

TurnStyle

Memo

To: All Staff

From: Human Resources

Date: 9 December 2018

Re: Voluntary redundancies

Dear Colleague,

Over the last few months, TurnStyle Group has been looking at various cost-cutting measures forced on us by a significant downturn in revenues from many of our fashion lines. Many redundancies have been made elsewhere in the fashion industry and no one can be sure how long we will be facing this downturn.

It is appropriate that I should inform you of the facts about the situation currently facing TurnStyle Group.

We have always emphasised that TurnStyle will go to extreme lengths to save money before job cuts are contemplated. However, the savings made to date do not come close to the shortfall in fashion revenues.

The company accepts that a revised profit target is necessary. Therefore, we are all being asked to make sacrifices. Accordingly, the company has taken the difficult decision to terminate certain employees' contracts by the end of the year. The main points concerning staff terminations from our detailed cost saving plan are summarized below.

Fifteen head office redundancies are planned at the end of next month. Similar redundancies are planned at our subsidiaries. The head office redundancies will be allocated to departments as shown below:

- Sales 5
- Production 5
- IT 1
- Research 1
- Accounts/Payroll 1
- Human Resources/Admin 2

The termination benefits for each proposed position have been fully costed based on average salaries and average lengths of service in each of the departments.

Initially, as many job losses as possible will be made from voluntary redundancy or early retirement, although not all volunteers may be suitable or come from the right areas.

Let me reassure you that apart from the measures detailed here, NO further measures are being considered.

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Asha Jadhav
CEO, TurnStyle Group

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