

8th October 2009

CONSULTATION MEETINGS 7th/8th OCTOBER COMPANY 'FINAL OFFER' ON PACKAGES

Following two days of consultation with management, a number of very constructive proposals have been made on measures to support members wishing to transfer to jobs on other sites within the Company, and whilst there are still areas of this where we have further improvements to put forward, the trade union side was pleased with progress (further details will be available for members within a day or two). Unfortunately the same cannot be said for the representations we made both on early retirement provision and on severance packages. The union side claim was very straight forward on both:

- To allow part of the redundancy lump sum payment to be used to augment the pension scheme and retirement earlier than is currently allowed
- To enhance the current redundancy package by improving the multiplier from 3 x statutory and to significantly increase the £750 per year of service
- In addition, to provide lump sum loyalty bonuses similar to previous exercises (for example, J&B Strathleven attracted four months' pay as a retention bonus)

Recognising the huge wealth of the company and the massive savings that will be realised by site closures, we believe that these are special and unique circumstances that should attract higher packages, and stewards were in no doubt about the mandate given by our members to make this very clear to management. However, despite rigorous negotiation, the company stated that their final offer was as follows:

- They could not see a way to amend the pension scheme although they acknowledged that the unions would write to senior director to try to persuade them to reconsider this
- They were not prepared to change the formula used for calculating the redundancy package or the options available to members
- They would pay one-off lump sum payments **on closing sites only** of:
 - £3,500 for people leaving up to October 2010
 - £5,000 for people leaving between October 2010 and December 2011
 - £7,500 for people leaving between December 2011 and May 2012

Comments were also made several times that could only be seen as a threat – if we push too much on this, the company may revert back to statutory redundancy.

We believe our members will agree with the union team – **this offer is an insult to those loyal workers who have created the wealth of Diageo, particularly when you consider that over the last five years, shareholders have benefited in excess of a massive £11 BILLION created by your hard work.**

Further consultation meetings that were planned for 14th and 15th October have been cancelled due to lack of management availability so make sure you make your feelings known on 14th October when we'll be asking all members to send a message to the shareholders loud and clear –

WE WON'T BE INTIMIDATED BY THREATS, AND WE'RE NOT GIVING UP THE FIGHT FOR SITES AND A FAIR SHARE FOR *EVERY* REDUNDANT WORKER

**DIAGEO UNIONS – FIGHTING BACK
TOGETHER FOR SCOTTISH JOBS!!**