

EWC AGREEMENT

EUROPEAN WORKS COUNCIL AGREEMENT FOR EUROPEAN EMPLOYEES OF

In between:

1. The Special Negotiation Body: representing all employees of XX.....
..... in the European Union and the European Economic Area
..... having been duly appointed or elected for the purpose of entering into this agreement in
accordance with the respective applicable national laws and regulations,

And

2. XX collectively called the "Company."

Article 1 – INTRODUCTION

- 1.1 This Agreement is made in [location] on [date] between the Central Management and the Special Negotiating Body ("SNB").
- 1.2 This Agreement is effective [date] ("Effective Date") and defines the scope, role, membership and operation of the XX European Works Council (the "EWC") and fulfils XX obligations under EWC Directives from the Effective Date.
- 1.3 In accordance with the terms of TICER 1999 and 2010 the role of the SNB will end upon the signing of this Agreement. In the event that no members of the SNB are members of the first EWC, then the SNB Select Committee will be invited to the first meeting to assist the Employee Representatives in understanding the terms of this Agreement.

Article 2 – AIM AND SCOPE OF AGREEMENT

- 2.1 The EWC shall be an employees' representatives only body. XX will inform and consult with the EWC on matters within the scope of this agreement so as to encourage a free exchange of views, opinions to be expressed and considered and the establishment of dialogue between the parties on said information.
- 2.2 Within the Agreement, Central Management and the Employee Representatives collectively will be referred to as the "Parties".
- 2.3 The Parties shall operate in a spirit of co-operation, good faith, trust and mutual respect accepting that the EWC shall not affect the prerogative of management who remain solely competent and

responsible for the business, employment, financial, commercial and technological decisions at local, national and transnational levels.

- 2.4 The company will however inform and consult with the EWC in a proactive and timely manner that enables the EWC to ask questions and provide an opinion before transnational decisions as defined within the scope of this agreement are reached. Full consideration will be given by central management to any opinion the EWC provides. The parties to this agreement both recognise, respect and confirm this.

Article 3 - DEFINITIONS

- 3.1 **European Works Council (EWC)** - is defined as the body of Employee Representatives established in accordance with Article 1.
- 3.2 **Employee** – is defined as any person who, in the Member State concerned, is defined as an employee under national employment law.
- 3.3 **Employee Representative/EWC Member** – is defined as an Employee appointed in accordance with national legislation or elected by Employees to represent them in the XX EWC.
- 3.4 **Central Management** – is defined as members of the senior management of XX , or other appropriate levels of management, relevant to the matters under discussion.
- 3.5 **Select Committee** – is defined as a delegation of employee representatives, to represent the EWC both in Extraordinary Meetings with Central Management and also in pre-planned meetings to support the planning and administration of the XX EWC.
- 3.6 **Expert** - is defined as an individual, or an organisation, who may assist the Employee Representatives as outlined in Article 13. In the event that the “expert” is an organisation then the organisation will nominate one named individual who will act as the expert in the circumstances.
- 3.7 **Member States** - are defined as European Union and European Economic Area countries. Accession countries to the EU will be considered as Member States once they have signed an Accession Treaty.
- 3.8 **Business** - is defined as a legal entity directly or indirectly controlled by XX , where ‘control’ means the direct or indirect ownership of more than 50% of the shares entitled to vote for the appointment of directors.
- 3.9 **Information** - is defined as the transmission of written and verbal data by Central Management to Employee Representatives in order to enable them to acquaint themselves with the subject matter and to examine it; this information will be given at such time, in such fashion and with such content as are appropriate to enable Employee Representatives to undertake an in-depth assessment of the possible impact and, where appropriate, prepare for consultations.
- 3.10 **Consultation** - is defined as the exchange of views and establishment of dialogue between the Employee Representatives and Central Management (as defined in this agreement) at such time, in such fashion and with such content as to enable Employee Representatives to express an opinion on the basis of the information provided, about the proposed measures to which the consultation is

related, without prejudice to the responsibilities of management, and within a reasonable time.

- 3.11 **Transnational** - issues shall be considered to be transnational where they concern, as defined in this agreement, **XX** employees in the Company as a whole, or at least two businesses of the Company situated in two different Member States. Such issues include decisions which, regardless of the number of member states involved, are of importance of the European workforce in terms of the scope of their potential effects.

Article 4 – OPERATIONS COVERED

- 4.1 This Agreement covers all businesses of **XX** in the Member States.

Article 5 – COMPOSITION OF THE EWC

- 5.1 The EWC shall consist of Employee Representatives appointed under the procedures set out in this Agreement.

Article 6 – APPOINTMENT OF EMPLOYEE REPRESENTATIVES

- 6.1 For the purposes of this Agreement, the Employee Representatives are those who, from time to time, have been elected / selected to the EWC under the terms of this Agreement and in accordance with the procedures set out in national law and/or practice.
- 6.2 Employee Representatives will be appointed on a country basis. Each Member State in which **XX** has Businesses and at least 75 full-time equivalent employees is entitled to one Employee Representative plus one additional Employee Representative for every additional 10% tranche (or part thereof – rounded down to the closest whole 10%) of the entire EU and EEA workforce, located in that Member State. Member states with less than 75 full-time equivalent employees will not be represented directly on the EWC but will be represented by another Member State.
- 6.3 In no event will the total number of Employee Representatives on the EWC exceed 30. In the event that either the expansion of **XX** into new geographical areas within the EU or the growth in employee numbers in existing Member States covered by this Agreement would result in the figure of 30 being exceeded then the above formula will be adjusted to keep the number at or below 30.
- 6.4 As of the Effective Date, Employee Representatives by Member State will be as per Appendix A. The number of Employee Representatives will be updated annually, based on headcount as of December 31st of the previous year.
- 6.5 An Employee Representative or candidate must be an Employee of **XX** as defined in Article 3.2.
- 6.6 Employee Representatives will serve for a 4 year renewable term and will be subject to re-election at the same time, except where otherwise provided for by national law and/or practice subject to Article 7.
- 6.7 Substitutes of Employee Representatives (hereinafter “Substitutes”) may be nominated or elected per Member State, according to the same procedures as for the election of Employee Representatives. Each Member State may nominate or elect as many Substitutes as there are Employee Representatives from that Member State. They will substitute for the Employee Representative in the

event that the Employee Representative is unable to attend a EWC meeting, such unavailability being notified to the EWC Chair at least one week prior to the EWC Annual Meeting as defined in article 9. Subject to the provisions of the relevant national law, the Substitutes will automatically replace the Employee Representatives in the event that the Employee Representatives are unable to continue their responsibilities for whatever reason. Substitutes will replace Employee Representatives for the duration of the Employee Representative's absence, but not longer than for the duration the Employee Representative's mandate.

- 6.8 Employee Representatives who cease to be employees of XX for whatever reason shall immediately forego any rights as Employee Representatives but shall continue to be bound by a duty of confidentiality as defined in this Agreement.

Article 7 – ADAPTATION OF THE EWC TO CHANGES IN COMPANY STRUCTURE

- 7.1 When XX makes material changes to its operating structure within the EU through organic growth, acquisitions, restructurings, or closing of Businesses, then Central Management will inform the Select Committee at the next regular meeting of these changes. Should these changes to the operating structure result in changes to the membership of the EWC then these changes will become effective at the time of the next Annual Meeting. In general, the following principles will guide such discussions:
- 7.2 Newly acquired Businesses in Member States where there is already an XX presence and which have representation on the EWC shall be represented by the existing Employee Representatives until the completion of their term of office. If the number of employees in the acquired Business increases the employment level in any particular Member State so as to justify additional Employee Representatives, then, where possible, the additional Employee Representatives will be elected / selected and seated at the first Annual Meeting following their election.
- 7.3 For newly acquired Businesses in Member States without an XX presence and therefore having no Employee Representative, the Company will arrange for the election / selection of the appropriate number of Employee Representatives as provided for in this Agreement. Where possible, these Employee Representatives will take their seat on the EWC as of the first Annual Meeting following their election.
- 7.4 Where an acquisition of a Business takes the number of employees in a Member State over the minimum threshold of 75 then that Member State will be entitled to an Employee Representative as detailed in Article 6. Where possible, arrangements will be made for the Employee Representative to participate at the first Annual Meeting following the date of their election.
- 7.5 Where XX divests a Business in a Member State which has representation on the EWC, which reduces the national employment level below the minimum threshold of 75 or below an additional 10% tranche level, then the number of Employee Representatives will be adjusted at the first Annual Meeting following the change in employment level.
- 7.6 Where the acquired Business itself has a European Works Council then the Central Management will arrange a meeting with the Select Committees of both EWC's in order to reach agreement on how the EWC(s) will function in the future. It is the intention of the Parties to this Agreement that such discussions will be based on the provisions of this Agreement and the representatives of the employees of the acquired Business will be incorporated into the EWC on the basis of Articles 7.2 to

7.4 above. In the event of any disputes arising in this regard that cannot be resolved by the parties themselves, the matter will be dealt with in accordance with the procedure set out in Clause 15 of the EWC Directive, as transposed by the UK Regulations.

Article 8 – SELECT COMMITTEE

- 8.1 The Employee Representatives shall elect six of their number to form a Select Committee. Members of the Select Committee should preferably come from different Member States and from different business segments. Ideally no two members of the Select Committee may be from the same Member State or the same business segment.
- 8.2 The Select Committee will meet three times per year with the appropriate Central Management representative, one of these meetings being at the time of the Annual Meeting.
- 8.3 All meetings of the Select Committee shall be held in English.
- 8.4 If agreed between the Select Committee and Central Management, meetings may be held telephonically if appropriate e.g. using telephone or video conferencing. In that event simultaneous translation may not be required.
- 8.5 The Select Committee and company representatives Central Management will discuss the following:
- Dates, times and venue of meetings
 - The need for Experts, their costs and the nature of their mandate
 - Training requirements for the EWC and/or Employee Representatives
 - Meeting agenda items, which will reflect the issues specified in Article 9
 - Summary meeting minutes
 - The need for, and who is to attend, Extraordinary Meetings
 - Adjustments in the composition of the EWC following changes in Company structure
 - Dispute resolution
 - The relevant level of management to attend EWC meetings and extraordinary EWC meetings
- 8.6 The EWC and the Select Committee will establish their own rules of procedure. Any such procedure must not be inconsistent with the other expressed terms of this Agreement and if this results in any expenditure by either the EWC or the Select Committee this will be discussed and agreed between Central Management and the Select Committee and would not be unreasonably denied.
- 8.7 The Select Committee and the EWC will be provided with administrative support in order to enable them to fulfil their function. The administrative support required will be discussed and agreed in advance with Central Management.
- 8.8 The Select Committee will raise any issues with XX Management regarding any situation or impasse in relation to the implementation of this Agreement and its terms at a national and local level. Central Management will resolve any situation or impasse that occurs at a national/local level.
- 8.9 The Select Committee will take responsibility to ensure the representation, coordination and provide a contact point for countries covered by the scope of this agreement, but which do not have sufficient numbers of employees to qualify for a full EWC representative.

Article 9 – FRAMEWORK AND SCOPE OF THE EWC

- 9.1 An Annual EWC Meeting will take place once a year. The Annual EWC Meeting will provide an opportunity for Central Management to inform and consult the EWC Members as to the current, probable and future position and progress of XX and to receive feedback and an opinion, from the EWC Members at the Meeting, or within 10 working days after the meeting on the basis of the information provided.
- 9.2 The information will, in particular, relate to significant developments and changes concerning:
- The structure, economic and financial situation of the Company
 - The probable development of the business, production and sales
 - The progress of the business and its projects
 - The situation and probable trend in employment in the Company
 - Substantial investments
 - Substantial changes concerning: work organisation; transfers of production and transfers of technology the introduction of new working methods or production processes; cut backs or closures
 - Mergers
 - Collective or mass redundancies
- 9.3 The report from Central Management to the EWC will be presented at the Annual Meeting by relevant members of Central Management.
- 9.4 The EWC will not consider or be responsible for:
- Collective bargaining negotiations on pay, pay-related issues, terms and conditions of employment and other non-wage benefits
 - Local or national topics subject to national legislation or to local or national collective agreement
 - Issues that relate to individual employees

Such issues will continue to be handled in accordance with the procedures in force in individual countries.

Article 10 – OPERATION OF THE ANNUAL MEETING

- 10.1 The EWC shall meet once a year. The meetings will be held as agreed between Central Management and the Select Committee.
- 10.2 Meetings will be scheduled to last for up to three days, inclusive of the EWC Members' pre and post internal meetings. The day before the Annual Meeting will be a travel and arrival day. All EWC Member meetings will be provided with the same facilities, including simultaneous interpretation, as are available at the Annual Meeting.
- 10.3 The normal venue for meetings will be , unless otherwise specified in the invitation.

- 10.4 The logistics of the Annual Meeting will be arranged by XX including the venue, accommodation, interpreting and any group dinners. EWC Members will arrange their own travel as outlined in Article 16.
- 10.5 EWC meetings will be conducted in English, which is the official language of XX . The agenda and minutes of the Annual Meeting and any other documentation will be produced in English and translated into EU languages as required. To ensure as far as possible that there is meaningful dialogue and a full exchange of views at the meetings, simultaneous interpretation facilities will be made available in as many official EU languages as are reasonably requested by the EWC Members.
- 10.6 As soon as practical, however no later than within three weeks (unless otherwise agreed between Central Management and the Select Committee) following the Annual Meeting, Central Management and the EWC, through the Select Committee will agree upon the summary minutes of the Annual Meeting. These minutes will then be electronically circulated in accordance with current practice of XX .

Article 11 – EXTRAORDINARY MEETING

- 11.1 “Exceptional Circumstance” or decisions are defined as single transnational issues which could potentially affect, the interests of the employees to a considerable extent or at least 150 employees in at least two EU Countries within a period 120 days.
- 11.2 In Exceptional Circumstances the Company or the Select Committee can decide to call an “Extraordinary Meeting”. The Select Committee and Central Management will jointly decide whether the Extraordinary Meeting should include the full EWC or the Select Committee and EWC Members from the Member States directly affected by the proposal (if not already represented on the Select Committee). Once the composition of the meeting is agreed, a meeting will take place within 5 – 10 working days.
- 11.3 When an exceptional circumstance or decision occurs, as defined in this agreement, the Central Management will immediately provide the Select Committee with the following information:
- The business reasons for the Exceptional Circumstances;
 - The Member State and Businesses potentially impacted by the Exceptional Circumstances;
 - The number of employees potentially involved; and
 - The timetable envisaged.

Central Management and the EWC Members agree to act reasonably, cooperate and make every effort to efficiently and effectively conclude the information and consultation process where Exceptional Circumstances arise. Following discussions between Central Management and the Select Committee, the Parties will agree to a timetable for the information and consultation process. Where an in-depth assessment is requested it shall not take longer than 20 working days from receipt of all necessary and requested relevant information. Within 5 working days of the receipt of this information the Select Committee (or their designated Expert) can request additional relevant information and in such a case the 20 working days period can be extended by 5 working days to a maximum of 25 working days.

- 11.4 “Consultation in Exceptional Circumstances” will enable the EWC to express an opinion on the basis of the information provided on the issues under consideration and the possible impact of the

proposed measures to which the consultation is related, which may be taken into account by the Company, without prejudice to the responsibilities of XX Management to take decisions effectively.

- 11.5 Once the in-depth assessment has been completed, the EWC or the Select Committee/Employee Representatives involved in it will meet with Central Management to engage in a consultation meeting. The EWC representatives will deliver an opinion on the issues under consideration either at the end of the meeting or within a reasonable time. Central Management will respond to the opinion within 5 working days. This response will bring the consultation to a conclusion within the agreed time scales as specified as above.

Article 12 – LINKING EUROPEAN AND NATIONAL INFORMATION AND CONSULTATION PROCESSES

- 12.1 If an issue is transnational and falls within the scope of this agreement, then Central Management will trigger information and consultation processes simultaneously at both local and at EU level. These processes will continue concurrently and independently of each other, in such a way that the prerogatives of both the EWC and those of the employee representative bodies are respected. National information and consultation will follow the procedures set out in national law. EU level information and consultation will follow the procedures set out in this Agreement.

Article 13 – EXPERTS

- 13.1 EWC Members may be assisted by an Expert of their choice to support them in the coordination of the EWC and who may, if requested by the EWC or Select Committee, participate in all aspects of the functioning of the EWC including all pre, full and post meetings and Select Committee meetings. A further expert can be appointed to assist and provide additional support and expertise as requested.
- 13.2 The EWC shall assure that any Expert selected by the EWC Members will be bound by the confidentiality terms of this Agreement and their statutory duties under Regulation 23, and will be requested to sign an agreement to that effect. The Expert may not disclose to any third party information given to them without the express written consent of the Company in advance. Information so provided may only be used in the course of their work with the EWC and for no other purpose.
- 13.3 It is a strict condition of their appointment that such Expert does not, and acknowledges that they will not, work with a business competitor of XX in any capacity unless agreed in advance with Central Management.
- 13.4 Any Expert used by the EWC will be selected and nominated by the Select Committee, subject to ratification by a majority vote of the EWC as per their internal rules of procedure.
- 13.5 The Company will pay all reasonable costs of the Experts including professional fees and disbursements

Article 14 – THE LEGAL STATUS AND PROTECTION OF EWC MEMBERS

- 14.1 The EWC Members are recognised as the legal representatives of the Company's EU workforce in respect of all rights emanating from EWC Directive.

- 14.2 Employee Representatives in the exercise of their function under this Agreement are entitled to the same protection and guarantees provided for Employee Representatives by the national legislation of their country of employment subject to the overriding protection that they shall suffer no advantage or disadvantage through their membership of the EWC.

Article 15 – CONFIDENTIALITY

- 15.1 The Parties agree that the EWC shall operate in an environment which encourages the free exchange of views and opinions between the Parties. In order to support this all Employee Representatives attending EWC meetings agree not to misuse or divulge confidential information except for communications to local employee representatives or Experts who are themselves subject to confidentiality obligations and must treat any information obtained from the Employee Representatives as strictly confidential. This obligation continues after the conclusion, for whatever reasons, of Employee Representatives' terms of office or employment, for as long as the information remains confidential. Any proven breach of this provision may lead to the individual Employee Representative being excluded from any further participation in EWC meetings and could be viewed as a serious offence and dealt with in accordance with national and/or local laws and procedures in the Employee Representative's country of employment. The Select Committee and Central Management will agree what is and is not confidential information, what can be used in any communications and the period for which the information must remain confidential.
- 15.2 It is accepted that XX has no obligation to release price sensitive or other confidential information or trade secret which is of such a nature that its release would harm the functioning of XX, or be prejudicial to it, or is in contravention of any national law or regulations where it has operations or could be prejudicial to any of the undertakings that form part of XX or to any third party with whom XX does business. This includes statutory or regulatory rules, including stock exchange rules, on disclosure of information applying to XX in whatever jurisdiction it carries on business.

Article 16 – ADMINISTRATION

- 16.1 The EWC and Select Committee will be provided with the means required to apply their rights arising from this Agreement and also to carry out their duties, responsibilities and obligations laid down within this Agreement.
- 16.2 EWC Members will be released from duty, with normal pay, to attend EWC meetings and EWC related meetings and to carry out their duties or responsibilities as Employee Representatives. No EWC Member will suffer financial detriment as a result of membership of the EWC. EWC Members will make appropriate arrangements for time off and travel in advance with local management in accordance with their employing business unit travel and expense policy.
- 16.3 XX will bear all reasonable costs of EWC Members for travel, accommodation, meals, translation and interpretation at meetings, external experts, pre-meetings, post meetings any other EWC related meetings, education/training. EWC Members must follow XX expense policies and claim their expenses in the appropriate way. Whilst their line managers will locally authorise expenses the costs will be charged to the EWC budget.
- 16.4 The Company will provide the EWC Members with the appropriate material and financial support to fulfil their duties. In order to fully satisfy this obligation XX will ensure the provision of appropriate facilities for those who do not have access to them in their normal work environment including use of

a computer, photocopier, email address, telephone and intranet. These facilities will be normally made available at the offices of the business unit to which the Employee Representative is attached.

- 16.5 The EWC Members have a responsibility to communicate to their constituents the outcomes and issues discussed at the EWC and/or EWC related meetings. The aim of this is not only to provide for continuous improvement of the operation of the EWC, but also to allow for rapid responses to employees in relation to matters within the scope of this agreement. This may include communications being circulated electronically.

EWC Members will be provided with the necessary paid time away from their normal duties in order to fulfil this responsibility. Any such time off will be discussed and agreed in advance with central management, which will not be unreasonably denied.

- 16.6 The Company will provide EWC Members with the means required to undertake training in order to assist them in performing their duties in an international environment. Central Management must be notified in advance of any proposed training.
- 16.7 At the end of each calendar year Central Management will provide the EWC with the following information, in order to carry out their role and responsibilities in art. 16.5 above:
- The number of employees within XX in Europe by Member State
 - The number of sites within the Member State
 - If a Business has a trade union or works council representative the name and contact details of the lead employee representative.
 - If there is no trade union or works council on a site then the name and contact details of the relevant member of management, who will facilitate access or communications with the employees connected to that site
- 16.8 Any dispute relating to the interpretation or application of the provisions of this article will be discussed between Central Management and the Select Committee.

Article 17 – DURATION OF AGREEMENT

- 17.1 This Agreement is valid for an initial 4 (four) year period from the date of its Effective Date.
- 17.2 If the parties to this Agreement deem it necessary, this Agreement may be amended by the mutual consent of the parties during its lifetime. The EWC Members' consent shall be deemed to be validly given if a majority of those present and entitled to vote agree.
- 17.3 Should any clause (or future appendix) to this Agreement prove to be invalid for whatever reason, it shall not affect the validity of the Agreement as a whole. Any clause deemed invalid shall be amended in accordance with the procedure set out in point 17.2 above.
- 17.4 In the final year of the initial period, Central Management or the EWC Members, following a majority vote in favour may give six months written notice of intention to withdraw from this Agreement.
- 17.5 After the initial period this Agreement will continue indefinitely, unless Central Management or the EWC Members by majority vote gives six months written notice of their intent to withdraw from this Agreement.

- 17.6 If notice to terminate is given and a new agreement cannot be reached during the notice period the terms of this Agreement shall, subject to any continuing obligations of confidentiality, be dissolved and replaced by the subsidiary requirements as set out in the
- 17.7 The EWC Members elected onto the EWC created by this Agreement will be solely competent to ratify the renewal of this Agreement with XX .

Article 18 – LEGAL STATUS AND DISPUTE RESOLUTION

- 18.1 This Agreement is negotiated under Article 6 of EWC Directive and is to be governed and construed according to the of that EWC Directive,
- 18.2 Any disputes between the parties as regards the meaning and/or operation of this Agreement shall be resolved in accordance with the procedures set out in
- 18.3 The English text of this Agreement is the binding text.
- 18.4 The signatories of this Agreement hereby confirm that they are fully authorised to agree the terms of this Agreement.

Appendix A

European Headcount at 31 st December 2013

Member State	Number of Employees	Country % of total EEA Headcount	Total Employee Representative
Norway	550	55%	6
Denmark	120	12%	2
Germany	280	28%	3
Island	50	5%	1

NB! Tallene er basert på et fiktivt eksempel, og er ikke knyttet opp mot denne avtalen.