



AXA UNION NEWSLETTER

June 2010

Friends for (AXA) Life?

At road shows starting on 25 June, John Tiner (Resolution CEO) and Trevor Matthews (Friends Provident CEO) addressed employees of AXA Life and AXA Shared Services that are likely to transfer from AXA in September 2010. Although they spoke of a bright future for the new "Friends Life" company following their £2.75 billion deal with AXA, Unite are aware there are many issues to be resolved.



Unite do understand that the sale of these operations may make business sense to senior management and shareholders. However, we are of course concerned about the personal impact for employees in affected business areas, most of whom will have had no intention of leaving AXA at this time.

Employees may well be concerned about the security of their jobs in light of the plans of Resolution/Friends Provident to reduce costs by £75 million. In scope employees should also be aware that there will be changes to their pension arrangements as they will have to leave the AXA defined benefit and defined contribution pension schemes.

Unite's priority is to engage in meaningful dialogue with both AXA and Resolution/Friends Provident to protect jobs and get clarity on the future of pension provision to ensure that this is acceptable. There are also a host of issues that will impact on both employees that are transferring and those that are staying with AXA, some of whom are likely to find that they are required to change their place of work.

Whilst the company have stated that AXA terms and conditions will transfer to Resolution/Friends Provident on "day one" the unanswered question is for how long? Unite are investigating the application of TUPE legislation to this case and are seeking real guarantees that transferring employees will not face a reduction in their terms and conditions in the foreseeable future.

Given the stated intention to merge AXA with Friends Provident to create Friends Life, it seems obvious that some form of harmonisation will take place. Regardless of legal arguments about whether TUPE legislation applies, Unite want both companies to commit to acting as though it does to give employees a level of security.

Unite is already the formally recognised union within Resolution/Friends Provident as well as in AXA Life. It has been confirmed that this recognition will continue in the new "Friends Life" company where extensive consultation has been promised.

It is also now clear that a significant restructure of AXA Shared Services is under way and that this will result in some job losses in the immediate future. Unite have entered into consultation with AXA about this project.