



Musgrave Operating Partners Ireland Pay Proposal February 2022

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1. Introduction

Following the expiry of our previous Pay Agreement on the 31st of January 2022, the Company and two Trade Unions met on a number of occasions in recent weeks to discuss both the Company's financial performance and specifically matters relating to pay and terms and conditions. Discussions were complex, particularly given the significant challenges ahead. Outlined below are the proposals agreed amongst the parties which will now be subject to a ballot of all members.

2. Pay

Despite the challenges facing the MOPI business, the Company acknowledges the importance of recognising the commitment of our colleagues to the business through the pandemic. The below are proposed increases for all colleagues with the agreement expiring on the 31st of January 2024.

- Effective from 1st February 2022 a €0.40c per hour rate increase for all weekly paid colleagues & where the €0.40c increase is less than 2% increase, a 2% rate increase will be applied. A 2% pay increase for all salaried paid colleagues
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- On acceptance of pay proposals, the pay increases will be backdated from the effective date and back pay will be paid where applicable.

3. Banded Contracts

Currently there are four types of banded contracts in operation:

- Band 1: 18 to 25 hours
- Band 2: 25 to 39 hours
- Band 3: 25 to 32 hours
- Band 4: 32 to 39 hours

The Company and Trade Unions are proposing some changes to the 2013 Banded Contract agreement with a proposed restructuring of the current bands and assimilation process to provide greater certainty for colleagues in relation to their weekly working hours.

The Proposed New Bands are as follows:

| | |
|---------------|---------------|
| Band 1 | 15 - 20 hours |
| Band 2 | 20 -25 hours |
| Band 3 | 25 -30 hours |
| Band 4 | 30 - 35 hours |
| Band 5 | 35 - 39 hours |

3.1 Band Classification

The introduction of the new classification of bands will be on the following basis:

- Band 2 will be the default band and Band 1 will be an option where it suits students or colleagues that may request this for their individual circumstances.
- The band re-classification process to establish banded contracts will commence in July 2022 in conjunction with the annual band assimilation as per the 2013 Banded Contracts Agreement.
- The assimilation will be based on the Colleagues average hours worked over a 52-week reference period (consideration will be made for holidays, public holidays, and absence). This will apply to all Colleagues on existing A, B and C Flexi Contracts.
- All colleagues will receive confirmation of their band in writing post the initial assimilation.
- As a result of the assimilation process, colleagues who wish to remain on a lower band can request to do so via a 'Change of Band Request Form' (Appendix 1).
- Colleagues who fall on the midway point between the new bands (i.e., between 2 & 3, between 4 & 5) will be assigned to the lower band. (e.g., If a Colleagues average is 25.4 hrs remain on band 2, if colleague's average is 25.6, they move to band 3)

3.2 Band Assimilation Changes

Band assimilation will move to a twice-yearly process, commencing in March 2023. Thereafter Colleagues will have the opportunity to apply for a change in band on 2 occasions in the year. The first 2 weeks in March and the first 2 weeks in October of each year will be open for colleagues to request a band review. The process for this will be as below:

- Colleagues should review their last 52 weeks' payslips prior to the application window to ensure they have worked (on average) over their band.

- Change of Band request form is completed by the colleague and given to the SRM in store
- The SRM will review the request and where it is established that the colleague has worked over their current band, they will receive an increase change of band.
- Colleagues can move up a band once in a 12-month period.
- The normal appeal process should be used in the event that a colleague is unsuccessful in their application.

3.3 Stores of Concern

The Company and trade unions will meet in advance of the band re-classification process (refer to 3.1) to discuss the proposed banded contract changes in Stores of Concern.

4. Colleague Discount

All colleagues are entitled to a 10% discount under their contract of employment. It is proposed that colleagues will continue to receive an additional 2.5% discount (total discount of 12.5%) for the duration of this agreement. All colleagues are encouraged to shop in their own SuperValu store (as opposed to with competitors) as this will protect the long term sustainability of jobs.

5. Absence Working Group

It has been agreed that the Absence Working Group from May 2019 will be recommenced to complete the finalisation of the Company absence policy and procedures with the aim to rolling out throughout the stores. The suggested timeline for commencement of this review is March 2022.

6. Recommendation

All parties agree to recommend the above proposals for acceptance.

Signed _____ Date _____

MOPI

Signed _____ Date _____

MANDATE

Signed _____ Date _____

SIPTU