



PrivateEdge

Example Redundancy Policy

This policy sets out what we will do if compulsory redundancies become necessary, including the steps we will take to try to avoid redundancies.

This policy

Wherever possible we want to avoid compulsory redundancies but sometimes this is unavoidable. Things about our business may change, which may be the result of alterations to how we do things, technology moving on or a change in the market. These, and other changes, could all lead to a different need for employees.

Where this happens and a reduction in employee numbers becomes necessary, we want to communicate this clearly to people who are affected and to take steps to deal with the process reasonably.

We will look to find ways of avoiding compulsory redundancies and will consult with employees [and with recognised trade unions and/or employee representatives].

Where any selection for compulsory redundancy is carried out, we will deal with this fairly, reasonably and without discrimination.

This policy is applicable to employees only.

Avoiding redundancies

- Where we are proposing to make redundancies we will consult with all affected employees on an individual basis and, where appropriate, with [recognised trade unions AND/OR employee representatives].
- Before we reach the stage where redundancies are proposed, we will look to avoid the need for compulsory redundancies. Where it is appropriate, we will consider steps like:
 - Looking at our use of agency staff and consultants.
 - Holding salary levels for a period of time.
 - Restricting recruitment in relevant areas, particularly where affected employees could be redeployed.
 - Reducing overtime where this is feasible and in line with business needs.
 - Looking for suitable alternative work that could be offered to those at risk of being made redundant.
 - Considering whether we can ask for volunteers for redundancy. It will be for the Company to decide whether or not to seek volunteers. Equally, agreeing to accept a volunteer for redundancy will be our decision. We can refuse an application for voluntary redundancy where it does not meet the needs of the business.

Where we have to make redundancies

- In some circumstances, we won't have any realistic alternative to compulsory redundancies. Where this is the case we will inform affected employees and, where appropriate, [recognised trade unions and/or employee representatives].
- We will consult [recognised trade unions and/or employee representatives] on the process and the criteria that will be applied.



- We will not discriminate directly or indirectly on grounds of race, colour, nationality, ethnic or national origin, religion or belief, disability, gender, sexual orientation, marital or civil partner status, gender reassignment or age.
- Part-time employees and those working under fixed-term contracts will not be treated differently to comparable permanent, full-time employees.
- Where it is appropriate to select employees who will be at risk of being made redundant, the criteria adopted will be objective, transparent and fair and based on the skills required to for our business.
- Individuals who have been provisionally selected for redundancy will be consulted.
- Where an employee is selected for redundancy, he or she will be given notice of termination of employment in accordance with their contracts as well as notification of the payments that they will receive.
- [There will be an opportunity to appeal against this decision].
- We will continue to look for alternative employment for redundant employees [and inform affected employees of any vacancies] until their employment ends.
- How redundant employees apply for and are assessed for vacancies will depend on the relevant circumstances.
- Alternative employment may be offered subject to a trial period where appropriate.

We will review the policy at reasonable intervals to check that it meets both our legal obligations and requirements as a business. This policy does not form part of any employee's contract of employment and we may amend it at any time.

Kennedys
Legal advice in black and white

MILLS & REEVE



American International Group, Inc. (AIG) is a leading global insurance organisation. Founded in 1919, today AIG member companies provide a wide range of property casualty insurance, life insurance, retirement products, and other financial services to customers in more than 80 countries and jurisdictions. These diverse offerings include products and services that help businesses and individuals protect their assets, manage risks and provide for retirement security. AIG common stock is listed on the New York Stock Exchange and the Tokyo Stock Exchange.

Additional information about AIG can be found at www.aig.com and www.aig.com/strategyupdate | YouTube: www.youtube.com/aig | Twitter: @AIGinsurance | LinkedIn: <http://www.linkedin.com/company/aig>.

AIG is the marketing name for the worldwide property-casualty, life and retirement, and general insurance operations of American International Group, Inc. For additional information, please visit our website at www.aig.com. All products and services are written or provided by subsidiaries or affiliates of American International Group, Inc. Products or services may not be available in all countries, and coverage is subject to actual policy language. Non-insurance products and services may be provided by independent third parties.

American International Group UK Limited is registered in England: company number 10737370. Registered address: The AIG Building, 58 Fenchurch Street, London EC3M 4AB. American International Group UK Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and Prudential Regulation Authority (FRN number 781109). This information can be checked by visiting the FS Register (www.fca.org.uk/register).