

SOUTHAMPTON PLANT - VOLUNTARY SEPARATION PROGRAMME

Effective immediately, a Special Enhanced Voluntary Separation Programme is open to Hourly and Salaried employees at Southampton Plant

PROGRAMME TERMS

Hourly and Salaried Employees - Voluntary Separation and Redeployment Terms and Conditions

Separation Payments on Redundancy with entitlement to an Immediate Pension

(Employees aged 55 and above on termination)

- **Non Actuarially Reduced Pension** commencing immediately on retirement
- **Separation Allowance:**
 - 1 week's basic pay and shift premium for each year of service before age 41, plus
 - 1.5 weeks' basic pay and shift premium for each year of service from age 41
- **Special Payment** equivalent to 6 months' basic pay and shift premium
- **Southampton Plant Special Payment** equivalent to 3 months' basic pay and shift premium
- **Payment for Breach of Contractual Notice**
- **Untaken Holiday** salaried and hourly entitlement for 2013 and hourly accruals to be paid

Separation Payments on Redundancy with entitlement to a Deferred Pension

(Employees aged 45 to under 55 on termination)

- **Non Actuarially Reduced Pension** commencing at age 55
- **Separation Allowance:**
 - 1.5 weeks' basic pay and shift premium for each year of service before age 41, plus
 - 2.25 weeks' basic pay and shift premium for each year of service from age 41
- **Special Payment** equivalent to 6 months' basic pay and shift premium
- **Southampton Plant Special Payment** equivalent to 3 months basic pay and shift premium
- **Payment for Breach of Contractual Notice**
- **Untaken Holiday** salaried and hourly entitlement for 2013 and hourly accruals to be paid

Separation Payments on Redundancy without entitlement to an Immediate or a Deferred Pension

(Employees aged under age 45 on termination)

- **Separation Allowance:**
 - 2 weeks' basic pay and shift premium for each year of service before age 41, plus
 - 3 weeks' basic pay and shift premium for each year of service from age 41
- **Special Payment** equivalent to 6 months' basic pay and shift premium
- **Southampton Plant Special Payment** equivalent to 3 month's basic pay and shift premium
- **Payment for Breach of Contractual Notice**
- **Untaken Holiday** salaried and hourly entitlement for 2013 and hourly accruals to be paid

Southampton Plant Continuity Payment

(Payable to all employees leaving under the separation programme or redeployed to other locations)

- **Equivalent to 6 months' basic pay and shift premium**

Conditional on continuous normal production to closure (paid regardless of date of separation or redeployment)

Entitlement to a Non Actuarially Reduced Pension: Subject to membership of the Pension Fund and at least 2 years' Company service.

Shift premium: To be based on employee's shift premium immediately prior to single shifting in 2009 where this is more favourable

Examples of Voluntary Separation Benefits for WG03 Hourly Employees: Soton

SER Employee Profile: WG03 Hourly Employee on Double Day shift. **Aged** 58 year with 36 years service

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£12,093.73		Pension without commutation	£19,906.10	nil
17 years post age 41 =	£16,231.06		25% commutation	£14,929.57	£64,246.94
Special Payment =	£16,549.32		Maximum commutation	£13,127.25	£87,514.98
Southampton Plt Special Payment =	£8,274.66				
PILON @ 12 weeks =	£6,570.45				
Total	£59,719.23				
Maximum Continuity Payment =	£16,549.32				
Grand Total	£76,268.55				

Pension commences immediately on retirement

SER Employee Profile: WG03 Hourly Employee on Double Day shift. **Aged** 55 year with 33 years service

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£12,093.73		Pension without commutation	£18,247.26	nil
14 years post age 41 =	£13,366.76		25% commutation	£13,685.45	£62,861.81
Special Payment =	£16,549.32		Maximum commutation	£12,297.71	£81,984.75
Southampton Plt Special Payment =	£8,274.66				
PILON @ 12 weeks =	£6,570.45				
Total	£56,854.93				
Maximum Continuity Payment =	£16,549.32				
Grand Total	£73,404.25				

Pension commences immediately on retirement

DSER Employee Profile: WG03 Hourly Employee on Double Day shift. **Aged** 50 year with 28 years service

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£18,140.60		Pension without commutation	£15,482.52	nil
9 years post age 41 =	£12,889.37		25% commutation	£11,611.89	£53,337.28
Special Payment =	£16,549.32		Maximum commutation	£10,434.42	£69,562.81
SouthamptonPlt Special Payment =	£8,274.66				
PILON @ 12 weeks =	£6,570.45				
Total	£62,424.41				
Maximum Continuity Payment =	£16,549.32				
Grand Total	£78,973.73				

Pension commences at age 55

DSER Employee Profile: WG03 Hourly Employee on Double Day shift. **Aged** 45 year with 23 years service

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£18,140.60		Pension without commutation	£12,686.69	nil
4 years post age 41 =	£5,728.61		25% commutation	£9,515.02	£43,705.65
Special Payment =	£16,549.32		Maximum commutation	£8,550.18	£57,001.17
Southampton Plt Special Payment =	£8,274.66				
PILON @ 12 weeks =	£6,570.45				
Total	£55,263.64				
Maximum Continuity Payment =	£16,549.32				
Grand Total	£71,812.97				

Pension commences at age 55

VR Employee Profile: WG03 Hourly Employee on Double Day shift. **Aged** 35 years with 13 years service

Separation Benefits	Amount
13 years pre age 41 =	£16,549.32
Special Payment =	£16,549.32
Southampton Plt Special Payment =	£8,274.66
PILON @ 12 weeks =	£6,570.45
Total	£47,943.75
Maximum Continuity Payment =	£16,549.32
Grand Total	£64,493.07

The first £30,000 of the total separation payment is non-taxable. To the extent that the total separation payment exceeds £30,000 income tax will be deducted under the PAYE regulations in the normal way

Separation pay would be increased if Group Leaders allowance applies

Calculations showing individual separation entitlement will be provided on request

Examples of Voluntary Separation Benefits for WG04 Hourly Employees: Soton

SER Employee Profile: WG04 Hourly Employee on Double Day shift. **Aged 58 year with 36 years service**

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£12,653.65		Pension without commutation	£20,827.99	nil
17 years post age 41 =	£16,982.53		25% commutation	£15,620.99	£67,222.34
Special Payment =	£17,315.52		Maximum commutation	£13,735.20	£91,567.97
Southampton Plt Special Payment =	£8,657.76				
PILON @ 12 weeks =	£6,874.65				
Total	£62,484.12				
Maximum Continuity Payment =	£17,315.52				
Grand Total	£79,799.65				

Pension commences immediately on retirement

SER Employee Profile: WG04 Hourly Employee on Double Day shift. **Aged 55 year with 33 years service**

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£12,653.65		Pension without commutation	£19,092.32	nil
14 years post age 41 =	£13,985.62		25% commutation	£14,319.24	£65,773.04
Special Payment =	£17,315.52		Maximum commutation	£12,867.24	£85,781.60
Southampton Plt Special Payment =	£8,657.76				
PILON @ 12 weeks =	£6,874.65				
Total	£59,487.21				
Maximum Continuity Payment =	£17,315.52				
Grand Total	£76,802.73				

Pension commences immediately on retirement

DSER Employee Profile: WG04 Hourly Employee on Double Day shift. **Aged 50 year with 28 years service**

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£18,980.48		Pension without commutation	£16,199.55	nil
9 years post age 41 =	£13,486.13		25% commutation	£12,149.66	£55,807.45
Special Payment =	£17,315.52		Maximum commutation	£10,917.66	£72,784.41
Southampton Plt Special Payment =	£8,657.76				
PILON @ 12 weeks =	£6,874.65				
Total	£65,314.55				
Maximum Continuity Payment =	£17,315.52				
Grand Total	£82,630.07				

Pension commences at age 55

DSER Employee Profile: WG04 Hourly Employee on Double Day shift. **Aged 45 year with 23 years service**

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£18,980.48		Pension without commutation	£13,274.23	nil
4 years post age 41 =	£5,993.84		25% commutation	£9,955.67	£45,729.72
Special Payment =	£17,315.52		Maximum commutation	£8,946.15	£59,640.98
Southampton Plt Special Payment =	£8,657.76				
PILON @ 12 weeks =	£6,874.65				
Total	£57,822.25				
Maximum Continuity Payment =	£17,315.52				
Grand Total	£75,137.78				

Pension commences at age 55

VR Employee Profile: WG04 Hourly Employee on Double Day shift. **Aged 35 years with 13 years service**

Separation Benefits	Amount
13 years pre age 41 =	£17,315.52
Special Payment =	£17,315.52
Southampton Plt Special Payment =	£8,657.76
PILON @ 12 weeks =	£6,874.65
Total	£50,163.46
Maximum Continuity Payment =	£17,315.52
Grand Total	£67,478.99

The first £30,000 of the total separation payment is non-taxable. To the extent that the total separation payment exceeds £30,000 income tax will be deducted under the PAYE regulations in the normal way

Separation pay would be increased if Group Leaders allowance applies

Calculations showing individual separation entitlement will be provided on request

Examples of Voluntary Separation Benefits for WG05 Hourly Employees: Soton

SER Employee Profile: WG05 Hourly Employee on Double Day shift. **Aged 58 year with 36 years service**

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£14,245.61		Pension without commutation	£22,371.87	nil
17 years post age 41 =	£19,119.11		25% commutation	£16,778.90	£72,205.21
Special Payment =	£19,493.99		Maximum commutation	£14,753.32	£98,355.47
Southampton Plt Special Payment =	£9,747.00				
PILON @ 12 weeks =	£7,739.55				
Total	£70,345.25				
Maximum Continuity Payment =	£19,493.99				
Grand Total	£89,839.25				

Pension commences immediately on retirement

SER Employee Profile: WG05 Hourly Employee on Double Day shift. **Aged 55 year with 33 years service**

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£14,245.61		Pension without commutation	£20,507.55	nil
14 years post age 41 =	£15,745.15		25% commutation	£15,380.66	£70,648.51
Special Payment =	£19,493.99		Maximum commutation	£13,821.03	£92,140.21
Southampton Plt Special Payment =	£9,747.00				
PILON @ 12 weeks =	£7,739.55				
Total	£66,971.29				
Maximum Continuity Payment =	£19,493.99				
Grand Total	£86,465.29				

Pension commences immediately on retirement

DSER Employee Profile: WG05 Hourly Employee on Double Day shift. **Aged 50 year with 28 years service**

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£21,368.41		Pension without commutation	£17,400.35	nil
9 years post age 41 =	£15,182.82		25% commutation	£13,050.26	£59,944.21
Special Payment =	£19,493.99		Maximum commutation	£11,726.94	£78,179.60
Southampton Plt Special Payment	£9,747.00				
PILON @ 12 weeks =	£7,739.55				
Total	£73,531.77				
Maximum Continuity Payment =	£19,493.99				
Grand Total	£93,025.76				

Pension commences at age 55

DSER Employee Profile: WG05 Hourly Employee on Double Day shift. **Aged 45 year with 23 years service**

Separation Benefits	Amount	+	Pension Choice	Annual Amount	Lump Sum (tax free)
19 years pre age 41 =	£21,368.41		Pension without commutation	£14,258.20	nil
4 years post age 41 =	£6,747.92		25% commutation	£10,693.65	£49,119.50
Special Payment =	£19,493.99		Maximum commutation	£9,609.29	£64,061.95
Southampton Plt Special Payment	£9,747.00				
PILON @ 12 weeks =	£7,739.55				
Total	£65,096.87				
Maximum Continuity Payment =	£19,493.99				
Grand Total	£84,590.86				

Pension commences at age 55

VR Employee Profile: WG05 Hourly Employee on Double day shift. **Aged 35 years with 13 years service**

Separation Benefits	Amount
13 years pre age 41 =	£19,493.99
Special Payment =	£19,493.99
Southampton Plt Special Payment	£9,747.00
PILON @ 12 weeks =	£7,739.55
Total	£56,474.53
Maximum Continuity Payment =	£19,493.99
Grand Total	£75,968.52

The first £30,000 of the total separation payment is non-taxable. To the extent that the total separation payment exceeds £30,000 income tax will be deducted under the PAYE regulations in the normal way

Examples assume that employee has either Elec/Mech, Electronics or IMT allowance

Separation pay would be increased if other allowances also apply

Calculations showing individual separation entitlement will be provided on request