expiry of the statutory minimum notice period for dismissal) will be entitled to take a reasonable amount of paid time off work to look for alternative employment or to arrange training for future employment.

Exclusions

Except in respect of any statutory collective consultation obligations on the Company, this redundancy policy does not apply to any employee who has been employed by the Company for less than two years.

This redundancy policy has no contractual force and should be regarded as providing guidelines only.