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We work hard at Tesco so it’s important that everyone has time out from the business to relax and spend time doing what they enjoy.

Our holiday policy is designed so you’re rewarded with extra holiday the longer you work for Tesco.

1. Who’s this policy for?

This policy applies to anyone who has a contract of employment with Tesco in the UK and doesn’t cover colleagues in Tesco Bank.

2. What’s my holiday entitlement?

Everyone has two holiday allowances: one for ‘normal’ holidays and one for bank holidays. The two balances added together give you your total holiday allowance for the year.

You should make sure that you take all of your holiday allowance within the holiday year which begins on 1st April of one year and finishes on 31st March the following year.

Your holiday allowance is calculated in whole days (unless you are a colleague on an annualised hours’ contract in Distribution) and depends on the number of days you are contracted to work in a week. When you take a day’s holiday it is for the number of hours that you happen to be scheduled on that particular day.

The principle is that you ‘earn’ your entitlement to both holiday and bank holiday evenly over the year.

The following tables show the number of days’ holiday you are entitled to according to your length of service.

### a. Store, dotcom and distribution colleagues, Express managers and office Work Level 1

<table>
<thead>
<tr>
<th>Length of service</th>
<th>Annual allowance for the holiday year by the number of contracted days worked per week</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
</tr>
<tr>
<td>15 years or more</td>
<td>36</td>
</tr>
<tr>
<td>10 years but less than 15</td>
<td>33</td>
</tr>
<tr>
<td>5 years but less than 10 years</td>
<td>30</td>
</tr>
<tr>
<td>More than 12 months but less than 5 years</td>
<td>26</td>
</tr>
<tr>
<td>12 months</td>
<td>24</td>
</tr>
</tbody>
</table>

### b. Store and distribution managers, Office Work Level 2 and 3

<table>
<thead>
<tr>
<th>Length of service</th>
<th>Annual allowance for the holiday year by the number of contracted days worked per week</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
</tr>
<tr>
<td>15 years or more</td>
<td>36</td>
</tr>
<tr>
<td>10 years but less than 15</td>
<td>33</td>
</tr>
<tr>
<td>More than 12 months but less than 10 years</td>
<td>30</td>
</tr>
</tbody>
</table>

### c. Work Level 4 and above

<table>
<thead>
<tr>
<th>Length of service</th>
<th>Annual allowance for the holiday year by the number of contracted days worked per week</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>6</td>
</tr>
<tr>
<td>More than 12 months</td>
<td>36</td>
</tr>
<tr>
<td>12 months</td>
<td>33</td>
</tr>
</tbody>
</table>

### d. Anniversary increases

When you reach the anniversary of the date you joined, any increase in the number of holiday days you are entitled to will be prorated for the remainder of the holiday year.

This is calculated as follows:

\[ \frac{\text{Number of annual days’ holiday you originally received}}{365 \text{ days (366 in a leap year)}} \times \text{The number of calendar days since 1st April and up to the anniversary} \]

PLUS

\[ \frac{\text{Number of new days annual holiday you will receive}}{365 \text{ days (366 in a leap year)}} \times \text{The number of calendar days from your anniversary up to the 31st March} \]

### e. Bank holiday allowance

You are given a separate bank holiday allowance to use when bank holidays fall on the days you are contracted to work and you don’t work.

Everyone is given the same bank holiday balance (according to the number of days they’re contracted to work in a week) regardless of whether a particular bank holiday falls on the days they normally work or not.
Sometimes there will be more bank holidays that fall on your contracted days of work than you have in your bank holiday allowance. You will then have the choice to:

- Book a day’s holiday from your ‘normal’ holiday allowance;
- Work the day (assuming this option is available in your place of work);
- Re-arrange your working hours to a mutually agreed time within four weeks of the holiday.

On other occasions there will be fewer bank holidays that fall on your contracted days of work than you have in your bank holiday allowance. In this instance you can choose to take the days whenever you like across the holiday year.

The following table shows the number of days’ bank holiday you are entitled to according to the number of days you are contracted to work each week:

<table>
<thead>
<tr>
<th>Number of days contracted to work per week</th>
<th>Bank holiday entitlement in days</th>
</tr>
</thead>
<tbody>
<tr>
<td>5</td>
<td>8</td>
</tr>
<tr>
<td>4</td>
<td>6</td>
</tr>
<tr>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>2</td>
<td>3</td>
</tr>
<tr>
<td>1</td>
<td>1</td>
</tr>
</tbody>
</table>

**f. New starters**

If you’re new to Tesco your holiday and bank holiday allowance is based on the number of days you’re contracted to work in a week, and the point in the holiday year that you join the company.

For holiday and bank holiday this is calculated as follows:

Number of days’ holiday you would receive over the first holiday year ÷ 365 days (366 in a leap year) = The number of calendar days remaining until 31st March

This number is then rounded up to the nearest full day for holiday, and rounded up or down to the nearest full day for bank holiday (rounded up if the number is 0.5 or higher, and rounded down if it is 0.49 or lower).

**g. Changing the number of days you work**

If you change the number of days you work per week during the holiday year, we calculate the holiday and bank holiday you’re entitled to before and after the change, and then add them together to give you your total holiday and bank holiday allowance for the year.

This number is then rounded up to the nearest full day for holiday, and rounded up or down to the nearest full day for bank holiday (rounded up if the number is 0.5 or higher, and rounded down if it is 0.49 or lower).

**3. How is my holiday and bank holiday paid**

From 1st April 2016, holiday and bank holidays will be paid the same way across stores, distribution and the office (excluding a small population in distribution).

Your holiday pay will be paid either at your average earnings or your contractual pay whichever is the highest. Your average earnings are based on the pay you receive in the 12 weeks before your holiday.

All variable pay you receive such as overtime, premiums, or call-out pay, will be included in your average holiday pay. Any one-off payments will not be included.

<table>
<thead>
<tr>
<th>What’s included?</th>
<th>What’s not included?</th>
</tr>
</thead>
<tbody>
<tr>
<td>Location allowance</td>
<td>Turnaround bonus</td>
</tr>
<tr>
<td>Market supplement</td>
<td>2012 cash bonus</td>
</tr>
<tr>
<td>Premiums</td>
<td>One off lump sum</td>
</tr>
<tr>
<td>Overtime</td>
<td>Shares incentive plan payments</td>
</tr>
<tr>
<td>Wage supplement</td>
<td>Share sale payments</td>
</tr>
<tr>
<td>Personal rate</td>
<td>Expenses</td>
</tr>
<tr>
<td>Protected element</td>
<td>Annual bonus payments</td>
</tr>
<tr>
<td>Key-holder pay</td>
<td></td>
</tr>
<tr>
<td>On-call</td>
<td></td>
</tr>
<tr>
<td>First aid</td>
<td></td>
</tr>
</tbody>
</table>

If you have been away for a whole week and have not received any basic pay at all (for example because you have been on holiday or sick), this week will not be included in the 12 weeks average calculation. Our payroll
system will go back a further week or weeks to find the last 12 weeks in which you received some basic pay.

4. What happens to my holiday when I leave the company?

When you leave the company you will be paid for any holiday and bank holiday you have earned but have not yet taken.

If you’ve taken more holidays and bank holidays than you’ve earned over the holiday year, the amount of money equal to these extra days will be deducted from your final pay.

A leaver’s holiday and bank holiday entitlement is calculated as follows:

```
Number of days’
holiday you would
have received over the
first holiday year

÷

365 days
(366 in a leap year)
```

and rounded up to the nearest half day for both holiday and bank holiday.

5. Do I have to use my holiday in this holiday year?

Yes. You are unable to carry over any outstanding holiday entitlement at the end of the holiday year into the new holiday year, or to be paid for any outstanding holiday.

The only exception is if you are on prolonged absence, maternity, adoption or shared parental leave at the end of the holiday year. In these cases there are some different options which you can discuss with your manager.

6. Can I take holiday whenever I want?

Your holiday dates need to be agreed with your manager who will need to take the whole department’s holiday requests into account.

Generally holiday is agreed on a first come, first served basis, taking department needs and when the request has been made into consideration. To avoid disappointment, make sure you give as much notice as possible. Please give a minimum of four weeks’ notice in writing, using the process defined in your team, although if your manager agrees, you don’t have to.

As a guideline, up to three weeks’ holiday should be taken between 1st April and 31st October, with the balance being taken between 1st November and 31st March. Colleagues with six weeks entitlement should take four weeks between 1st April and 31st October.

Some departments and functions will restrict holiday according to the time of the year, for example, stores and distribution over the Christmas period.

It’s your responsibility to make sure you have booked and taken all of your holiday within the holiday year so that you don’t lose out.

In stores your manager will hold a holiday review meeting with you to help you plan your holiday for the year. As a last resort, your manager may allocate holidays if you haven’t booked them.

If you are a new starter you can take up to one working week in your first three months of service.

7. What if I need more time off than my holiday allowance?

There are a number of options to support you if you want to take more leave:

**Extended holiday leave**

You can request up to four additional weeks’ unpaid leave so long as you have at least one year’s service. You need to give at least four weeks’ notice to your manager and you can have one period of extended leave every two years.

**Lifestyle Break**

You can request a longer period of unpaid leave (4-12 weeks) and again, you need at least one year’s service. You need to give at least four weeks’ notice to your manager and you can have one lifestyle break every two years.

You can’t take a period of extended leave and lifestyle break in the same year.
8. What named bank holidays are I entitled to?

The following table outlines the bank holidays which we recognise in Tesco:

<table>
<thead>
<tr>
<th>Bank holiday</th>
<th>England &amp; Wales</th>
<th>Scotland</th>
<th>Northern Ireland</th>
<th>Isle of Man</th>
</tr>
</thead>
<tbody>
<tr>
<td>Good Friday</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easter Monday</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Easter Tuesday</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Early May holiday</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Spring holiday</td>
<td>5 local bank holidays</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TT Day</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tynwald Day</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July holiday</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>July holiday</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>August holiday</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Christmas Day</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Boxing Day</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>New Year’s Day</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2nd January</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total bank holidays</td>
<td>8</td>
<td>9</td>
<td>8</td>
<td>10*</td>
</tr>
<tr>
<td>Colleague maximum entitlement</td>
<td>8</td>
<td>8</td>
<td>8</td>
<td>8</td>
</tr>
</tbody>
</table>

- Scotland and the Isle of Man have more bank holidays than the rest of the UK and colleagues should use their Personal Day(s) to cover the additional bank holiday(s).

If you work nights you will have a designated 24 hour period which will replace the actual bank holiday. This starts at 12 noon on the day before the bank holiday, or 12 noon on the day of the bank holiday. This will be agreed following consultation with your management team, union representatives, and members of the night team.

Easter Sunday is not a bank holiday, although most of our stores and offices will be closed. Colleagues that are contracted to work on the day Easter Sunday falls have the option of booking a day’s holiday from their holiday allowance, re-aranging their working hours to another day, or making the hours up within a four week period.

Sometimes a bank holiday falls on a Saturday or Sunday and there is a National Proclamation to move it to another day (usually the following Monday and/or Tuesday). As Saturday is a normal working day for colleagues in stores and distribution, we will only reallocate a bank holiday which falls on a Sunday.

In the office it will depend on whether Saturday is a normal working day: if it is not a normal working day in your area of the business, the bank holiday will be reallocated to the following Monday.

Special days

Occasionally a Special Day may be given in response to national events, but these are given at the discretion of the company.

9. Do I have a choice about working on a bank holiday?

This depends on the area of the business you work in:

**Stores**

If you joined Tesco before 26th January 2009, working on a bank holiday is voluntary unless your contract specifically requires you to do so.

If you joined on or after 26th January 2009 and there are insufficient volunteers to work on a bank holiday, you may be required to work on up to five bank holidays (excluding Christmas Day, Boxing Day and New Year's Day) if you are normally scheduled to work on the day the bank holiday falls. Colleagues in Scotland do not have to work on 2nd January if they don’t want to.

If you’re on a flexi contract, it is your choice to work any flexi hours on a bank holiday.

If you don’t have a fixed working pattern, you will be treated as if you are scheduled to work on the bank holiday. However, it will still be your choice whether to work the day or not, and a day will be deducted from your bank holiday allowance if you don’t work.

**Distribution**

Your rota will specify the bank holidays that you need to work and these are treated as normal working days. If you wish to book a bank holiday off, you can do so in the same way as for any other holiday.

**Office**

If your office or department is closed on the bank holiday then you are not required to work and will book a day from your bank holiday allowance.
If your office or department is open then working on the
day will be voluntary, unless your contract states
otherwise.

10. **What if I’m sick during my holiday?**

If you are sick on your last day immediately before your
holiday begins, you can postpone or rearrange your
holiday. You must notify your manager and if you are sick
for more than one week you will also need to provide a Fit
Note from your Doctor.

**Sickness over a bank holiday**

If you are sick on a bank holiday that you said you would
work, and you are normally scheduled on that day, your
sickness will be managed in line with any other period of
sickness. This means it will be included in calculating your
Absence Review Level, and any subsequent Supporting
Your Attendance process including sick pay.

11. **What’s my personal day?**

If you join us on or before 28th October in a particular
holiday year, then you will be able to take an additional
paid day off called a ‘Personal Day’ at any point in the
year.

If you particularly want to take the day between 1st
December and 31st January then you can do so, but
otherwise the day can be agreed with your manager.

If you work in Scotland, use your Personal Day on the 2nd
January if you are normally scheduled to work the day
and you do not want to do so.

This day is paid as one day’s contractual pay and must
be taken and not paid in lieu. The only exception is for
colleagues on maternity, adoption or shared parental
leave who will have it paid to them if they have not taken
it by 31st March.

Colleagues who are on prolonged absence are still
entitled to their Personal Day although it will not be paid
in lieu.

**Isle of Man**

If you work on the Isle of Man you will receive two
Personal Days for the current holiday year if you join on
or before 31st March. If you join between 1st and 30th April
you will receive one Personal Day. If you join after 30th
April you will not receive any Personal Days until the
following holiday year.

You should use your Personal Day(s) on TT and/or
Tynwald Day if you are scheduled to work and don’t want
to do so.

12. **Are there other holiday schemes?**

Longer serving colleagues may have different entitlement
(shown below) that will be paid to them when they leave
Tesco.

**a. Accrued scheme**

- Store managers employed on or before 31/12/1983
- Level Two and above colleagues employed in the
  office and distribution on or before 31/12/1983
- Level One colleagues employed in the office and
distribution on or before 31/12/1985
- All colleagues employed in stores on or before
  31/03/1991

These colleagues had no paid holiday in their first year of
employment. Instead, they accrued an entitlement to paid
holiday in one year which they were allowed to take in the
following holiday year. When these colleagues leave
Tesco they will have six weeks of holiday paid to them at
their current rate of pay.

**b. Accrued frozen scheme**

- All colleagues employed in stores between 1st April
  1991 and 31st March 1992 (except for Store
  Managers)

These colleagues accrued a part year entitlement to
holiday from the month they joined Tesco until the end of
the holiday year (31st March). For example, a new starter
joining in October accrued 8 days holiday (5 months but
less than 6).

The part allowance was ‘frozen’ and will be paid to a
colleague when they leave the company at their current
rate of pay. The number of days will not be adjusted to
reflect the number of days worked at the point of leaving,
but will always reflect the number of days at the point they
were earned.

**c. Banking scheme**

- All colleagues employed in stores between 6th
  October 1996 and 11th January 2003 (except for
  Store Managers)

These colleagues were not able to take any holiday in the
first three months of employment and the holiday they
earned (one week) was banked and will be paid to them
when they leave Tesco at their current rate of pay. The
number of days will not be adjusted to reflect the number of
days worked at the point of leaving, but will always
reflect the number of days at the point they were earned.
d. Current scheme

- Store Managers employed on or after 01/01/1984
- Level Two and above colleagues employed in the office and distribution on or after 01/01/1984
- Level One colleagues employed in the office and distribution on or after 01/01/1986
- Colleagues employed in stores between 01/04/1992 and 05/10/1996 and on or after 12/01/2003

Related reading

- Working time policy

<table>
<thead>
<tr>
<th>Version No.</th>
<th>Date of change</th>
<th>Summary of change</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Policy info.

Policy owner: employment/policy@uk.tesco.com

Ownership and confidentiality

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