

[PRIVATE AND CONFIDENTIAL]

SALARY SACRIFICE CAR AGREEMENT

VARIATION TO EMPLOYEE CONTRACT OF EMPLOYMENT

EMPLOYEE'S NAME:

PAYROLL NUMBER:

DATE OF COMMENCEMENT OF THE
LEASE:

.....

DATE OF TERMINATION OF THE
LEASE:

.....

Offshore Renewable Energy Catapult (hereinafter referred to as the Employer) is proposing, subject to receipt of your written consent, to vary the terms and conditions of your contract of employment. The end result will be a salary sacrifice of an amount as determined below; in return, the Employer will provide you with a lease car for a set period of months, to include an annual allocation of business and private miles as detailed in your application and quotation.

By signing this notification, you agree that:

1. your gross salary will be revised and reduced by [] per annum; this being the total cost to provide you with your chosen car
2. entering this agreement imposes a financial commitment on you for the duration of the agreement
3. you have read, and agreed to comply with the Scheme Rules – Terms & Conditions of Use annexed hereto
4. there are no circumstances known to you at the time of entering the Salary Sacrifice Car Scheme that would cause you to terminate the contract prematurely
5. should you leave your employment or need to return the car during the contracted period of the Salary Sacrifice, under some circumstances you will be liable for an early termination penalty in accordance with the rules of the scheme
6. you are being provided with a motor vehicle that will result in a Company Car Benefit upon which income tax will be due in accordance with HMRC rules, which can vary from time to time

This variation to your Terms of Employment will only remain in force for the period of the car lease. All other Terms and Conditions remain unchanged. The scheme allows you to opt in or out of the salary sacrifice where a lifestyle change "significantly alters" your financial circumstances.

Please see the important information below

This revision will take effect from the first available pay-day following delivery of your car.

YOU MUST SIGN AND RETURN THIS DOCUMENT PRIOR TO THE ORDER OF YOUR VEHICLE

EMPLOYEE'S SIGNATURE: _____

DATE: _____

Important information

This Salary Sacrifice arrangement allows you to receive a car in return for a reduction in your gross salary. By doing this you will save Income Tax, National Insurance, and Pension Contributions (if applicable) on the amount of salary sacrificed.

Participation in the Salary Sacrifice arrangement is voluntary and is generally financially beneficial for you; however, in some situations there can be a detrimental financial impact.

The information provided in the FAQs highlights situations to be considered before entering into a salary sacrifice arrangement. This does not constitute advice and is given as guidance only. You are advised to seek independent advice on the impact of a salary sacrifice arrangement if required.

Maternity Pay: statutory maternity pay is calculated on earnings received in the two months before the 15th week before childbirth. Having a salary sacrifice arrangement in place in these two months will reduce statutory maternity payments.

Statutory Sick Pay: a salary sacrifice arrangement may affect SSP entitlement.

Hire Period Valuation: HMRC will only allow an employee to opt out of this agreement where a lifestyle change "significantly alters" your financial circumstances, the burden of proof will be on you to provide evidence to validate your claim. Should HMRC audit and feel that a significant lifestyle change has not occurred then you may be liable for repayment of the savings generated. Further information on lifestyle change can be found on the scheme FAQs.

If you have any doubts about how a salary sacrifice arrangement affects you personally; we recommend that you seek appropriate independent advice.