

TERMS AND CONDITIONS OF EMPLOYMENT

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2.1 Probationary Period

The first thirteen weeks of employment are regarded as probationary, to allow sufficient time to settle into your new employment. However this may be extended by the company, in writing, in certain circumstances. After successful completion, the Personnel Department will confirm your continued employment with Renishaw in writing.

2.2 Hours of Work

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The normal weekly hours of work are 37. Current start and finishing times for the majority of employees are as follows:-

Monday to Thursday: 8.00am - 4.15pm

Friday: 8.00am - 3.45pm

However, please refer to your individual Employment Offer Letter/Contract of Employment, as the company operates a number of working patterns to meet the needs of the business which may vary the above hours.

There is a 45-minute unpaid lunch break, unless otherwise agreed. The start of lunch break is determined according to the department you work in and operates on a rotational basis. Confirmation of the current arrangements can be found on the company's intranet (Insite) and company notice boards.

For people who are not permitted to take refreshment at their place of work there will be a mid-morning break which is departmentally agreed.

You are required to arrive punctually and commence work at your designated workplace at the appointed time. If however you know of something that may cause you to be late you must advise your Supervisor or the Personnel Department (if your supervisor is not available at the time) as soon as possible.

2.3 Shift work

Renishaw operates a number of shift patterns to meet its business commitments and reserves the right to change them with reasonable notice. You should be prepared to change from your assigned shift to any other shift according to production requirements.



Those employees required to work shifts will be paid a premium rate above basic salary. Unless otherwise stated, the current rates are as follows:-

For each night shift worked: 33.3%

Double alternating day shift: 20%

Note: A shift premium is only paid during periods of attendance at work, other than in cases of industrial accident.

2.4 Offsite Working Premiums

International Service Premium (ISP), currently set at 10% of basic salary, is payable where employees are scheduled to spend in excess of 10 weeks per annum working abroad on business. Area Field Service Premium (AFSP) is currently set at 10% of basic salary and is paid to Service and Applications Engineers. These premiums are paid as compensation for travelling and working irregular hours to satisfy customer requirements.

These are non-pensionable additions to salary and will be reviewed annually to ensure that the entitlement will be sustained for the coming year. No overtime, or time off in lieu (TOIL) applies when these premiums are paid. Entitlement to the premiums must be authorised in writing by the Director and General Manager of the appropriate Division and by the Group Human Resources Manager.

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2.5 Overtime

All employees who are entitled to overtime payments may be required to work overtime. All overtime must be authorised in advance by the Manager and, where possible, all overtime worked must be supervised. Working through the lunch break does not qualify as overtime. Entitlement to receive overtime pay is stated in the employee's individual Offer Letter/Contract of Employment. If you are requested to work overtime, the following rules apply:

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Dayshift

From Monday to Friday inclusive:- overtime is payable after a minimum of 1 hour has been worked and is paid at time and a third for the first 2 hours and thereafter at time and a half, calculated in quarter hour increments.

Saturday and Sunday: - Hours worked on a Saturday and Sunday are added together. The first 7 hours are paid at time and a half, thereafter at double time.



Nightshift

From Monday to Friday inclusive:- All overtime is paid at time and a half and calculated in quarter hour increments.

Saturday and Sunday:- Hours worked on a Saturday and Sunday are added together. The first 7 hours are paid at time and a half, thereafter at double time.

N.B. Weekend overtime will not normally be available if you have been absent for any reason on the immediately preceding Friday. Also, please be aware that employees will not be paid overtime for time spent travelling on company business unless agreed with the Personnel Department.



2.6 Overtime Payments for Work on Public Holidays

From time to time, those employees who are entitled to overtime payments may be required to work on Public holidays in order to meet production deadlines, for which the following financial and time off benefits apply:-

New Year's Day, Christmas Day and Boxing Day = Double Time + Lieu Day

Other statutory holidays and company holidays = Time and a half + Lieu Day

2.7 Time Off In Lieu (TOIL)

For those employees who are not entitled to overtime payments the following rules for TOIL will apply:

- If more than 5 hours is spent travelling at a weekend then one day is accrued as TOIL;
- An employee returning from a long haul flight (more than 5 hours duration) is not expected in the office on the day of return. However, the employee is expected to work the next day if it is a normal working day;
- If an employee's contract contains a premium for non-standard working arrangements for example, International Service Premium (ISP) or Area Field Service Premium (AFSP) then there is no entitlement to TOIL;
- If an employee is not entitled to paid overtime, then full or half days worked at weekends will entitle the employee to the same number of days (or part days) TOIL. Free time at weekends when away on business will not qualify for TOIL; For example an employee away on business for two weeks will not attract TOIL for the middle weekend if they are not working. Actual entitlement accrued must be agreed with the Manager as soon as possible on return;
- TOIL must be taken within 3 months of the date it is accrued;
- The Divisional Departmental Secretary will be responsible for recording all TOIL for the Division/Department concerned and notify the Personnel Department, in writing, so that the sickness absence record can be amended.

2.8 Time Off In Lieu (TOIL) for Work on Public Holidays

The company acknowledges that there may be occasions where an employee who is entitled to TOIL is required to work on a Public Holiday. Therefore, to ensure consistency in the company's approach, the lieu time entitlement will be based on a calculation equivalent to that which an employee entitled to overtime payment would have received.

For example:

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An employee entitled to overtime payment working on a Public Holiday will attract payment at time and a half plus one day off in lieu (see section on 'Overtime payments for work on Public holidays').

An employee who is entitled to TOIL working on a Public Holiday will receive two and a half days lieu time (this includes time off in lieu to compensate for the time and a half payment to be received by an employee entitled to payment for overtime).

2.9 Holiday Entitlement

All employees are entitled to 21 days' paid annual holiday, on a pro-rata basis, plus 4 'company' days which are pre-determined by the company. These 'company' days are normally used to bridge the gap between Christmas and New Year and all employees in employment at that time, irrespective of service, are entitled to them.

The balance of 21 days' paid holiday may be taken at any time but must be mutually agreed with your Manager. See section on 'Booking of Holidays'. The holiday year runs from the 1st January to the 31st December.

2.10 How to Calculate Holiday Entitlement

All employees will start to accrue holiday from the day that they start work (including temporary employees). Therefore, holidays are now calculated on a weekly basis, instead of monthly, and the current entitlement is 21 days' holiday (pro-rata for part-time employees).

Example:

A new employee starts work at the beginning of calendar week 4 (January). The calculation is as follows:

21 days divided by 52 weeks (number of weeks in a year) x 49 (number of weeks remaining to be worked in current year) = 19.78 which is rounded up to the nearest half day = 20 days

Note: employees who leave the company during the year will not accrue a full year's holiday entitlement. The holiday calculation will be based on the number of weeks worked only.

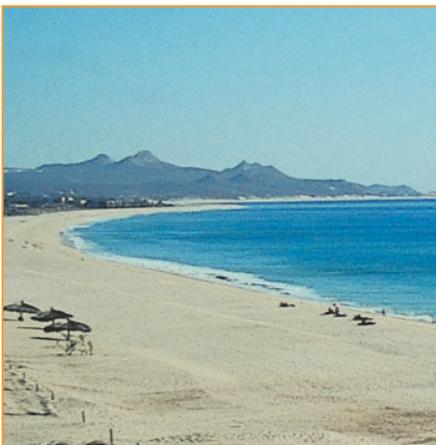
All new starters should be informed of their holiday entitlement during induction and a central record of leave taken will be held on the company's records.

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2.11 Booking of Holidays

There are varying types of leave available, some paid, some unpaid. Irrespective of the type of leave you wish to take the company will ensure the entitlement is always at least the guaranteed minimum required by law. However, the timing of leave is discretionary and must always be authorised in advance by your Manager. This is essential to minimise the impact on operations. Leave that has been agreed will be recorded on a departmental basis.

Requests for holiday leave should be made to, and agreed by, your Manager giving notice that is at least twice the total period of your proposed leave (e.g. if the duration of your leave is two weeks the company will need at least four weeks notice). Your Manager will then consider the impact your request will have on the department i.e. other leave requests for the same period.



Terms and Conditions of Employment

Holidays may not be carried over into the following holiday year, unless there are exceptional circumstances, when up to 5 days can be carried into the next holiday year. Prior written approval from your Departmental Manager and the Personnel Department must be received and this carry over must be used by the 31st of March of the following year. No payment in lieu will be made for carry-over days that are not taken by the 31st March.

2.12 Effect on Holiday Entitlement if You Leave the Company

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If you have not taken all your holiday entitlement at the date of leaving, any outstanding holiday pay will be included in your final pay. Conversely, if you have taken more holiday than you have accrued at the point of leaving, the company will deduct the relevant amount from any final pay calculation.

2.13 Effect of Sickness Absence on Holiday Entitlement

In cases of long-term sickness, where you have been unable to use all of your annual holiday entitlement, any additional days accrued may be carried over to the following year upon written request from the employee before the end of the year. The request to carry over holidays accrued due to long-term sickness must be submitted in writing to the Personnel Department before the end of the calendar year in which the entitlement accrues. These days must be used before the company's year-end (they do not have to be taken by 31st March of the following year), and will be subject to the approval of the Departmental Manager in line with the needs of the business. See section on Sickness Absence Policy for more information.



2.14 Other Discretionary Leave

Compassionate Leave

The company recognises the need to allow paid leave for employees to organise/attend funerals of close relations or deal with a family illness. However, this is entirely discretionary. The following leave normally applies in the event of the death of:-

Spouse or children: Up to five days' paid leave.

Parents or Parents-in-Law: Up to three days' paid leave.

Other family: One day's paid leave. e.g. Brothers, Sisters, Grandparents and other close relations.

Non-family: Unless representing the company, time should be taken off as holiday.

If special circumstances apply, leave can be extended or working time changed to accommodate your situation, but this will be at the discretion of your Manager and the Personnel Department.

Part time Military Service

The company will allow up to one week's unpaid leave each year to participate in Military Reserve Training. Any further leave must be taken as annual holiday entitlement. In the event of any compulsory call up, procedures will be in accordance with the current legal guidelines.

Retained Firefighters

The company will allow time off, with full pay, for any initial training required by an employee in order for them to achieve their Retained Firefighter status. Any additional training must be taken as part of their annual holiday entitlement or as unpaid leave.

Jury Service

On production of the Jury Notice, the company will allow leave with pay as required. However, deductions will be made equalling loss of earnings expenses directly paid to the employee by the Courts.

Statutory Public Duties

Renishaw is committed to serving the community and this is reflected in the policy of allowing reasonable paid time off to allow employees to carry out statutory public duties, e.g. JP (Justice of the Peace), Member of Statutory Tribunal, Member of Board of Visitors for Prisons and such like. However, each request will be reviewed on its merits and approved in writing by the Personnel Department.

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2.15 Maternity Entitlements/Family Friendly Policies

Renishaw is committed to all statutory obligations under the current legislation to employees regarding maternity entitlements and family friendly policies. Please be aware that, in some cases, significant notice is required before such leave is granted. When you notify the Personnel Department, in accordance with the maternity leave procedure, a meeting will be arranged with a member of the Personnel Department who will explain the procedure in detail.

Please refer to the Personnel Section on the company's intranet (Insite) (called 'Family friendly policies') or the Personnel Department direct for more information about the different types of leave available.



2.16 Leave for Family Emergencies

By law the company may grant **unpaid leave** in the event of a family crisis.

This will only apply where there has been a misfortune which is severe and unexpected to either your spouse, child, parent or a person living in the same household who is not the tenant, lodger, boarder or a person employed by you (i.e. this will not normally cover your friends or neighbours).

Please be aware that you may lose the right to unpaid leave for a family emergency if you do not provide a reason for your absence to your Manager by 9.30 a.m. on the day of that absence. Time taken will only be granted to deal with the emergency itself. For example, if your child falls ill, you will be able to take them to the surgery/hospital or to arrange for someone else to look after them. However, you would need to make alternative arrangements for leave if you wanted to care for them yourself.

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2.17 Employment and Legal Offences

Employees should be aware that a conviction, for certain offences, may have an adverse effect on their continued employment with the company e.g. Applications Engineers or Area Sales Managers - employees involved in this type of work are expected to have a current and valid driving licence to be able to perform their duties.

Employees are reminded that, if they lose their licence for any reason, such inability to perform their duties may lead to alternative employment being found within the company or, ultimately, termination of employment.

Notes

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