

Diligenta Annual Pay Review 2024 - Key Principles

This document sets out the Key Principles in relation to the 2024 Diligenta Annual Pay Review, including all applicable eligibility criteria. Please also refer to the 2024 Pay Review FAQs, available on Diligenta Hub/People Guidance/Reward & Recognition/Pay Review.

1. Effective date

Provided you meet all required eligibility criteria, your annual pay award will take effect from 1st April 2024.

2. Calculation

Any applicable salary increase will be based on your base salary as at 31st March 2024. Any other relevant salary changes that also take effect from your pay award effective date (e.g. change of hours) will also be factored into the calculation accordingly.

3. Eligibility Criteria

Irrespective of your start date, all colleagues will be paid our minimum pay rate of the Real Living Wage and this will be processed in the same month as the 2024 annual pay review, backdated to 1st April 2024.

To be eligible you must fulfil both of the following criteria in 3a), and not fall into any of the categories in 3b):

- a) i. be employed by Diligenta as at 1st April 2024 and paid via the monthly Diligenta payroll,
and
ii. be a permanent or short (fixed) term employee (please refer to point 9 if you are or have been an Agency Worker in performance year 2023-24).

b) You are not eligible for inclusion in the 2024 annual pay review if you fall into any of the following categories, even if you fulfil the criteria in point 3a) above:

i. you joined or transferred via TUPE into the Company on or after 1st January 2024

However, if you have been recruited onto a Diligenta employment contract between 1st January and 31st March 2024 inclusive, having been continuously employed as an Agency worker at Diligenta directly before 31st December 2023 (see point 8), you will still be eligible to be considered for an increase in the 2024 review, provided you fulfil all other applicable eligibility criteria.

ii. All Leavers (other than 'Redundancy'): you are not eligible if you are under notice (given or served) on the pay day when any annual increase is actually processed, even if you are still employed by the company at that date. **The only exception to this is anyone who has given 6 months' notice under the Retirement Leave Guidelines who remains eligible, provided they meet all other eligibility criteria.**

iii. Redundancy: you are not eligible if you are served formal notice of redundancy by either voluntary or compulsory means, **prior to 1st April 2024**. If however you are served formal notice **on or after 1st April 2024**, you will be considered for participation in the annual pay review process, regardless of whether you are still employed on the pay day when any annual increase is processed. This includes re-working of relevant redundancy payments, if applicable.

iv. Formal warnings: you are not eligible if you have had a formal warning issued from 1st April 2023 to 31st March 2024 inclusive. Please note that any formal warning still in place that was issued in the previous performance year, will not be counted.

4. Promotions/Exception salary increases awarded within the performance year

In accordance with the Salary Changes, ERAs & Promotions policy, annual pay review eligibility is not ordinarily affected by any other salary increase that has been awarded during the year e.g. Promotion.

However in rare cases, the CEO/People Director may sanction an exception to this default position, and deem that for whatever reason, the individual is to be ineligible for the annual pay review. If this affects you, you will be informed directly via your Promotion/Exception pay increase letter and it is your line manager's responsibility to ensure that your pay increase letter correctly reflects this.

5. Red-circling

'Red circling' is the term that is applied to a minority of our people, who are usually rendered ineligible for an annual salary review because their base salary is already above the upper point of the indicative company pay range for their role. However, for 2024 annual pay review, if you are 'red circled' you will receive a pay award of 50% of the applicable pay award percentage that you would otherwise have received had you not been 'red circled'. For example, if your applicable pay award was to be 4.25%, then your actual 2024 pay award for would be 2.125%.

Please also note that in a very small number of cases, where a (job mapping) transition arrangement applies, you will receive the full applicable pay award and it will be paid in line with that arrangement. If you fall under one of those arrangements, you will have received a letter confirming so.

6. Leave of absence

Any leave of absence, for whatever duration/reason (e.g. sick leave, maternity/paternity leave), does not automatically, of its own accord, render you ineligible for participation in the annual pay review process. However, if you meet any of the other 'ineligibility' criteria cited in these Principles, you would be ineligible for an annual pay award regardless.

7. Extra Responsibility Allowances

Unless specified as being contractual for consideration as part of the pay review process, these additional temporary fixed allowances continue to be ineligible for consideration for annual pay increase uplifts.

8. Note for Agency Workers

If you are an Agency worker, you may be eligible for consideration for an increase in your rate of pay (subject to certain eligibility criteria). If this applies to you, you will be notified of any changes via your Agency towards the end of the month in which any wider Company increase is processed. If you have any queries regarding this, you should discuss with your Agency at that point.

To be considered, in accordance with all other Key Principles herein, you must have been working on the Diligenta contract for a minimum of 12 + consecutive weeks as at 1st April 2024, and still be doing so on the Diligenta payday of the month any annual pay increases are processed.

9. Payment

Subject to all aspects of the pay review process being successfully concluded, including final calibration of performance ratings and any relevant union ballots, we aim to pay the applicable pay award as soon as practically possible after the award effective date. For 2024 this is intended to be in June pay, but this is not guaranteed. However once the pay award is ready to be processed/paid, it is always backdated accordingly to the relevant effective date.

10. Letters & communication

Pay award letters to all those eligible for pay review are made available on People Portal and regular communications/updates are published throughout the ongoing pay review process in order to keep everyone suitably informed of proceedings and letter availability.

The company reserves the right to review and amend any of the above criteria at any time or to add in additional criteria.