

**Agreement
Between
Lloyds TSB and UNIFI
on the offshoring of work to overseas locations**

We have a long-standing Job Security Agreement (JSA) which governs the management of change and the policies and procedures for dealing with the effects on individuals in accordance with best practices.

This agreement supplements the JSA in those circumstances within Lloyds TSB where work normally undertaken by staff within the UNIFI bargaining group is transferred to any overseas location. It sets out in summary the principles and procedures to be followed where the Lloyds TSB Group (the Group) seeks such transfer as it affects staff within the UNIFI (the Union) bargaining group.

- • **Job security:** Where the job of a member of staff is affected as a direct consequence of a decision, or in anticipation of a decision, to transfer work to an offshore location, the Group will, taking into account the personal circumstances of the individual, offer a job to anyone who wishes to remain in the employment of the Group. Such jobs may be outside the immediate geographical area.
- • **Upskilling:** Training provisions will form a key part of the resourcing plans for dealing with the effects of offshoring. Planning will commence as soon as a group of staff is identified as potentially vulnerable including those affected by pilots. In such circumstances, the Group will work on an ongoing basis with the Union, national and local providers to identify opportunities for upskilling those who are or may be affected by offshoring plans. The aim will be to optimise the use of time prior to the jobs ceasing in order to build the skills of individuals for a new job either within the Group or elsewhere. Provision will be made for the appointment of Union Learning Representatives (ULR) at affected locations in accordance with a separate ULR agreement. The Group will provide a training bond of up to £2000 (the amount to be reviewable in due course) to any member of staff who leaves the employment of the Group on redundancy as a consequence of their job transferring offshore. The objective is to enable individuals to develop a career elsewhere. Costs will be reimbursed against receipts.
- • **Consultation:** Meaningful consultation will take place at Group and Business Unit level with the Union as early as possible at concept stage and before any decision on offshoring has been made or communicated. This will include the presentation of information at a six monthly senior consultative meeting. Also the Group agrees that reasonable time, information and facilities will be made available to the Union in order to evaluate each stage of any offshoring proposal, under embargo unless explicitly notified otherwise so as to protect confidentiality and competitive advantage.
- • **Ethical business practices:** The Group will apply high standards and best practice in relation to the terms and conditions of employment of its staff in offshore locations. Similarly, in relation to the impact of any offshoring decision, the Group acknowledges its obligations as a responsible corporate citizen to the UK communities in which it operates and sees the benefits, in particular, of avoiding large scale site closures. This

includes a commitment to communicate appropriately with elected community representatives and recognised authorities. Moreover the Group will operate in accordance with its Code of Business Conduct, whilst striving to be recognised as a responsible corporate citizen with regard to its operations (including operations conducted by subsidiary companies or joint venture companies, or third parties acting on its behalf).

- • **Staff representation:** The Group acknowledges the International Labour Organisation (ILO) sets out key principles relating to rights at work. In this respect, the Group recognises that staff may wish to be independently represented and agrees to discuss with the Union the subject of individual and collective representation within any Group-owned offshore location where staff are directly employed by the Group. Where the Group plans to operate offshore through a joint venture or a third party, it confirms that, in choosing a partner, its selection criteria will involve a commitment to high standard people principles and practices.
- • **Fact finding:** The Group agrees that it will make arrangements for a small team of staff from the Union to be accompanied on a single visit to any proposed offshore country to see for themselves how the operations work.
- • **Co-operation:** The Union will agree to co-operate with the Group in relation to any offshoring projects where they are conducted under the terms of this agreement.
- • **Termination:** This agreement may be terminated by either party upon giving six months' notice in writing.

Signed
On behalf of Lloyds TSB Group

Signed
On behalf of UNIFI