

EA Negotiation Communications

Boeing Aerostructures Australia

"This message is being sent to all BAA employees. Managers, please share with employees without access to email."

1 July, 2021

Team,

Today's negotiation meeting was full of productive conversation and robust debate which was laser-focused on finding a way to reach an agreement that benefits all parties involved.

BAA stepped through each of the items in the counter offers tabled by the unions and the individual representative, and identified areas where we can find opportunities for agreement. This discussion was in no small way helped by the feedback we have been getting directly from our employees, particularly on one claim – redundancy entitlements.

It's through your engagement with the site-wide iPads, emails, Cross Talks and the many ad-hoc conversations I and the rest of the SLT have had over the past several weeks that it was made clear the redundancy claim put forward by BAA simply wasn't acceptable. We heard you, and I'm truly grateful for each of those people who stepped forward and made their voices heard.

It is because of your willingness to express your thoughts that, today, we made an offer that would ensure our employees maintain their redundancy entitlements.

With your feedback in mind and in the interest of advancing the bargaining, BAA proposed the following offer to the bargaining reps:

- · Maintain current redundancy entitlements for current employees,
- New employees (employed after the start of the new EA) to receive the redundancy entitlements as per BAA's original claim (3 weeks per year of service, 60 weeks cap, 1-5 weeks' notice dependent on length of service),

In return for the above change, employee bargaining reps to no longer pursue:

- 36-hour week with no reduction in pay,
- Income protection insurance (Wage Guard),
- Employer contribution to super increasing by 0.5% per year in the EA and paid on full wage noting superannuation contributions are governed by legislation and the employer contribution may increase anyway because of legal changes,
- · EIP (employee incentive program) as a replacement to Gainshare.

With respect to all other claims, BAA's position is outlined in the <u>Consolidated Offer</u>, including our position on proposed salary increases.

The bargaining reps have told us that reducing redundancy entitlements for our employees was a barrier to further constructive negotiation – we listened and made a significant concession to address this.

Team, this is what EA negotiations are all about – putting forward proposals and discussing them, finding common ground and ensuring that all parties are heard. I've made no secret of the financial and reputational challenges we face as a business, and we have had to identify ways we, as a business, can secure a future – for BAA and for our employees.

The 2018 Agreement has now passed its nominal expiry date, the terms and conditions continue to apply but I hope we can come together to finalise the 2021 Agreement as soon as possible and, the sooner that happens, the sooner our people can get the benefits of the new Agreement, including wage increases.

We urge you to reach out to the bargaining reps so that your views on BAA's revised offer are heard. Hook forward to hearing your views.

Matt Jones