

Redundancy Policy

1. Policy Aim

This purpose of this policy is to provide a framework to enable re-organisations, structural changes and reductions in jobs to be handled in a fair, consistent and sympathetic manner whilst also having regard for the needs of the business.

The policy will be operated by Colart International Holdings Ltd and Colart UK Ltd (the "Company") as it constitutes a clear procedure in the interests of good industrial relations practice. It will be reviewed from time to time to ensure that it reflects the Company's legal obligations and its business needs.

The policy is not contractual in nature and does not form part of any employee's terms and conditions of employment. The Company may amend it at any time.

2. Scope

The policy has been developed by the Company and is applicable to all people employed at the London Office who joined the Company after 1st April 2010. The policy does not apply to agency workers, consultants or contractors.

3. Policy Principle

The Company is committed to maintaining the security of employment of its employees and to avoid compulsory redundancies where at all possible. Where this is not possible and, regrettably, it is established by the Company that a redundancy situation may have arisen, it may be due to one of a number of factors. The following list is not exhaustive:

- | | | |
|----|---|---|
| a) | <i>Job deletion</i> | Where there is no longer a requirement for a particular kind of work to be done and the work ceases to exist. |
| b) | <i>Reduction in similar work</i> | Where there is a straightforward reduction in the number of jobs which are the same. |
| c) | <i>New jobs replacing existing jobs</i> | Where jobs are newly created, and replace existing jobs as a result of a re-organisation (NOTE: this may be a dismissal by reason of 'some other substantial reason' rather than redundancy). |
| d) | <i>Change to existing jobs or contracts</i> | Where existing jobs change to a major extent (see NOTE above). |

4. Policy Operation

The Policy will be operated in the following way:-

Consultation and Communication

- 4.1 When a potential redundancy situation arises, the Company will review the number of employees who may be affected. If 20 or more employees may be affected by the potential redundancy situation the Company is required to carry out a collective consultation.
- 4.2 Collective consultation will be carried out in good time , in accordance with the statutory framework provided by the Trade Union and Labour Relations (Consolidation) Act 1992 (“TULR(C)A”), and will last at least as long as the minimum time periods set out in TULR(C)A.
- 4.3 The Company will arrange for appropriate representatives to be elected, and for these representatives to be provided with the relevant information.
- 4.4 The Company will consider and respond to representations made by representatives as part of the consultation process with a view to reaching agreement with the representatives. This consultation will include discussions on ways of:
 - a) Avoiding dismissals through (for example):
 - i) Reducing overtime.
 - ii) Taking account of retirement of employees at normal retirement age.
 - iii) Review the opportunity for changing work patterns.
 - iv) Reviewing the use of agency staff, self-employed contractors and consultants.
 - v) Freezing salaries for a specified period
 - vi) Considering the introduction of short-term working, job sharing or other flexible working arrangements;
 - b) Reducing the number of employees to be dismissed.
 - c) Mitigating the consequences of any dismissals.
- 4.5 Any measures adopted must not adversely affect the Company’s business and its ability to serve its customers.
- 4.6 Where it is not possible to avoid compulsory redundancies we will consult with any elected employee representatives on the procedure to be followed for individual consultations and any criteria to be applied.

Method of Selection for Redundancy

- 4.7 Whether the number of proposed redundancies is above or below 20, the Company will carry out a separate consultation with any individual whose role is at risk of redundancy.
- 4.8 Before commencing the method of selection, the Company may invite applications for ‘voluntary’ redundancy in an endeavour to meet the employee surplus. Whilst recognising the ideal of meeting the surplus situation through voluntary means, the Company reserves the right to choose who is selected for voluntary redundancy based on the business need.
- 4.9 In all cases, the acceptance of a volunteer for redundancy will be a matter of the Company’s discretion and it reserves the right not to

offer voluntary redundancy terms or to refuse an application where it is not in the interests of the business to do so.

- 4.10 Where it is necessary to select employees for compulsory redundancy, the overall objective will be to ensure operational effectiveness, having regard to the requirements of the business.

It is anticipated that the following non-exhaustive list of criteria will typically be used to assess employees;

- a) Employee performance
- b) Employee skills and experience
- c) Employee work record
- d) Employee reliability
- e) Employee absence record (excluding certain types of absence – please see Appendix I for more details).

- 4.11 In line with our Diversity, Equity and Inclusion vision, in carrying out any redundancy exercise the Company will not discriminate (either directly or indirectly) on the grounds of gender, sexual orientation, marital or civil partnership status, gender re-assignment, race, nationality, colour, ethnic/national origin, religion or belief, disability or age. Part-time and fixed-term employees will not be treated differently to full-time or permanent employees.

- 4.12 The criteria used to select employees for redundancy will be objective, transparent and fair. The decision will be based on the skills required for the Company to meet its business needs.

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Termination Arrangements

- 4.13 Employees whose role, at the end of the consultation period, is found to be redundant (whether on a voluntary or compulsory basis) will be given notice of termination of employment in accordance with their contracts.
- 4.14 Employees may (at the Company's discretion) be given the right of appeal against any dismissal by reason of redundancy.
- 4.15 Should the employee not able to be re-deployed (please see below) they will be eligible to receive a statutory redundancy payment that is based on their salary, age and length of service. The length of service will be based on complete years with the Company, and previous non-continuous service with the Company will not be taken into account in this calculation.
- 4.16 For any employees who joined the Company before 1st April 2010, the framework applied to determine any payment to be covered by a separate policy.
- 4.17 Payment to part-time employees will be calculated on a pro rata basis according to their contracted hours of work.
- 4.18 Statutory redundancy payments are made subject to a cap on a week's pay, which is updated in April each year.

Redeployment

- 4.19 In line with statute the Company will endeavour to identify suitable alternative employment as a means to avoiding redundancy.
- 4.20 Continuity of service will apply in cases of redeployment.
- 4.21 An employee who accepts an alternative job (and the terms and conditions applicable to do the job) will be entitled to a minimum statutory trial period of four weeks commencing from the date of redeployment.
- 4.22 Where a suitable offer of alternative employment is unreasonably refused, or having accepted suitable alternative employment the employee unreasonably terminates the contract during the trial period, the Company reserves the right not to pay a statutory redundancy payment.

Time off work for job search

- 4.23 The Company will grant reasonable time off work with pay during any notice period to allow employees to seek alternative work, attend interviews or make arrangements for training, provided the employee obtains prior agreement from their line Manager. This authorisation will not be unreasonably withheld.
- 4.24 The Company will offer any redundant employee reasonable assistance with both writing a CV and seeking future employment such as interviewing practice. This service will normally provided by internal resources to the Company.

5. Responsibility

Employee

5.1 All those persons referred to within the scope of this policy are required to adhere to its terms and conditions.

Management

5.2 The Company is responsible for ensuring that this policy is applied equitably. Any queries on the application or interpretation of this policy must be discussed with the HR Department prior to any action being taken.

HR Department

5.3 The HR department has the responsibility for ensuring the maintenance and regular review of this policy.

The System for Selection

Appendix I

The redundancy policy lists some of the criteria that may apply when an employee is at risk of redundancy. The information below explains in more details the meaning of the criteria and how the points system (of 10 points maximum per criteria) is operated.

a) The requirements of the business

The key focus is for the Company to retain the greatest amount of skills for the future. This criterion is therefore measured by the total investment in training time for each skill possessed by each employee assessed as identified by the Skill Analysis system. The points are calculated as follows:-

| | | |
|-------------------|---|----|
| 3 months training | = | 68 |
| 2 months training | = | 44 |
| 1 month training | = | 22 |
| 2 week's training | = | 10 |
| 1 week's training | = | 5 |

Sum (total skill training time)

10

b) The employee's performance

This would be based on the employee's Line Manager's assessment of the employee's performance. It is important to note that any issues regarding performance will be managed via the Company's capability procedures and not through redundancy.

| | | |
|-----------|---|--|
| 10 points | = | always exceeds job requirements. |
| 5 points | = | meets job requirements. |
| 1 point | = | does not always meet job requirements. |

Written documentary evidence of reasons why an individual has scored a certain level should be given by the Line Manager to avoid subjective assessments.

c) Employee's skills and experience

This criteria is an assessment of the skills that the employee has and can perform effectively in relation to the skills required by the company, with due consideration being paid to the importance of the skill to the company.

Skills required by the employees in the work area in question will be consulted on so that points can be associated with the skills (maximum of 10 points total) before assessment of individuals.

d) Employee's work record

Points of issue under this criterion include:-

1. Disciplinary record (applicable if the warnings are 'live')
2. Notes of commendation or promotions

| | | |
|-------------|---|-----------------------|
| • 10 points | = | Received commendation |
| • 8 points | = | Good work record |

- 6 points = Satisfactory work record
- 4 points = Verbal written warning
- 2 points = Formal written warning
- 0 point = Final written warning

e) Employee's reliability

Reliability can be assessed by the employee's lateness record and their frequency of unauthorised absence (other than sickness absence – please see below). Consideration should be given to records not only immediately prior to the date of assessment but also on a longer term basis (typically over the course of the previous 2 years).

- 10 points = No lateness or unauthorised absence
- 8 points = 1 occasion of lateness
- 6 points = 2 occasions of lateness
- 4 points = 3 occasions of lateness or 1 unauthorised leave period
- 2 points = 4 occasions of lateness or 2 unauthorised leave periods
- 0 points = 5+ lateness or 2+ unauthorised leave periods

f) Employee's absence record

This criteria only applies to the frequency and the total length of absence due to sickness that either causes a high level of absence or restricts them in their normal duties. The Company shall ensure that any absences considered do not include absence related to pregnancy (or other statutory absence), work related illnesses or a disability. Consideration should be given to records not only immediately prior to date of assessment but also on a longer term basis (typically over the course of the previous 2 years).

Scoring is determined as a composite score as follows:-

$$\frac{\text{Points for occasions} + \text{points for total no. of days}}{2}$$

- 10 points = No absence
- 9 points = 1 occasion or 3 days in total
- 8 points = 2 occasions or 6 days in total
- 7 points = 3 occasions or 9 days in total
- 6 points = 4 occasions or 12 days in total
- 5 points = 5 occasions or 15 days in total
- 4 points = 6 occasions or 18 days in total
- 3 points = 7 occasions or 21 days in total
- 2 points = 8 occasions or 24 days in total
- 1 point = 9 occasions or 27 days in total
- No points = 10+ occasions or 30+ days in total

The information collected will be recorded on one matrix for each employee in the redundancy pool so that this information can be discussed and reviewed on an individual basis.

Statutory Entitlement

Appendix II

| Age | Service (Years) | | | | | | | | | | | | | | | | | | |
|-----|-----------------|----|----|----|----|----|----|----|----|-----|-----|-----|-----|-----|-----|-----|-----|-----|-----|
| | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20+ |
| 17 | 1 | | | | | | | | | | | | | | | | | | |
| 18 | 1 | 1½ | | | | | | | | | | | | | | | | | |
| 19 | 1 | 1½ | 2 | | | | | | | | | | | | | | | | |
| 20 | 1 | 1½ | 2 | 2½ | - | | | | | | | | | | | | | | |
| 21 | 1 | 1½ | 2 | 2½ | 3 | - | | | | | | | | | | | | | |
| 22 | 1 | 1½ | 2 | 2½ | 3 | 3½ | - | | | | | | | | | | | | |
| 23 | 1½ | 2 | 2½ | 3 | 3½ | 4 | 4½ | - | | | | | | | | | | | |
| 24 | 2 | 2½ | 3 | 3½ | 4 | 4½ | 5 | 5½ | - | | | | | | | | | | |
| 25 | 2 | 3 | 3½ | 4 | 4½ | 5 | 5½ | 6 | 6½ | - | | | | | | | | | |
| 26 | 2 | 3 | 4 | 4½ | 5 | 5½ | 6 | 6½ | 7 | 7½ | - | | | | | | | | |
| 27 | 2 | 3 | 4 | 5 | 5½ | 6 | 6½ | 7 | 7½ | 8 | 8½ | - | | | | | | | |
| 28 | 2 | 3 | 4 | 5 | 6 | 6½ | 7 | 7½ | 8 | 8½ | 9 | 9½ | - | | | | | | |
| 29 | 2 | 3 | 4 | 5 | 6 | 7 | 7½ | 8 | 8½ | 9 | 9½ | 10 | 10½ | - | | | | | |
| 30 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 8½ | 9 | 9½ | 10 | 10½ | 11 | 11½ | - | | | | |
| 31 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 9½ | 10 | 10½ | 11 | 11½ | 12 | 12½ | - | | | |
| 32 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 10½ | 11 | 11½ | 12 | 12½ | 13 | 13½ | - | | |
| 33 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 11½ | 12 | 12½ | 13 | 13½ | 14 | 14½ | - | |
| 34 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 12½ | 13 | 13½ | 14 | 14½ | 15 | 15½ | - |
| 35 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 13½ | 14 | 14½ | 15 | 15½ | 16 | 16½ |
| 36 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 14½ | 15 | 15½ | 16 | 16½ | 17 |
| 37 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 15½ | 16 | 16½ | 17 | 17½ |
| 38 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 16½ | 17 | 17½ | 18 |

Redundancy Policy cont.

| Age | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20+ |
|------------|----------|----------|----------|----------|----------|----------|----------|----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|------------|
| 39 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 17½ | 18 | 18½ |
| 40 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 18½ | 19 |
| 41 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 19½ |
| 42 | 2½ | 3½ | 4½ | 5½ | 6½ | 7½ | 8½ | 9½ | 10½ | 11½ | 12½ | 13½ | 14½ | 15½ | 16½ | 17½ | 18½ | 19½ | 20½ |
| 43 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 |
| 44 | 3 | 4½ | 5½ | 6½ | 7½ | 8½ | 9½ | 10½ | 11½ | 12½ | 13½ | 14½ | 15½ | 16½ | 17½ | 18½ | 19½ | 20½ | 21½ |
| 45 | 3 | 4½ | 6 | 7 | 8 | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 |
| 46 | 3 | 4½ | 6 | 7½ | 8½ | 9½ | 10½ | 11½ | 12½ | 13½ | 14½ | 15½ | 16½ | 17½ | 18½ | 19½ | 20½ | 21½ | 22½ |
| 47 | 3 | 4½ | 6 | 7½ | 9 | 10 | 11 | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 |
| 48 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 11½ | 12½ | 13½ | 14½ | 15½ | 16½ | 17½ | 18½ | 19½ | 20½ | 21½ | 22½ | 23½ |
| 49 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13 | 14 | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 |
| 50 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 14½ | 15½ | 16½ | 17½ | 18½ | 19½ | 20½ | 21½ | 22½ | 23½ | 24½ |
| 51 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16 | 17 | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 |
| 52 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 17½ | 18½ | 19½ | 20½ | 21½ | 22½ | 23½ | 24½ | 25½ |
| 53 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19 | 20 | 21 | 22 | 23 | 24 | 25 | 26 |
| 54 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 20½ | 21½ | 22½ | 23½ | 24½ | 25½ | 26½ |
| 55 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22 | 23 | 24 | 25 | 26 | 27 |
| 56 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 23½ | 24½ | 25½ | 26½ | 27½ |
| 57 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 24 | 25 | 26 | 27 | 28 |
| 58 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 24 | 25½ | 26½ | 27½ | 28½ |
| 59 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 24 | 25½ | 27 | 28 | 29 |
| 60 | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 24 | 25½ | 27 | 28½ | 29½ |
| 61+ | 3 | 4½ | 6 | 7½ | 9 | 10½ | 12 | 13½ | 15 | 16½ | 18 | 19½ | 21 | 22½ | 24 | 25½ | 27 | 28½ | 30 |