

1. Introduction

Autocraft Solutions Group wants to reward employees for their contribution to our Company's success and growth.

The Company discretionally operates two bonus schemes; a management scheme and a scheme based on productivity and performance. If you are not part of the management scheme, you will automatically participate in the other scheme.

This policy, the information contained herein, and the scheme or schemes to which they refer, and the content of any scheme/s are entirely at the discretion of the Company, and we reserve the right to amend it or remove it at any time.

The scheme or schemes and the way in which they may be structured and/or administered do not represent an explicit, implied, or acquired right and does not in any way form part of Terms and Conditions of employment.

There is no contractual right for you to receive a bonus payment, and any payment that is made, in no way guarantees that any future payments will be made. Likewise, any bonus payment that is made is not indicative of the level of any future payment.

2. Scope

This policy applies to employees employed by us. It does not apply to workers, contractors, consultants, or any self-employed individuals working for Autocraft Solutions Group.

3. Aims

This policy aims to set out the criteria at which point a bonus may be paid, criteria for eligibility, methods of calculation, and mechanism for payment.

4. Production-based bonuses

The production and performance-based bonus is calculated by reference to KPIs set; these KPIs can be reviewed and changed at any time to meet the requirements of the business. KPIs currently used are:

- Sales v Target
- Efficiency
- Cost of poor quality (COPQ)

5. Payment of Production-based bonuses

Production-based bonuses are calculated based on the agreed published metrics and paid quarterly, in accordance with usual Payroll processes, usually within one month of targets being exceeded, and will be subject to usual Tax and National Insurance deductions. Bonus payments are non-pensionable.

6. General Eligibility

All employees within the scope of this policy as detailed above with the exception of those who receive commission payments as part of their role are eligible to be considered for a bonus subject to applicable criteria.

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- You must be an employee of the Company on the date on which the bonus is paid out.
- You will not be eligible to receive a bonus payment during your probationary period (this also includes extended probationary periods). Any bonus amount applicable will be pro-rated to the time within the bonus period post probation.
- If you are under notice of termination of your employment on the date when the bonus is paid (whether given by us or you), you will not be eligible to receive a bonus payment.
- If you are on a Performance Improvement Plan, the subject of a disciplinary process, or have any formal disciplinary warnings still in force when the bonus is paid out, you will not be eligible to receive a bonus payment.
- If you are on maternity leave/paternity leave/shared parental leave/adoption leave/bereavement leave/long-term sick leave/a career break, any applicable bonus will be pro-rated for the bonus period during which you were actively working.
- For those eligible employees who work on a part time basis, any applicable bonus payment will be pro-rated contractual part time hours.

For any statutory leave, when calculating the pro-rated amount, you will be treated as having worked during any period of compulsory statutory leave.

7. Management Bonus & basis for calculation

If you hold a management position within the Company, you may be eligible to participate in the discretionary Management Bonus Scheme, subject to the criteria listed above.

The scheme will be based on cash position and EBITDA (Earnings (profit) before interest, tax, depreciation, and amortisation), and will be payable on achievement of targets with a mechanism to share in performance in excess of the target set.

The %age level of base salary payable as a bonus on achievement of targets set, can vary dependant on management level. As a general rule, the elements below will be applied.

- **Cash Generation**
 - A Bonus of 5% of base salary will be payable on achievement of the cash target set for the year.
- **EBITDA**
 - A Bonus 5% of base salary will be payable on achievement of the EBITDA target set for the year.

For performance in excess of agreed Company targets, a further bonus of up to 10% of salary may be available at the Company's discretion.

8. Parameters of the Management Bonus Scheme

- In the event of bonus payments being made, participants must be employed when the bonus is paid out each year.
- If you are under notice of termination of your employment on the date when the bonus is paid (whether given by us or you), you will not be eligible to receive a bonus payment.

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- If you are the subject of a disciplinary process or have any formal disciplinary warnings still in force when the bonus is paid out, you will not be eligible to receive a bonus payment.
- For new participants any bonus applicable will be pro-rated and be applied for each full month worked.
- Each element (Cash and EBITDA) of the bonus is able to be paid out independently of the other.

9. Payment of management bonus

Any payments applicable will usually be made in the second quarter of the year following calculation. However, payment dates are dependent on the Company audit and finalisation of Company year-end accounts, so actual payment dates are subject to variation. Bonus payments are non-pensionable.

10. Nominations for a 'one off' bonus

For **exceptional** contribution outside of a person's role responsibilities and/or contribution to a specific project, a manager may nominate an individual for a 'one off' payment. The Manager should complete and submit a Bonus Nomination Form (available on the intranet) clearly demonstrating contribution made and value added to the business, and recommended bonus, to the relevant Director in confidence who will progress as appropriate with the Board. **Note – submissions will only be considered by the Board if approved by the relevant function Director. These should be the exception rather than the rule.**

Team nominations may be made if it is believed that the team has performed exceptionally as a whole, and it would be unfair to pick out specific individuals.

The Board will consider submissions taking into consideration the information submitted on the Nomination Form and communicate their decision to the relevant function Director. As part of this process the Board will ensure that the approach is equitable and consistent across all submissions.

Criteria that may be used as part of decision-making:

- Showing an exceptionally accelerated level of personal development.
- Successfully completing an exceptionally complex project (this would need to be on time/on budget etc).
- Exceptional effort, commitment, and contribution outside the normal scope of the role; consistently demonstrating Company values and desired behaviour.
- An adopted solution/improvement to business/business processes (need to be evidenced).
- An achievement/action that has led to particular success for the Company in terms of both financial gain and enhanced reputation.
- Overall Company performance and affordability.

11. Record-keeping & Review

Records will be kept in accordance with our data processing policies for audit purposes. This policy will be reviewed on an annual basis and any changes communicated as appropriate.

Document History

Rev	Section	Revision Detail	Author	Approver	Issue Date
1	All	New Policy	T Pugh	B Barr	22 April 2024
2	1	Intro – word 'not' added to L4. Minor update to S6	T Pugh	B Barr	22 July 2024

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