

## Final Pay Offer – Recommended for Acceptance

Pay negotiations with O2 have concluded and the CWU is recommending acceptance of the final offer, in a consultative ballot that is to be conducted shortly. The pay offer applies to all O2 CWU represented grades, including Airwave.

### O2 OFFER

#### Newgrid Grades (except technical and engineering)

A 1.5% consolidated increase, which was agreed from the 2005 pay agreement, plus the following unconsolidated or 'lump sum' payments based on APRs

APR SCORE	LUMP SUM
APR1	4%
APR2	3.5%
APR3	3%

#### Customer Service and Admin New Contracts

Increases of 2.25% at each pay point with a 3% increase to the pay maximum (Pay Point 4), regardless of APR score.

New Contract Grade		Pay Range Minimum			Pay Range Maximum
		Pay Point 1	Pay Point 2	Pay Point 3	Pay Point 4
<b>CSA1, ADMIN1</b>	2006/07	£13,410	£13,990	£14,790	£15,610
	2007/08	£13,715	£14,305	£15,125	£16,080
		2.25%	2.25%	2.25%	3.0%
<b>CSA 2, ADMIN2</b>	2006/07	£16,120	£16,680	£17,480	£18,360
	2007/08	£ 16,485	£17,055	£17,875	£17,875
		2.25%	2.25%	2.25%	3.0%

#### Retail New Contracts

The minimum of the pay scale is to be increased by 6.4% to £11700. This means that if you currently earn less than £11700, your pay will be immediately increased to £11700, regardless of APR score, and then the following consolidated increases to your base pay will be added.

APR SCORE	INCREASE
APR1	5%
APR2	4%
APR3	3%

If you earn above £11700, your base pay will increase by the above consolidated payments. The Union also pressed O2 to ensure that pay progression for those with APR 3 scores is put in place and we will be continuing to press that issue in further meetings.

### Technical Specialists

The minimum of the scale will increase by 3% to £19350. This means that if you currently earn less than £19350, your pay will be immediately increased to £19350, regardless of APR, and then the following consolidated increases to your base pay will be added:

APR SCORE	INCREASE
APR1	5%
APR2	4%
APR3	3%

If you earn above £19350, your base pay will be increased by the above consolidated increases. **In addition, the CWU has secured a commitment that O2 will seek to reach agreement with the Union on pay progression for Technical Specialists, by the end of April 2007.**

### New Grid – Technical and Engineering

A 4.5% consolidated increase plus the following unconsolidated or 'lump sum' payments:

APR SCORE	LUMP SUM
APR1	1%
APR2	0.5%

### Pay and Pension Protection & Shift Allowances

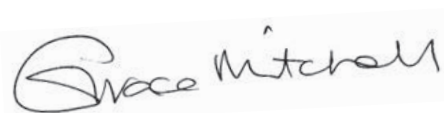
Both of these pay related allowances will increase by the appropriate pay increase for the applicable group.

Once again, pay negotiations have proven to be very tough in O2 this year and this final offer is the best that your negotiators believe can be achieved by negotiation.


Arrangements to hold a consultative ballot are being made and will be put in place shortly.

The Telecoms Executive, following consultation with the O2 Advisory Committee, is recommending that you vote **YES** to accept the offer.

## VOTE YES TO ACCEPT O2's FINAL PAY OFFER



**Grace Mitchell** Assistant Secretary



**Emma Forrest** Assistant Secretary