

DATED

COLLECTIVE AGREEMENT

RE

LOGISTICS TRANSFORMATION
VARIATION TO TERMS & CONDITIONS OF EMPLOYMENT
LEVEL 1 & LEVEL 2 TEAM MEMBERS EFFECTIVE 31 JANUARY 2021

Between

WILKO RETAIL LIMITED (“THE COMPANY”)

And

GMB UNION (“THE UNION”)

THIS COLLECTIVE AGREEMENT dated _____ relates to changes to terms and conditions agreed following consultation in respect of Logistics transformation, effective 31 January 2021.

BETWEEN

(A) WILKO RETAIL LIMITED incorporated and registered in England and Wales with company number 00365335 whose registered office is at JK House, Roebuck Way, Manton Wood, Worksop, Nottinghamshire. S80 3EG)
(the **Company**)

and

(B) THE GMB TRADE UNION, a trade union certified as independent in the United Kingdom and having its headquarters at 22 Stephenson Way, Euston, London. NW1 2HD (the **Union**)

1. PURPOSE

1.1 This Collective Agreement has been reached following collective bargaining between the Company and the Union and is intended to implement the terms approved and agreed at the workplace ballot conducted by the Union which commenced 9 December 2020 with its members which closed 22 December 2020, the results of which were formally notified to the Company on [date].

1.2 The collectively agreed terms set out in this Agreement are designed to meet the Company's commitment to ensure we have in place a workforce that is flexible, capable and agile with industry-standard working patterns to meet the needs of the Company as it moves ahead with its plans to modernise technologies, maximise operational efficiencies and strengthen our administrative and logistics platform within the Wilko Distribution Centres (i.e. DC1 – Worksop, and DC2 – Magor), and to change certain terms relating to pay, benefits and working conditions of the Company's affected employees.

1.3 This Collective Agreement is not legally enforceable as between the Company and the Union, although its contents are incorporated into the terms and conditions of employment of the Company's employees as set out in section 5.

2. SCOPE

2.1 This Collective Agreement covers the following categories of employees of the Company (whether employed as at the date of this Collective Agreement or in the future) (the "**In-Scope Employees**"):

- (a) Non-Executive (Level 1 and Level 2 Team Members), with the exception of Apprentice Engineers.
- (b) Based at Distribution Centre 1 (Worksop) or Distribution Centre 2 (Magor).

3. COMMENCEMENT AND AGREEMENT

3.1 The Company and the Union agree that the collectively agreed terms as set out in Appendix 3 will be implemented for the in-Scope Employees with effect from 31 January 2021.

3.2 The parties agree that the In-Scope Employees employed as at 31 January 2021, whose terms have been collectively or individually agreed, will be entitled to a buy-out on the terms set out in Appendix 2 and at the rates stipulated in Appendix 2.

4. INCORPORATION INTO EMPLOYEES' CONTRACTS

- 4.1 For ease of reference, Appendix 3 sets out details of the collectively agreed changes, as incorporated into the Company's standard Statement of Principal Terms and Conditions of Employment.
- 4.2 Despite the presumption that this collective agreement is itself not legally enforceable as between the Company and the Union, the parties expressly acknowledge and agree that the terms and conditions collectively agreed as set out in Appendix 3 are apt for incorporation into the individual contracts of employment of the In-Scope Employees.
- 4.3 The Company and the Union further intend and agree that the terms and conditions collectively agreed as set out in Appendix 3 shall be incorporated into the individual contracts of employment of the In-Scope Employees, such that with effect from 31 January 2021 all In-Scope Employees' terms and conditions of employment shall be replaced with those set out in Appendix 3 (subject to the inclusion of the applicable details in clauses 1 to 6). Prior to 31 January 2021, the Company shall issue individual employees with a copy of their personalised terms and conditions (ie with the applicable details included within clauses 1 to 6), which terms shall then be binding on the employees with effect from 31 January 2021.
- 4.4 The Company and the Union acknowledged their joint responsibility as set out in their Recognition Agreement to communicate these collectively agreed terms to the affected employees and to ensure that they are incorporated into their contracts of employment.
- 4.5 The new terms and conditions are to be implemented for the In-Scope Employees in full and without exception and shall replace all existing terms and conditions. However, where there are individual significant and/or extenuating circumstances (e.g. to comply with an obligation to make reasonable adjustments for a disabled worker), the Company will consider flexible working requests on an individual basis.
- 4.6 The Company has informed the Union during the consultation process that if any In-Scope Employee has individual terms and conditions which cannot be varied by agreement with the Union and that employee rejects the offer of the new terms and conditions then, subject to the outcome of any flexible working appeal, the Company proposes to implement the new terms and conditions for such individual by dismissal and re-engagement. .

This Agreement has been entered into on the date stated at the beginning of it.

Signed by [NAME OF AUTHORISED SIGNATORY]

for and on behalf of WILKO RETAIL LIMITED
(for the Company)

Signed by [NAME OF AUTHORISED SIGNATORY]

for and on behalf of the GMB UNION (for the Union)

APPENDICES

APPENDIX 1 - Summary of collectively agreed terms

Days of Work	Standardised days of work shift patterns i.e. 5 days over 7 days (Sunday to Saturday)
Rotating Shifts	<p>Days: Rotating shift patterns within a 06:00am – 22:00pm timetable.</p> <p>Nights: Fixed shift patterns.</p>
Shift Patterns	<p>Full time team members:</p> <ul style="list-style-type: none"> • 06:00 – 14:00 hours • 14:00 – 22:00 hours • 22:00 – 06:00 hours* <p>*Nightshift at DC1 will continue to require a number of Team Members on varied working patterns to fulfil specific store distribution requirements.</p> <hr/> <p>Part time team members:</p> <ul style="list-style-type: none"> • 06:00 – 10:00 hours • 10:00 – 14:00 hours • 14:00 – 18:00 hours • 18:00 – 22:00 hours • 22:00 – 02:00 hours • 02:00 – 06:00 hours
Standardised Contracted Working Hours	<p>Full time team members:</p> <ul style="list-style-type: none"> • 37.5 contracted working hours¹ • Within a 40-hour week to include a 30-minute unpaid break daily <p>¹Plus an option available for existing TMs employed before 31 January 2021 to work 40 contracted hours within a 42.5-hour week to protect pay</p> <hr/> <p>Part Time team members:</p> <ul style="list-style-type: none"> • 30 hours paid – over 4 days (7.5 contracted working hours per day) • 22.5 hours paid – over 3 days (7.5 contracted working hours per day) • 20 hours paid – over 5 days (4 contracted working hours per working day) <hr/> <p>Weekend-only team members:</p> <p>All weekend team members to work 7.5 contracted hours per working day, within an 8-hour day to include a 30-minute unpaid break daily, within one of the following weekend shift variants:</p> <ul style="list-style-type: none"> • 15 hours paid – over 2 days (Sat & Sun) • 22.5 hours paid – over 3 days (7.5 contracted working hours per day) • 20 hours paid – over 5 days (4 contracted working hours per working day)
Breaks	<p>An unpaid break of 30 minutes for each team member required to work more than 6 hours per day</p> <p>In addition, it is agreed that the following comfort break principles will apply:</p> <ul style="list-style-type: none"> • Ability to grab a cold drink for all within the shift • A drink break in unseasonal weather conditions • As per current rules, water bottles can still be used and water stations will be positioned in appropriate areas • As per current rules, 3 free drinks honoured • Commitment to review & introduce:

	<ul style="list-style-type: none"> • A more robust 'extreme' weather policy including agreed temperatures • A further review at the end of the programme ie when WMS is implemented • Introduction of a smoking shelter at DC1
Flexibility	Fully flexible contracts. Flexible working arrangements, where accepted, will be subject to further review every 12 months. Where further change is required, at least four weeks' notice will be given
Training	All team members to receive training and to be required to operate a low-level order picker (LLOP). Our objective is for all team members to be multiskilled and with the capability to undertake all level 1 tasks/activities, notwithstanding our statutory obligation to make reasonable adjustments to accommodate any team members with existing disabilities/long-term health conditions
Agency	<p>The company will use agency only in specific circumstances (DC2 only)</p> <ul style="list-style-type: none"> • To support peak trading periods • To support poor absence levels • To support any unforeseen trading impacts • To support the recruitment of new team members <p>Agency offices at both sites will be removed at the end of the transformation programme in line with respective timescales for DC2, then DC1.</p>

APPENDIX 2 – ‘Buy-Out’ Principles

A non-consolidated lump sum payment (‘buy-out payment’) which will be paid to each In-Scope Employee remaining in employment with the Company on [date] subject to the following principles:

- a. Buy-out sum agreed:

Contracted working hours (at point of ballot issued)	‘Buy-Out’ Payment (gross)
30+ hours per week	£2,400
20-29 hours per week	£1,000
Less than 20 hours	£600

- b. The ‘buy-out’ must encompass all six of the core Wilko required contractual changes for totality of changes i.e. a flexible contract up to six key changes:
- i. 5/7 working days
 - ii. rotating shift patterns
 - iii. fixed start/finish times
 - iv. removal of paid breaks
 - v. flexible working agreements subject to review after 12 months
 - vi. changes to contracted weekly working hours.

All changes are deemed to be of equal value (e.g. removal of paid breaks = 1/6 of buyout) but relative to individual and the value they place upon them v overall buyout offer).

- c. It is not payable on a proportional basis for piecemeal acceptance of terms and conditions.
- d. Buy-out amounts to be based upon contracted working hours of team members at the point of the ballot being issued.
- e. The buy-out payment will be subject to the usual statutory deductions (i.e. tax, national insurance etc.)
- f. The buy-out payment will be made by end January 2021 as a single payment.
- g. [If any In-Scope Employee has individual terms and conditions which cannot be varied by agreement with the Union, acceptance of the buy-out shall be deemed to be acceptance of the new terms and conditions.]
- h. [No buy-out is payable to any In-Scope Employee for whom the new terms and conditions are implemented through dismissal and re-engagement.]
- i. **Clawbacks**
- Should a team member leave the business voluntarily (resignation) within 12 months of 31 January 2021, then the Company will ‘clawback’ the buy-out payment.

- The Company will also consider clawback on an individual basis in the event of an employee being dismissed for gross misconduct and/or other conduct related matter.
- Team members who are working a retention period due to agreed voluntary redundancy that has been honoured for up to 12 months, will not have to repay the buyout payment for changes to terms and conditions.
- The purpose of the clawback is to protect business from extensive leavers in early months and in fairness to team members who have lost their job.
- Where possible, all monies will be reclaimed from final pay upon leaving.
- It is agreed that clawbacks will be made on the following basis according to length of service following inception of new terms and conditions:

Leaving Date	Clawback Amount
During Q1/2021 – up until 30 April 2021	80%
During Q2/2021 – up until 31 July 2021	75%
During Q3/2021 – up until 31 October 2021	50%
During Q4/2021 – up until 31 January 2022	25%