Since our last newsletter (3rd December), we have several key topics to update you on concerning UK footprint - specifically Barnoldswick, Hucknall, Inchinnan and Ansty (recognising that local consultations are still ongoing at Annesley and EOS Heathrow).

**Barnoldswick**

On 16th December National Unite Officers, the National Trade Union (TU) Negotiating Group and the Local Barnoldswick Senior Reps had discussions with Warren East (CEO) and other Senior Company Management.

On the 17th December, the Barnoldswick Staff TU gave notice to its members of a consultative ballot for industrial action in the New Year (Appendix 1).

On the 18th December the Company rejected the Local Trade Union’s alternative proposal of moving all fan blade production to Barnoldswick.

On the 21st December, the Barnoldswick Works TU gave notice to the Company of their intention to continue industrial action in the New Year. The notice states;

‘Unite has to work in line with the strict legislation relating to Trade unions and disputes and more specifically notice periods and whilst we had hoped to be in a position of not having to serve notice, we simply cannot leave the union open and absent of any agreement we are duty bound to protect our members interests and position. However, we remain committed to trying to find resolution to this dispute and we remain hopeful that we are able to retract this notice of action.’

Discussions have continued with the Company and today the TU tabled a Memorandum of Understanding (MOU), designed to safeguard the future of the Barnoldswick site. We are now awaiting a response from the Company in the New Year.

**Hucknall**

We have previously communicated that the National TU Negotiating Group proposed a number of guarantees and assurances affecting the future of the Hucknall site and impacted employees in Derby.

Neither the National Negotiating Group or Local TU could accept the Company’s initial response, therefore would not support the Company proposal - as communicated in the Hucknall TU Newsletter dated 11th December (Appendix 2).

The National TU Negotiating Group have been in discussions with the Company and have requested a ‘letter of intent’ to provide acceptable guarantees and assurances before entering local consultations, to date we have not received a satisfactory response. We will continue discussions into the New Year to secure a more certain future for Hucknall.
Ansty & Inchinnan

The National TU Group and local TU have reached agreement with the Company on guarantee principles for both sites. The Local TU (once an amicable national resolution has been achieved for the Barnoldswick and Hucknall sites) will consult its members prior to entering detailed consultations.

Organisation Restructuring and 2010 Load Reductions (5th November)

Consultation will continue in the New Year concerning timelines and mitigation regarding ~95 Staff redundancies currently under an S188 notice.

Consultation will also commence in the New Year regarding ~420 works redundancies currently under a HR1.

We have stated that all those impacted by either an HR1 or an S188, who have applied for voluntary severance (VS), should be allowed to go.

All VS applications will be reviewed by the TU in the New Year to ensure maximum mitigation against redundancies and permanent positions for the placement of apprentices.

The National Apprentice Committee have successfully managed to mitigate the majority of Apprentice terminations thus far. Those that have not found alternative work within Rolls-Royce have received assistance and found external jobs.

Furlough Phase 4

Furlough Phase 4 will be extended until the end of April 2021. We will review any further amendments to the furlough scheme in the New Year.

Pay & Benefits

For clarity the following T&Cs changes have been agreed in principle on a temporary basis to March 2021 for Civil and Central Functions and 31 December 2020 for Defence.

- Civil, Central Functions & Defence - no progression or promotion increases
- Civil, & Defence – deferred fixed service base pay increments increases
- Civil & Central Functions - no overtime or additional hour payments
- Civil & Central Functions – no accrual of Lieu Days, Leisure days or Additional Hours days
- Civil & Central Functions - sick pay based on base pay/all-inclusive rate (excluding shifts)
- Civil & Central Functions – wind down entitlement not available

As previously reported, we have yet to agree any collective agreements on 2020/21 COVID temporary changes and Package Principle MoU documents.

Discussions on these agreements will restart in the New Year – however as previously reported, no discussions on pay and benefits announced on the 5th November by the Company will take place until all appropriate collective agreements are finalised and signed.

Please be assured, everyone who is affected by any permanent changes from March 2021 will be consulted (balloted).
Pensions
See ‘CNC Newsletter 3’ issued on the 18th December.

H&S
The TU H&S Negotiating Team continue to meet on a weekly basis with the Company. A number of issues remain unresolved and are still on our agenda. As we all know COVID has not gone away, so please remain vigilant and comply with all the safety guidelines.

End of year message
We recognise it’s been a difficult year for you all, both in and out of work. This is set to continue into next year, but always remember in unity is our strength. Remain strong and we will get through this together.

We thank you for your continued support and wish you and your families a very Merry Christmas and a Happy New Year.

Steve Hibbert  Ian Wilson
Gary Andrews  Mark Porter
Ian Bestwick  Steve Jones
Mahf Khan  Stuart Hedley

All previous newsletters can be found at the following link:

Consultative Ballot on Industrial Action

Mandate Given

Our members have given us a clear indication that you cannot stand by silently any more and take serious issue with how the company has proposed to misuse tax payer support to offshore OUR work to ITP in Spain and to the Seletar Campus in Singapore.

Why is this Important?

Please be under no illusions, the prospect of taking Industrial Action is not one that we take lightly but it does highlight the significance of the situation we currently find ourselves in as a site. I’ve worked at Rolls-Royce for over 20 years and I care passionately about the future of this company, which makes it an even bigger bitter pill to swallow when you consider the actions of the current custodians of OUR company. Rest assured, once they've driven our site, the Civil Aerospace business and the company into the mire, all those making these “proposals” will have moved on to some other position and will leave whoever is left of US to pick up the pieces, if any remain!

The Ballot

As a site, we’re now at a watershed moment where we as a Staff Collective MUST stand up and be counted! Therefore it is our intention to run the Consultative Ballot from Monday 4th to Friday 8th January 2021 using Survey Monkey. Given that the Works Collective is likely to continue their Industrial Action into next year, there is a real possibility that we will all “at best” be working from home or “at worst” be placed on furlough until whenever our Works colleagues return to work. It is for this reason that we intend to distribute the survey via WhatsApp, which means we need each and every one of you to be a member of an official Barnoldswick Staff TU WhatsApp Group to allow us to reach everybody quickly. Please contact myself on WhatsApp using my mobile number (found in my email signature) if you’re not already in a TU WhatsApp Group so that you can be allocated an appropriate group.

The time has come for us to stand shoulder to shoulder with our works colleagues to protect our future at Barnoldswick!

Senior Staff TU Rep Contact Details

<table>
<thead>
<tr>
<th>Drew Whittaker</th>
<th>Andrew Green</th>
</tr>
</thead>
<tbody>
<tr>
<td>Chair</td>
<td>Secretary/Treasurer</td>
</tr>
<tr>
<td>Location – Ghyll Brow, M.E. Office</td>
<td>Location – Bankfield, Upstairs FSF Office</td>
</tr>
<tr>
<td>Contact – <a href="mailto:Drew.Whittaker@Rolls-Royce.com">Drew.Whittaker@Rolls-Royce.com</a></td>
<td>Contact – <a href="mailto:Andrew.Green@Rolls-Royce.com">Andrew.Green@Rolls-Royce.com</a></td>
</tr>
</tbody>
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You can also contact us externally on barnoldswickstafftu@gmail.com

The Union is only as strong as our members!
On 3rd December the Company announced the next phase of its Restructuring Plan. Company representatives cynically stood in front of us and told us about our bright future.

“A great opportunity to win new orders”  “Throw off the restrictions of working for Rolls-Royce”  “Open up new markets with the likes of General Electric etc.”  “Tier one supplier”  “Exciting fresh start”  “Rolls-Royce is just a badge”

The local media announced, “Great News, 600 jobs saved at Rolls-Royce Hucknall”. Without resorting to a much-overused phrase, this is clearly fake news which has been provided to them by the Company. The reality is you are being transferred (via TUPE) to ITP Aero and then sold on to an unknown buyer!

We have a highly skilled, motivated and proud workforce - or we did before the announcement.

What exactly have we been saved from? We were not at risk. The Company consistently states, “nobody else does what you do at Hucknall”, we “have unique skills” and “are fundamentally important to RR in the future”.

Irrespective of what has been said, the Company consultation notes say we are a disposal. Yes, a disposal. Let that word sink in for a moment.

Thousands of years of experience, dedication and knowledge can simply be ‘disposed of’ to bolster Rolls-Royce finances, but without any protections or guarantees on our job security or the future of the site going forward. Rolls-Royce are protecting itself at our cost, offering nothing in return but an uncertain future.

We posed many questions to the Company from the National Negotiating Team prior to the announcement, a number are described as market sensitive including a timeline which are still covered by an NDA. We however requested responses to the questions posed by National TU Newsletter #11, the Company responses are attached below;

1. **What guarantees of security of supply is RR setting with ITP?**
   We will be working on supply agreements with ITP who would cover our supply relationships going forward

2. **What guarantees of security of employment on the Hucknall site is being set with ITP?**
   The proposed transfer of the Hucknall site into ITP will be governed by TUPE. Our people’s skills and expertise are highly valued within the global aerospace supply chain and this proposal offers Hucknall an exciting opportunity to attract investment and expand the activity within the site. Regardless of the outcome of any sale process, ITP Aero is a key partner for Rolls-Royce, and we will retain a long-term relationship with the business across our Civil Aerospace and Defence programmes

3. **What efficiency productivity/efficiency measures are being set by RR with the transfer to ITP?**
   We will govern the relationship with ITP with supply agreements. We are in discussions with ITP at the moment about the appropriate supplier terms

4. **What pension protections and provision will be provided by RR/ITP?**
   The transfer of the Hucknall site into ITP will be governed by TUPE. Details relating to future pension provisions will be provided during the consultation process.
5. What guarantees and protections are being provided for individual DB pension scheme members by RR?
   If the proposal goes ahead, employees TUPE’d to the new company would continue to be treated as if they were an “employed-deferred” pension member for the purposes of the more favourable “with consent” Early Retirement terms until 1st January 2024. They would also receive the same treatment as an employee in Rolls-Royce regarding Share on Fund arrangements until the 1st January 2024.

6. Clearly defined breakdown of staff support functions impacted by TUPE in Derby?
   It is proposed that the associated design engineering capability and supply chain activity associated with the fabrications commodity will also be transferred into ITP Aero. This is currently in review and consultation will begin once there is more clarity on these proposals and organisation design.

In relation to question 6 above, we have no idea of numbers or specific individuals impacted by this announcement, nor where they will be based going forward (Derby, Hucknall or somewhere else). This uncertainty is already having an impact on people’s wellbeing.

Due to the lack of clarity and unanswered requests for assurances and guarantees from the Company, the local TU reps and National TU Group cannot support the proposal for the transfer of Hucknall and associated Staff in Derby to ITP. The lack of any guarantees being offered only leads to further suspicion for when we are sold on.

Generations of families have worked at Hucknall for the almost 100 years that Rolls-Royce has had a presence here. There has been great pride in working for the badge and this announcement has hit those people the hardest. To realise you are just a number after all and be told that “the RR on your chest shouldn’t matter - it’s having a job that counts” displays how out of touch some management are.

We believe this is just another step in the direction of Rolls-Royce becoming a “Badge it only” Company.

The sale of an “enhanced ITP Aero” has been described as a “group necessity”. We know that in order to allow for a smooth transition, the Company need to our buy-in to the venture and cooperate fully going forward in order to get the maximum price for it and then for us to exist to supply the products that “nobody else does”.

You may want to ask yourself some questions.

With the lack of information, assurances and guarantees supplied by the company so far:

- Do you feel “on-board”?
- Do you feel you have a secure future both from an employment and T&Cs perspective?
- Do you feel valued?
- Why is the EVP (the main architect of the Business Plan) conveniently jumping ship to secure another role in Rolls-Royce?

We demand from the Company that we have full clarity, assurances and guarantees to protect our futures in ITP and beyond.

Stay strong and remember the only source of facts and truth is via these newsletters.

John Cokkinos  Karl Daly  Adam Summers  Lee Purslow
On behalf of the Derby & Hucknall Works & Staff Trade Union Committees

Steve Hibbert  Ian Wilson  Mahf Khan
On behalf of the Trade Union National Committee