

Flexible Holiday Policy

Scope : This policy applies to the following AG Barr business divisions :

Barr Soft Drinks	FUNKIN Cocktails
✓	✓

1. POLICY

As part of the Company’s Total Reward Package, it is our policy to provide colleagues with greater flexibility in how they use their annual holiday entitlement.

2. PURPOSE & SCOPE

The Flexible Holiday scheme is offered to all Barr Soft Drinks and Funkin colleagues subject to certain conditions.

The aim of the scheme is to provide all colleagues with the opportunity to “buy” or “sell” some of their annual holiday entitlement so that their annual leave can better match individual circumstances and lifestyles.

Statutory holidays are not affected by this policy.

3. DEFINITIONS

Holiday Year – the holiday year will commence on the 1st April each year ending on the last day of March the following year.

Annual Holiday Entitlement – All colleagues receive the equivalent of 5.7 weeks paid holiday entitlement each year. For the majority of colleagues this equates to 33 days of leave (pro-rata for part-time workers and equivalent for shift workers). This is made up on public holidays and annual leave.

Annual Flexible Benefits Re-enrolment Window – Each year a “Flexible Benefits Re-enrolment Window” will be opened for colleagues to make requests to make changes to their flexible benefits choices for the year ahead. This include the option to “buy” or “sell” up to the equivalent of 1 working weeks’ holiday entitlement. The “Annual Benefits Re-enrolment Window” will usually open in March each year. The necessary payroll administration will then take place to allow the scheme to be implemented on the 1st April.

4. CONDITIONS OF THE SCHEME

The conditions for colleagues to “buy” or “sell” holidays are as follows :

- 4.1** Colleagues must take at least 20 days / 4 weeks of annual leave in any holiday year (pro-rated for part-time colleagues). Continental shift workers must take at least 16 shifts of annual holiday entitlement.

- 4.2** The maximum number of holidays which can be bought or sold is the equivalent to a colleague's contractual working week e.g. 5 days (pro-rated for part-time workers) or 3 shifts in the case of continental shift workers.
- 4.3** Only whole days can be bought or sold (pro rata for part-time colleagues).
- 4.4** As the process of buying holidays is a form of “salary sacrifice”, colleagues cannot buy and sell holidays within the same holiday year.
- 4.5** Where applicable the cost of buying or selling a holiday for shift workers will be calculated using the colleague’s normal shift premium as at the start of the holiday year.
- 4.6** The cost of buying or selling a holiday will be fixed at the start of the holiday year and will remain in force for the holiday year subject to the points made under section 9 below.
- 4.7** An colleague’s holiday entitlement for the holiday year will be amended at the start of the holiday year, depending on whether additional holidays are bought (days added to current entitlement) or sold (days deducted from current entitlement).
- 4.8** Bought holidays cannot be sold back to the Company during the holiday year. Unless the Company, in its absolute discretion, determines that there are exceptional circumstances, holidays not taken by the end of the holiday year will be forfeited. This applies to all holidays inclusive of all normal and bought entitlement. No compensatory adjustment to pay will be made.
- 4.9** Sold holidays cannot be bought back by a colleague during the holiday year.
- 4.10** For the avoidance of doubt, any additional holidays bought will be the first to be used from a colleague’s entitlement

5. FIXED TERM / TEMPORARY EMPLOYEES

Fixed term / temporary colleagues are eligible to participate in the Flexible Holiday scheme. Should colleagues on fixed term contracts choose to participate in the Flexible Holiday scheme, and subsequently leave the business during the holiday year, the remaining balance will be deductible or credited within the final month's salary.

6. PART-TIME WORKERS

Part-time workers are eligible for the Flexible Holidays scheme. The limits on the number of days which can be bought or sold will be prorated depending on the number of days they work per week. Entitlements will be rounded up to the nearest half day. Calculations, as detailed at section 9 below, will be done on a pro-rata basis.

7. APPLICATION PROCESS

Colleagues will be given the option to “buy” or “sell” some of their annual holiday entitlement via the Annual Flexible Benefits re-enrolment window. All applications must be made online via the Barr Benefits portal.

As the process of buying holidays is a form of salary sacrifice, colleagues cannot buy and sell holidays within the same holiday year.

8. ADJUSTMENTS TO PAY

Where a colleague opts to “buy” or “sell” annual holiday, this will result in an adjustment to your pay. The pay adjustment (either a reduction or increase) will be spread evenly over the holiday year.

Holiday “buy” – in the case of buying holidays your take home pay will reduce because you will have to “sacrifice” salary for the additional holidays you wish to take.

The Company’s aim in implementing Flexible Holidays is to benefit you and to ensure you will not suffer any disadvantage as a result of participation. Although you need to “sacrifice” part of your pay in exchange for additional holidays, all future pay rates and rises, allowances and entitlements and your bonus will be based on earnings before any salary sacrifice is taken into account . This amount is referred to as “Reference Pay”.

Appropriate adjustments will be made to Reference Pay, to take account of holidays bought, before deductions of Income Tax and National Insurance Contributions are applied.

Holiday “sell” – in the case of selling holidays your take home pay will increase because you will receive additional pay for the days you have “sold”.

Although your take home pay will increase, all future pay rates and rises, allowances and entitlements and your bonus will be based on earnings before any pay increase for days sold. This amount is referred to as “Reference Pay”.

Payments made for annual leave sold will be subject to Income Tax and National Insurance Contributions.

Where holidays are paid at basic pay (plus shift premium if applicable) a day’s holiday is calculated by dividing the annual basic salary (plus shift premium if applicable) by 260 days (or 182 shifts in the case of continental shift workers). This value must then be multiplied by the number of holidays to be bought or sold to calculate the cost of the additional holidays or the increase in pay. An appropriate adjustment to pay is then applied as a salary sacrifice or additional payment spread equally over the full holiday year.

Where holidays are paid at a fixed monetary amount, a colleague's daily holiday rate is available from their site payroll administrator. This value must be multiplied by the number of holidays to be bought or sold to calculate:

- the cost to the colleague of buying holiday entitlement;
- **OR**
- the increase in pay a colleague will receive for selling holiday entitlement.

An appropriate adjustment will be made to pay to take account of the salary sacrifice for holidays bought or an additional payment for holidays sold. The salary sacrifice or additional payment will be processed as a separate hourly rate adjustment throughout the year. A ready reckoner is available from HR should a colleague wish to know the exact hourly rate adjustment applicable.

9. CHANGES IN PAY OR WORKING PATTERNS DURING THE YEAR

Once a Flexible Holiday Request has been enacted, colleagues will not be able to change their holiday entitlement until the next Flex Window opens.

The cost of buying or selling holidays will therefore be fixed at the start of the holiday year and will remain in force for the holiday year.

In normal circumstances, no adjustments will be made to the Flexible Holiday “buy” or “sell” calculations for any changes to a colleague’s pay or shift premiums which occur during the holiday year.

However, where a colleague significantly changes their hours of work during the holiday year, resulting in a significant change to their pay e.g. part-time working, then consideration will be given to making a pro-rata calculation and adjustment taking into account the holidays accrued and the holidays taken at the time of the change.

10. STATUTORY PAYMENTS

If a colleague has bought holiday entitlement and, during the holiday year, the colleague is in receipt of a statutory payment only (including Statutory Maternity Pay, Statutory Adoption Pay, Statutory Paternity Pay or Statutory Sick Pay) or no pay, then it will not be possible to “sacrifice” pay at this time.

In these circumstances a reconciliatory deduction will be calculated and applied when the colleague receives pay again.

Again, for the avoidance of doubt, any additional holidays bought will be the first to be used from a colleague’s entitlement.

11. HOLIDAY RULES

Any Flexible Holiday choices will be managed in accordance with the normal holiday rules as set out in the Time off Work policy, as detailed in individual statements of terms and conditions and in line with any local arrangements. For example, additional holidays need to be taken by prior arrangement with management.

12. JOINING DURING A HOLIDAY YEAR

New colleagues joining the Company during a holiday year will only be eligible to participate in the scheme from the start of the following holiday year.

13. LEAVING DURING A HOLIDAY YEAR

Where a colleague has bought or sold annual leave, the days are considered accruable for the purposes of calculating holiday entitlement up to the date of leaving.

Where a colleague has bought holiday entitlement, the additional days purchased are paid for evenly throughout the holiday year i.e. the days are not fully funded until the holiday year has completed. Therefore colleagues are only paid for the days accrued at the time of leaving, unless they have used more holidays than the accrued entitlement.

Where a colleague has sold annual leave they receive additional pay in return for these days evenly throughout the year. A colleague who leaves part way through a holiday year will only have accrued a proportion of the leave they have sold. Therefore the colleague will already have been paid for the number of days that have accrued at the time of leaving, unless they have used more holidays than the accrued entitlement.

Normal contractual rules apply in relation to the deduction of pay for leave taken in excess of accrued holiday entitlement at the time of leaving.

In calculating accrued annual leave upon leaving, entitlements are rounded up to the nearest half day.

14. RESPONSIBILITIES

Line Managers are responsible for:

- Ensuring their team members are consuming holidays throughout the holiday year and taking regular wellbeing breaks
- Ensuring appropriate holiday coverage within their teams to support business requirements

Colleagues are responsible for:

- Complying with the terms of the Flexible Holidays policy

15. COMPANY DISCRETION

This policy is applied at the Company's absolute discretion and may be amended, updated or withdrawn at any time without notice in order to respond to the changing needs of the business as well as changes in legislation.

This policy does not confer any contractual rights

Last Reviewed : November 2023	Last Updated : November 2023
--------------------------------------	-------------------------------------