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COOKSON GROUP plc
EUROPEAN CONSULTATION FORUM AGREEMENT

THIS AGREEMENT dated

BETWEEN

- (1) **COOKSON GROUP plc** a legal entity incorporated in accordance with the laws of England and Wales having its registered office at 265 Strand, London WC2R 1DB ("the Company");
- (2) **THE SPECIAL NEGOTIATING BODY** of employee representatives whose names are listed in Annex 1;

Background

- A. The Parties both agree that the interests of Cookson Group plc and its employees are likely to be enhanced by the establishment of an avenue of Information and Consultation at a European level in which employees, through their representatives, will be informed and consulted by central management concerning the business challenges and opportunities directly affecting the Cookson Group on a pan-European level so as to enable the ECF Employee Representatives' views to be taken into account before decisions are made.
- B. Given the diverse nature of Cookson Group companies' operations, the overall philosophy is one of decentralisation with the focus of communication and consultative arrangements being at local or divisional level. Therefore nothing in this Agreement shall limit, alter or substitute the existing rights and obligations of local or divisional management or works councils, recognised trade unions or other employee representatives. Local consultation and communications arrangements in each Cookson Group company will continue to take precedence and will not be replicated at ECF level. This will not be used to reduce or prevent the Information and Consultation with ECF Representatives.
- C. This Agreement has been negotiated by the parties in accordance with regulations 16 and 17 of the Transnational Information and Consultation of Employees Regulations 1999.

THE PARTIES AGREE AS FOLLOWS:

Establishment of the ECF

1. The Company shall establish the European Consultation Forum covering all employees within the Cookson Group who are working within the Participating States ("ECF").
2. The ECF shall be comprised of a management team and an employee representatives' team.

3. The ECF management team shall comprise of:
 - ◆ representatives of central management, who are Cookson Group employees, as appointed by the Company from time to time, but not exceeding 5 persons. These will include representatives from Group and Divisional management. Those attending may vary depending on the issues being discussed at the particular ECF meeting; and
 - ◆ the ECF Secretary or his/her nominee.
4. The employee representatives' team shall comprise of those employees of any Cookson Group company who have been elected or appointed in accordance with this Agreement and Annex 3 to represent all Cookson Group employees within the country which has appointed or elected them.
5. An ECF Employee Representative and, where applicable, an ECF Management Representative shall cease to be entitled to participate in any ECF meeting or other related ECF activity or have any rights in connection with the ECF in the event that he/she:
 - ◆ ceases to be employed by any Cookson Group company in the country which he/she represents at the ECF;
 - ◆ loses, in accordance with local laws, the local mandate to represent employees in his/her country;
 - ◆ is removed from participating in ECF meetings or activities in accordance with Clause 25 below;
 - ◆ resigns as an ECF Employee Representative; or
 - ◆ is not re-elected or re-appointed as an ECF Employee Representative following the expiry of his/her term of office.
6. The ECF Chairman may with the agreement of the Steering Committee invite other persons who are Cookson Group employees to attend an ECF Meeting to give technical or specialist assistance in explaining a matter to be discussed at an ECF Meeting.
7. ECF Employee Representatives who cannot attend an ECF Meeting may be represented by a Substitute. Where a Substitute attends an ECF meeting or ECF related activity, he/she shall have the same rights and obligations (including, without limitation, in respect of confidentiality) as the official ECF Employee Representative for whom he/she is covering. The ECF Employee Representative shall notify local HR management or local management with responsibility for HR of the name of his /her Substitute. Such local management shall then notify the ECF Secretary in advance of the name of that Substitute who is attending an ECF Meeting and the country which he/she represents.

Scope of ECF Meetings

8. Subject to Clause 16 below, ECF meetings and related activities shall only be concerned with the matters set out below:
 - ◆ **Annual ECF Meeting:** the matters listed in Clauses 10 and 11 below;
 - ◆ **Special ECF Meetings:** a Special Event.
9. To avoid doubt, the process at ECF meetings shall be that of Information and Consultation, and not collective bargaining or co-determination.

Annual ECF Meeting

10. The ECF will meet once a year, usually shortly after the publication of the annual results for the Cookson Group. Subject to Clause 16 below, the agenda will relate in particular to the following, from a Transnational perspective on the progress of the business:-
 - the structure, economic and financial situation;
 - the probable development of the business and of production and sales;
 - the situation and probable trend of employment;
 - investments;
 - substantial changes concerning organisation;
 - introduction of new working methods or production processes;
 - transfers of production, mergers, cut-backs or closures of undertakings, establishments or important parts thereof;
 - Collective Redundancies.
11. In addition to the general reporting items listed in Clause 10 above, the ECF Chairman and the ECF Steering Committee may jointly agree for other matters to be placed on the agenda for an Annual ECF Meeting provided that the matter:
 - ◆ is Transnational; and
 - ◆ is not precluded by Clause 16 below
12. The ECF Secretary shall be responsible for facilitating the production of the agenda for the Annual ECF Meeting by requesting the ECF Steering Committee to meet with the Chairman to agree any additional items for the agenda. This will normally happen 8 weeks ahead of the planned date for the Annual ECF Meeting. The agenda will normally be circulated to all ECF members 4 weeks ahead of the Annual ECF Meeting.
13. All ECF Employee Representatives shall be entitled to attend the Annual ECF Meetings.

Special ECF Meetings

14. Where a Special Event occurs, the Company will convene a Special Meeting to consult with the relevant ECF Employee Representatives on the matter. Where the Steering Committee reasonably believes that a Special Event has occurred, it may request the Company to convene a Special Meeting; Company approval will not be unreasonably withheld. To avoid doubt, such a Special Meeting shall be convened promptly after the Special Event has been announced to local works councils, recognised trade unions or other employee representatives, as required by local laws.
15. Those ECF Employee Representatives entitled to attend Special Meetings shall be the members of the ECF Steering Committee and the ECF Employee Representatives from those countries which are directly affected by the Special Event.

Annual & Special ECF Meetings

16. Since all parties are in agreement that the purpose and scope of the ECF is on transnational issues of a strategic nature, and to avoid future confusion, misunderstanding or disagreements, the parties have decided on those items which will be discussed by the ECF, recognising that certain issues are not relevant to these meetings. The ECF will not cover matters not of a transnational nature; terms and conditions of employment; environmental issues other than corporate environmental statistics; corporate social responsibility issues; health and safety issues which either relate to terms and conditions of employment or which can be dealt with through local health and safety arrangements; or individual grievances.

Administrative Matters for ECF Meetings

17. The ECF Secretary shall be responsible for all administrative matters concerning the operation of the ECF including:
 - ◆ organising ECF meetings (e.g. dates, accommodation, translation services and location etc);
 - ◆ arranging for the taking of minutes of ECF Meetings;
 - ◆ agreeing the minutes of ECF Meetings;
 - ◆ agreeing with the ECF Steering Committee the text of a communiqué to employees following ECF Meetings;
 - ◆ distribution of agenda and meeting papers to ECF members;
 - ◆ communications with ECF members on dates and other administrative arrangements for ECF Meetings.
18. The ECF Employee Representatives shall elect from their number an ECF Steering Committee comprising of 3 ECF Employee Representatives. The ECF Steering Committee shall have the following functions:

- ◆ the main interface between the management team and the ECF Employee Representatives between Annual ECF Meetings;
 - ◆ attending Special ECF Meetings;
 - ◆ agreeing the Annual ECF Meeting agenda with the ECF Chairman;
 - ◆ agreeing the ECF Meeting minutes;
 - ◆ agreeing with the ECF Secretary the text of the communiqué to employees;
 - ◆ liaising with other ECF Employee Representatives on matters within the scope of the ECF.
19. English will be the official language for ECF business. All necessary translation and interpretation facilities, including the translation of Company documents, will be made available to ECF Annual and Special Meetings, pre-meetings and de-briefings, where such facilities are required based on individual need. In addition, reasonable translation and interpretation shall be provided to the Steering Committee, where necessary and based on individual need, by agreement with the ECF Secretary. All parties recognise that this facility comes at a very high cost and that a sensible approach has to be applied. Translation facilities are limited to major documents directly applicable to topics to be discussed at ECF meetings. For example the translation of trade union papers, annual reports, translation of local laws and research documentation would not be practical and would be cost-prohibitive. Where any conflict exists between the English language version of any ECF related document and other languages, the English version shall take precedence.
20. Annual ECF meetings shall take place by way of a physical meeting. Special ECF Meetings shall be by way of either a physical meeting or by videoconference. This shall be agreed with the Steering Committee.

Confidentiality

21. The Company may classify specific written or oral information supplied to the ECF members as confidential. To avoid doubt, information will not be treated as confidential unless it is so designated. All ECF members must maintain strict confidentiality in respect of all such information. This obligation regarding confidentiality shall apply until such time as that information comes properly into the public domain (other than by way of unauthorised disclosure by anyone). Where an ECF Employee Representative is required under local laws to disclose ECF information to a works council, he/she shall be entitled to disclose the confidential information to that works council provided that the works council strictly observe such confidentiality. The Company will provide specific and identifiable explanations why such information must remain confidential.
22. There may be certain types of confidential information which are so sensitive that they cannot be disclosed to the ECF. This includes information:

- ◆ given to the Company or any other Cookson Group company in confidence by a third party; or
 - ◆ the disclosure of which by the Company would be in breach of a legal obligation, or rules of a regulatory body or court order; or
 - ◆ the disclosure of which, would be likely to cause the Company (or any part of it) prejudice or harm; or
 - ◆ which would breach Stock Market rules.
23. These confidentiality constraints also apply to ECF Employee Representatives and Substitutes upon cessation of ECF membership or employment with a Cookson Group company.
24. Subject to Clause 44, disputes regarding the withholding of information deemed by Cookson Group plc to be confidential will be dealt with in accordance with the procedures set out in the Regulations.
25. Should a case of breach of confidentiality be upheld, the Company reserves the right to withdraw ECF membership from the person(s) concerned and to take appropriate disciplinary action under the rules of misconduct in the country of employment. The Chairman or the Secretary (as appropriate) shall liaise with the ECF Steering Committee prior to taking any such action. Nothing in this Clause 25 shall prevent the Company from taking appropriate legal action against an individual whom it has reasonable grounds to believe has breached his/her obligations of confidentiality, but this shall be subject to any restrictions under local laws.
26. Where the Chairman or Secretary has reasonable grounds to believe that an expert to the ECF Employee Representatives has breached his/her obligations of confidentiality in respect of the ECF, the Chairman may refuse to permit the attendance of that individual at any ECF related meeting, until the matter has been resolved.

Communications

27. The ECF Secretary and the ECF Steering Committee shall meet following the ECF meeting to agree the text of a communiqué to be sent to all Cookson Group employees following an ECF meeting. This discussion will take place at the end of the ECF meeting in question. This text will then be cascaded to Business Unit Heads by the ECF Secretary with the assistance of the Human Resources function for each operating Division. Business Heads and local management will then be responsible for ensuring appropriate distribution within their area of authority.

ECF Employee Representatives will be provided with necessary email, fax and telephone facilities to assist them in carrying out their responsibilities, including communicating with employees before and after the ECF Meeting.

28. Nothing in this Agreement shall prevent any Cookson Group company from communicating directly with its employees.

Training

29. The Company will, in agreement with the Steering Committee, arrange for appropriate training to be provided to all ECF Representatives and their Substitutes to ensure that they have the necessary skills to carry out their ECF responsibilities. The nature and extent of such training shall be agreed between the Company and the ECF Employee Representatives.

Time off and expenses

30. The Company shall ensure that the employing company of each ECF Employee Representative or Substitute shall permit him/her to participate in ECF Meetings and agreed pre-meetings. Since ECF activities are treated as part of the business of the Cookson Group, the employing company's normal arrangements regarding pay and requesting time off shall be applicable, as if it was a business meeting. Employee Representatives will be provided with time-off at their workplace in accordance with local laws and regulations to prepare for ECF meetings.
31. Subject to Clause 32, ECF Employee Representatives shall be reimbursed for their expenses in respect of their attendance at Annual and Special ECF Meetings and related pre-meetings and de-brief meetings for accommodation, travel and subsistence as would normally be applicable for attending a Cookson Group business meeting in their employing company. Such expenses will be reimbursed against reasonable proof of expenditure.

Pre-meetings & De-brief Meetings

32. ECF Employee Representative shall be entitled to hold up to a full day pre-meeting amongst themselves immediately prior to the ECF Meeting and a Debrief meeting immediately following and on the same day as the Annual ECF Meeting. However, the Company will only pay for up to two nights' accommodation and meals. Where necessary due to restrictive travel timetables, an ECF Employee Representative may request the ECF Secretary to approve an additional night's accommodation and meals to be paid by the Company.
33. For Special Meetings, the ECF Representatives may hold pre- or debrief meetings at any time on the same day during which the Special Meeting takes place. The timing and duration of any pre-meeting and de-brief meeting shall be agreed with the ECF Secretary. The Company will only pay for one night's accommodation and meals for ECF Employee Representatives attending a Special Meeting.

Experts

34. At the pre-meeting and de-briefing meetings ECF Employee Representatives as a body may be assisted by one expert of their choice.

For ECF Annual and Special Meetings, the ECF Employee Representatives or the Steering Committee are entitled to request the support of one expert in total for specific agenda items. The expert may attend such meetings as an observer. The request for an expert shall be submitted to the ECF Chairman prior to ECF Annual and Special Meetings.

An expert shall be a person who both:

- Is giving advice to the ECF Employee Representatives which relates to the forthcoming ECF Meeting; and
- Signs the confidentiality letter set out in Annex 4 (only if confidential information is disclosed).

35. The Company shall cover the reasonable costs of one expert, against a VAT invoice.

Protection for ECF Employee Representatives

36. All ECF Employee Representatives and Substitutes shall be afforded protection in connection with the performance of their functions in connection with this Agreement. This protection shall be the same as is given to authorised employee representatives carrying out their authorised functions as representatives under the local laws and practices of the country which they represent. The ECF members and the Steering Committee may raise directly with the ECF Chairman any breach of this Clause 36.

Acquisitions

37. In the event that Cookson Group plc acquires a company or other business which already has an agreement which is subject to the Directive, this Agreement (as may be amended by Clause 42) shall take precedence over any other such agreements of the acquired company or business.

Commencement, amendment and termination

38. This Agreement will commence on [] and shall continue for consecutive terms of 4 years each unless 6 months written notice to expire at the end of any term is served by either party, in accordance with Clauses 39 and 40 below. At the commencement date, the task of the Special Negotiating Body will be treated as completed.

39. This Agreement will be terminable by the Company on the serving of 6 months written notice on the ECF Steering Committee. This notice must expire at the end of the 4 year term. If such notice is not served to expire at that date, this Agreement will be deemed to be renewed for a further 4 year term.
40. This Agreement may be terminated by the ECF Employee Representatives on the serving of 6 months written notice on the ECF Secretary. This notice must expire at the end of the 4 year term. If such notice is not served to expire at that date, this Agreement will be deemed to be renewed for a further 4 year term. Such notice will only be considered valid where it has been signed by no less than a majority of the ECF Employee Representatives.
41. The ECF will continue to operate normally during a period of notice, during which the parties shall seek to reach a new agreement, unless at least a majority of ECF Employee Representatives vote against opening such negotiations. If no new or revised agreement is reached before the expiry of such termination notice, it is agreed that Cookson Group employees or their representatives may commence the negotiating process afresh.
42. This Agreement may be amended by written Agreement between the Chairman and a majority of the ECF Employee Representatives.

Dispute Resolution

43. Subject to Clauses 44 and 45, the enforcement of the terms of this Agreement shall be as provided for in reg. 21 of the Regulations.
44. Clause 43 shall not prevent the Company from enforcing the obligation of confidentiality through the ordinary courts, if it chooses to do so.
45. If there is a dispute about the meaning or operation of this Agreement, the following process will apply:
 - There shall be a discussion between the Steering Committee and the ECF Chairman and two other members of the Cookson management team in an attempt to resolve it.
 - If that proves unsuccessful, both parties will consider in good faith seeking to resolve the matter through mediation by a mutually agreed mediator.
 - If that mediation proves unsuccessful, the parties shall be free to consider alternative dispute resolution, before Clause 43 shall apply.
 - Both the Company and the ECF shall seek to resolve disputes in good faith and in the spirit of co-operation.
46. The ECF shall not seek to commence legal proceedings to enforce this Agreement unless at least a majority of the ECF Employee Representatives sign a written notice supporting such action.

Miscellaneous

46. This Agreement has been entered into under regulations 16 and 17 of the Regulations (pursuant to Article 6 of the Directive). It is governed by and construed in accordance with English law.
47. The English language version shall be deemed to be the authoritative version.
48. This Agreement is intended to be legally enforceable.

SIGNED etc

ANNEX 1

Definitions

Word/phrase	Meaning
Collective Redundancy	A proposed reduction of employees for economic reasons involving the dismissals of at least 40 Cookson Group employees in each of at least two Participating States covered by this Agreement provided that such dismissals are directly linked with each other by decision made at global divisional management level
Consultation	Establishment of a dialogue and exchange of views
Cookson Group	Cookson Group plc and all of its subsidiary companies in the EEA which it directly or indirectly controls through ownership of share capital
Directive	EU Directive No EEC/94/45 and EEC/79/74/ on European Works Councils
Division	Any operating division of the Cookson Group from time to time
ECF	European Consultation Forum
ECF Chairman	A member of the senior management team appointed to the ECF from time to time by the Company to carry out that function, or his/her nominee
ECF Employee Representative	An employee of any Cookson Group Company who has been elected or appointed in accordance with national law to represent employees in the country where he/she is employed
ECF Secretary	A member of the ECF management team appointed by the Company, or his/her nominee
ECF Steering Committee	A committee of not more than 3 ECF Employee Representatives elected to

	fulfil that function by the other ECF Employee Representatives
EEA	European Economic Area
Participating State	Any EU State in the EEA which is covered by the Directive
Regulations	Transnational Information & Consultation of Employees Regulations 1999
Special Event	<p>A Collective Redundancy, merger, relocation or closure of a Transnational nature provided that it:</p> <ul style="list-style-type: none"> ◆ directly involves at least 40 Cookson Group employees companies in each of at least two Participating States; and ◆ directly results from a decision taken at European management level; and ◆ was decided at global divisional management level.
Substitute	A Cookson Group employee appointed or elected in accordance with their national law to fulfil that role and who is based in the same country as the ECF Employee Representative that he/she is covering.
Transnational	Involving Cookson Group employees in each of at least two Participating States.

ANNEX 2

Allocation of seats at the ECF for each country

1. Seats on the ECF will be allocated on the basis as follows:
 - ◆ 1 seat for each Participating State where Cookson Group plc has employees resident
 - ◆ 2 seats where the total Cookson Group employees in the Participating State is 25% or more of the aggregate total of all Cookson Group employees in all Participating States
 - ◆ 3 seats where the total Cookson Group employees in the Participating State is 50% or more of the aggregate total of all Cookson Group employees in all Participating States.

As at the date of this Agreement, this results in the allocation of ECF Employee Representatives seats as set out in the table below:

Country/Constituency	Number of ECF Seats for Employee Representatives
Belgium	1
Czech Republic	1
France	1
Germany	1
Hungary	1
Ireland	1
Italy	1
Netherlands	1
Poland	1
Portugal	1
Slovakia	1
Spain	1
Sweden	1
United Kingdom - Ceramics Division	1
United Kingdom - employees other than Ceramics Division	1

2. In the event that Cookson Group plc acquires a business in a Participating State where it is not then present, the employees in that new country shall be entitled to elect/appoint an ECF Representative for that country in accordance with local laws and customs.
3. Where a disposal or acquisition of a business by Cookson Group plc results in the need for an adjustment in the number of ECF Employee Representatives for one or more Participating States, this issue shall be addressed by the Steering Committee and the ECF Chairman.
4. The ECF Secretary shall provide the employee headcount of the Cookson Group plc businesses at the ECF meeting.

ANNEX 3

Election/Appointment of ECF Employee Representatives

1. Employee Representatives and their Substitutes shall be elected or appointed in accordance with the laws and customs of the countries which they represent. The members of the Special Negotiating Body shall be the first ECF employee representatives for their respective countries.
2. Subject to any other requirement under local laws, Employee Representatives must have at least 1 year's continuous service within Cookson Group plc or any acquired company prior to their election or appointment.
3. ECF Employee Representatives shall hold office for a term of 4 years and on the expiry of their term may offer themselves for re-election or re-appointment.
4. Where an ECF Representative either resigns such office or ceases to hold it pursuant to any of the first four bullet points of Clause 5 of this Agreement, his/her Substitute shall replace him/her as the official ECF Employee Representative for his/her country/constituency for the remainder of the term of office of the resigning ECF Employee Representative. A new Substitute shall be appointed or elected in accordance with this Annex 3.
5. All ECF Employee Representatives (including those who are not original signatories to this Agreement) shall be bound by this Agreement, as amended from time to time.

ANNEX 4

(To be signed by Experts Only)

Cookson Group plc
265 Strand,
London WC2R 1DB

[Date]

Dear Sirs

Confidentiality Undertaking

I acknowledge that the business of the Cookson Group plc European Consultation Forum ("ECF") is likely to entail the management of Cookson Group disclosing to those present information which is of a confidential or commercially sensitive nature. I also recognise that, if such information enters into the public domain or comes to the notice of any competitor or any person it could cause substantial damage and /or prejudice to Cookson Group or its joint venture partners. I therefore recognise the need to protect and preserve strict confidentiality.

Therefore, in consideration for my being permitted to attend any pre-meetings of ECF Employee Representatives and to advise ECF Employee Representatives on matters to be discussed at ECF meetings, and so have access to confidential information disclosed to the ECF, I hereby give the following undertakings which shall exist both during my appointment as an Expert to the ECF Employee Representatives and after its cessation (without limitation in time):

1. I will not directly or indirectly (i) disclose to any person (other than any current ECF Employee Representative or their Substitute as an ECF Employee Representative) or (ii) use for any purpose which is not strictly within the scope of the business of the ECF, any Confidential Information disclosed to me or which comes to my attention, at or in connection with any meeting of the ECF or any pre-meeting or subsequent meeting thereto.
2. Without prejudice to the generality of paragraph 1 above, I will not directly or indirectly disclose or communicate to any press or any other media any Confidential Information which is referred to in paragraph 1 above.
3. On my ceasing to be an Expert in connection with the ECF process I will use my best endeavours to deliver back to the Company all notes, documents and summaries (including copies) of any Confidential Information which came to my attention in connection with the ECF.
4. I recognise that if I breach any of my above undertakings I may be subject to exclusion from all future meetings connected with the ECF and/or other legal action.

5. "Confidential Information" means any information which is marked "confidential" or "secret" or which I or ECF Employee Representatives or their Substitutes have been informed orally or in writing by the Company or its nominee is of a confidential status.

Yours sincerely

.....
[*name*]
of

.....
[*organisation*]