

AGREEMENT ON COLLECTIVE REDUNDANCIES AT NORWEGIAN

14/06/2021



• Sepla, USO and Norwegian sign an agreement that reduces redundancies, increases compensation, guarantees a wage supplement, and ensures the airline's permanence in Spain. The agreement has been ratified by 80% of Norwegian pilots affiliated to Sepla.

June, 14th 2021

The pilots' union Sepla and the cabin crew union USO have signed an agreement with Norwegian Air Resources Spain on the collective redundancy proposed by the Norwegian airline at the beginning of May. The ERE contemplated the dismissal of almost 1,200 workers, 85% of the workforce, and after the consultation period, 16 more pilots have been retained in the workforce: from the 70 initially proposed by the airline to 86. In addition, severance pay has been increased from the legal minimum of 20 days per year worked to 30 days. The agreement has been ratified this morning by the pilots' collective affiliated to Sepla.

The agreement was reached after days of intense negotiations between the two sides, which began in early May and ended with the signing of the agreement late on Saturday night, 12 June. The text was submitted for ratification by Sepla affiliates, an essential condition for its implementation among the pilots' collective.

These are some of the main points of the agreement:

- Compensation of 30 days per year worked for the dismissed pilots.
- Maintenance of 16 more pilot jobs than initially proposed.
- Implementation of an objective ERTE (ERTE ETOP) that alternates 6 months of contract suspension with 3 months of reduced working hours until the summer of 2023.
- Reduction to 80% of the working day and salary of the pilots who remain in the company during the months of activity.
- Financial compensation from the company for crew members during the months of contract suspension, which will be added to the SEPE benefit.
- Creation of a job bank for pilots affected by the collective redundancy for future reincorporations in the event of production growth.
- Access, for the dismissed pilots, to simulation and training programmes with a bonus on their cost.
- A company commitment not to use crews from foreign bases to carry out Spanish production.

This agreement also ensures the maintenance of Norwegian's two bases in Spain in Malaga and Alicante, with one aircraft in each of them. The insolvency proceedings, which have hovered over the whole process, are thus ruled out. The agreement even foresees a situation of recovery of activity for the future, with a specific plan to incorporate two more aircraft for each base in the summer of 2022.

In short, the text attempts to alleviate some of the brutal consequences of the collective redundancies, although it is true that the situation is still dramatic for all the crew members affected. The margin for negotiation has been very limited from the very beginning, given the airline's financial situation. This has not, however, impeded all parties from making a huge negotiating effort that has resulted in this text, which, although far from being considered a satisfactory solution, is "a balanced solution", as the Norwegian Company Council has assessed.

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