

LETTER OF RETRENCHMENT

"[INSERT DATE]"

ATTENTION: "[INSERT NAME]"

RE: RETRENCHMENT OF STAFF

Dear "[Insert Name]",

Further to the notice of Retrenchment and invitation to the Retrenchment Consultation Meeting circulated on "[Insert Date of Circulation]", notifying you of the company's intention to possibly retrenching staff; we are in the unfortunate position of having to take this process further.

"[Insert Company Name]" has implemented the following in order to avoid or minimise the impact of the current situation leading in possible retrenchment:

- Increases in productivity.
- Using employees to perform the functions of outsourced labour / suppliers / contractors where possible.
- Decreasing and ultimately eliminating outsourced labour / suppliers / contractors.
- Minimising weekend advertising where possible.
- Actively seeking new projects / contracts and work for continuity.

However, the following circumstances had to be taken into account:

- Current overhead costs and structure of the company.
- Withdrawal / reduction of previously anticipated projects / contracts.

- Immediate availability and likelihood of securing future work in relation to the company cost structure for sustainability.

With consideration to the above, the retrenchment process was unfortunately not avoidable. You have therefore been selected for retrenchment, based on (but not limited to) the following considerations:

- Duration of Employment at "[Insert Company Name]"

Your current role and responsibilities will not be available to you and for available future work.

We appreciate the effort that you have put into your work and commitment to "[Insert Company Name]". It is however an unfortunate circumstance we find ourselves in, resulting in these extreme measures. Your notice period as well as severance will be discussed and finalised with you in due course.

Sincerely,

SAMPLE

PAGE

"[Insert Signatory's Name]"

Authorised Signatory

Signed on "[Insert Name]" at "[Insert Place]"

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