



# FirstRand

## FIRSTRAND RETRENCHMENT POLICY STATEMENT

### INTRODUCTION

FirstRand Limited (FirstRand or the group) is a portfolio of integrated financial services businesses operating in South Africa, certain markets in sub-Saharan Africa and the UK. As a large financial services business and significant employer, FirstRand is committed to employment security and responsible workforce restructuring.

### PURPOSE

This policy statement summarises the approach to responsible retrenchment practices. This policy statement is supported by a detailed internal procedure as described below.

### APPROACH

FirstRand has a retrenchment procedure (the procedure) that covers the minimisation or avoidance of retrenchments, responsible retrenchment procedures and measures to mitigate the consequences for employees who are made redundant. The procedure forms part of the agreement concluded between the group and the South African Society of Bank Officials (Sasbo) – the finance union.

### Scope

The procedure covers all of the group's South African entities (which together employ more than 80% of the group's total workforce). In the event that the group determines that there is a need to reduce the workforce, or that certain positions have become redundant, this procedure will apply. The group is, however, committed to employment security and responsible workforce restructuring across all of the jurisdictions where it operates.

### Minimising or avoiding retrenchment

FirstRand will consider the factors outlined below, where appropriate, which should assist in minimising the extent of retrenchments.

- **Excess employees:** Excess employees should be considered for any vacancies, provided they meet the selection requirements for that particular post.
- **Natural attrition:** The group will recruit only on a selective basis to fill positions that cannot be occupied by excess employees. The group will allow natural attrition as a result of resignations, retirements, disciplinary actions, etc. to reduce the workforce to the desired level provided they occur within strategic timeframes.

- **Transfers:** Consideration will be given to transferring employees from one area to another, within reason. Costs associated with the transfer will be discussed with the employee based on the group's transfer history with that employee. No employee will be forced to relocate from one town or city to another.
- **Reduce temporary/casual labour/contractors:** Reduce temporary, casual or contract labour wherever it is possible and practical.
- **Lower-category employment:** Should suitable vacancies arise employees may, after consultation and by free and voluntary agreement, be offered employment at a lower category and may be paid the wage rate applicable to the lower category, provided they accept this by signing a change of rate and designation form to that effect.

### **Criteria to determine which employees should be retrenched**

The overriding principle applied in determining retrenchment criteria is ensuring that essential persons, including skilled personnel and specialists, are identified and retained in order to maintain the core skills of the business and to ensure the group can achieve its long-term objectives.

### **ENGAGEMENT AND FEEDBACK**

Contact FirstRand Investor Relations on [investor.relations@firstrand.co.za](mailto:investor.relations@firstrand.co.za).