

TO OUR CATERPILLAR EMPLOYEES AND OUR LOCAL COMMUNITIES

For more than two decades, Caterpillar has been a proud supporter of our Northern Ireland community – providing more than 1,000 employment opportunities across our Larne and Springvale locations, while also donating time and resources to benefit important local initiatives. We value the role our employees play in building and delivering world-class products and solutions to our customers. That’s why we negotiated for more than a year, via the collective bargaining procedures, to present a good and fair offer to our Northern Ireland production employees that recognises cost of living concerns while at the same time driving forward business competitiveness and agility within the workplace.

After 14 months of ongoing meetings, mediation through the Labour Relations Agency, and considerable movement from our first offer, we made it clear to Unite and our workforce that the offer on the table was final.

Unite took this offer to ballot but advocated against the offer and recommended members not support it.

Below are the details of our final offer. We share these terms transparently because we firmly believe it is good and fair:

- A 9% base salary increase effective 1st April 2022, and a one-time lump sum equal to 2.6% of wages earned from 1st April 2021 to 1st April 2022.
- An annual opportunity to cash in up to two days of annual leave, which equates to a payment of up to 0.95% of base salary.
- The bargaining unit is not changing, and we will continue to bargain with Unite regarding pay, terms and conditions. In future negotiations, we may make proposals that align to the specific needs of each facility. Acceptance of any such proposal will still require a majority vote of the entire bargaining unit.
- A Customer-Driven Overtime (CDO) programme for the Larne site only that provides substantial

pay for hours worked. An employee would receive a minimum of 1¾ times their hourly pay rate for CDO hours worked, and a maximum of 2 times their hourly pay rate for CDO hours worked if business goals were met. And, when asked to work CDO, employees will be given 30+ days’ advanced notice, flexibility to trade out days with co-workers and will be asked to work no more than 120 hours in a rolling 12-month period.

In addition to this offer, Caterpillar continues to provide market-leading flexibility with a four-day production work week (37.5 hours).

We’ve been clear that our offer is final, live and can be re-balloted. Unite has not given our employees this option.

We’ve also been clear prior to and throughout the period of industrial action that we’re willing to meet with Unite to provide clarity on the final offer, including addressing any misunderstandings surrounding Customer-Driven Overtime. Unite has not been willing to come together.

The negotiations process is now exhausted and we have reached an impasse – all while Unite continues to extend the period of strike action. As a result, we’ve started the process of making direct offers to our workforce.

We are not walking away from our relationship with the union and remain committed to collective bargaining procedures for future terms and conditions.

We are pleased to offer these new terms and conditions (including significantly increased pay rates) to our employees, and we look forward to welcoming everyone back to work.

We know this has been a difficult time for our employees, their families and the local communities. Our main priority is to finalise an agreement that benefits our employees, our customers and our business. Our final offer is a genuine attempt to do just that.

