

EWC Agreement - as amended in May 2002 & Dec 2004

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AGREEMENT ON A PROCEDURE FOR TRANSNATIONAL INFORMATION AND CONSULTATION OF THE EUROPEAN WORKS COUNCIL (EWC)

The present text contains the original Agreement of May 1996 as adapted according to the amendments of November 1999, May 2002 and December 2004, which have become an integral part of the 1996 Agreement.

Article 1 : OBJECTIVES

In respect of the spirit and the principles of European directives 1994/45/EC and 1997/74/EC, this Agreement was provided with the following objectives:

- a.> transnational information and consultation of employees in the European HP organisation, by the Management about HP strategical level transnational plans, in a spirit of mutual cooperation.
- b> protection of the rights and acknowledgement of the duties of HP employees on European level.
- c> information exchange between EWC members.

The employees of HP, represented by the appropriate Country Works Councils and/or other employee representative(s), the HP European Management and the Country Management agree as follows :

Article 2: DEFINITIONS

INFORMATION and CONSULTATION

For the purpose of this Agreement, “Consultation and Information” means the exchange of views and dialogue between the HP EWC and HP Management. This requires in case of global projects/implementations a written information in a good timeframe before a physical EWC meeting or a teleconference in order to give feedback to the European Management before the implementation of local Management.

The EWC shall thus have the opportunity of influencing management’s decisions before they are taken.

Consultation requires a formal meeting between HP Management and the HP EWC.

A written documentation on subjects on the agenda must be provided by HP Management to the EWC 1 week before the meeting.

The EWC must provide their recommendations within 1 week after the end of meeting before HP Management take final decision on subjects on the agenda

HP Management will inform EWC about the impact of EWC recommendations.

Article 3: HP EMPLOYEES

For "information" and "consultation" purposes we understand under "HP employees" all employees on HP payroll in the European countries within the geographical scope of this Agreement.

Article 4: GEOGRAPHICAL SCOPE

The geographical scope of this agreement consists of the entire HP workforce within the European Economic Area (EEA*), Switzerland as well as those countries that have been recognised as 'Applicant Countries**' to the European Union

*EEA. = Austria, Belgium, Cyprus, Czech Republic, Denmark, Estonia, Finland, France Germany, Greece, Hungary, Ireland, Italy, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Slovakia, Slovenia, Spain, Sweden, United Kingdom as well as Norway, Liechtenstein and Iceland.

** Applicant Countries – Croatia, Romania, Bulgaria, Macedonia & Turkey

Article 5: ISSUES

Under "on-going" issues we understand HP European status analysed by regular 6 month financial reports by business, market share, competition, new products, business forecast, people status and planning, etc...

Under "ad hoc" issues we understand events which can impact between 100 and 500 employees, and involving at least two (2) countries. These issues will be handled with a medium priority.

Under "exceptional circumstances" we understand issues which are impacting employee work conditions (like reward, job evaluation ...) and changes impacting more than 500 employees (for example closure, acquisition, merge, collective redundancy, etc...) and involving at least two countries. These issues will be handled with a high priority.

Article 6: HP MANAGEMENT REPRESENTATION

Management will be represented as follows:

§1 For "on-going" transnational "consultation" by the Director of Personnel Europe and/ Business Management / Controller

§2 For "ad hoc" transnational issues Central Mgt will be represented by the General Managers/Business Managers and the Director of Personnel Europe or their delegates.

§3 "Exceptional circumstances" are dealt with by the General Manager Europe and his Business Managers.

Article 7: EWC REPRESENTATION

§1 The employees of each country as referred to in article 4 will be represented in the EWC through elected or designated employee representative(s) and their substitute(s), according to national law and/or practices. The EWC will be informed and consulted following art. 10 by Mgt as referred to in art. 6.

§2 Small EEA Countries

EEA countries with less than 150 employees will be grouped together and will be represented jointly by one full Employee Representative. The Employee Representative will be elected or designated according to national law and/or practice, from the country with the largest employee population in the Small EEA Country group.

§3 EU Applicant Countries

EU applicant countries will be grouped together and jointly represented by one employee representative. This representative will participate in the EWC, including meetings, as a full member except on questions specifically dealing with the application of community legislation where they take part as an observer. The Employee Representative will be elected or designated according to national law and/or practice, from the country with the largest employee population in the Applicant Country group.

As and when applicant countries become full members of the EU they will move out of the EU Applicant Country group and will be represented as per other EEA countries depending on the number of employees in the country.

Article 8: MANAGEMENT CONTACT

The US and European Mgt will designate a Representative Agent in the E.U. which will appoint a Mgt Contact and a substitute, who will be responsible for the proper functioning of the EWC and who will be the prime contact for the employee representatives & Mgt network. If not stipulated or mentioned differently, Mgt will mean the Mgt Contact.

Article 9: INFORMATION & CONSULTATION MEETINGS

§1 “On going” meetings

On an on going basis the EWC “on going” meetings will take place twice a year (one at the end of FY, the second at the middle of F.Y) to address “on going” issues as described in Article 5.

Director of Personnel Europe and Business Management must inform the EWC on the progress of the company.

The meeting location and the agenda will be mutually agreed by Mgt Contact and the Select Committee.

These plenary sessions are held in principle over one and a half-day each.

The first half day is reserved for the employee representative(s) to prepare for the next day's plenary meeting.

The plenary meeting held the 2nd day will be dedicated to information and consultation by HP Management on subjects on the agenda.

During the 2nd day the employee representatives will be given, on top of the agenda points, an open hour for any other questions to HP Management.

Also some time must be dedicated at the end of this day for EWC internal review of discussed subjects.

The Select Committee and the Mgt Contact (who will be the prime contact for the Select Committee) will be responsible for the preparation of the plenary meetings with the following process:

a) The draft agenda of the plenary meeting will be mailed by the EWC Select Committee to the Director of Personnel Europe one month before the plenary meeting.

During the two weeks following reception of this draft agenda, Central Mgt may modify the agenda in agreement with the Select Committee and define the information it intends to provide during the plenary session.

b) Expedition of the agenda to each member of the EWC at least 10 days before the plenary session.

c) In the plenary meetings the final Agenda will be voted on majority.
For that purpose each employee representative will have one vote.

d) Drafting of the minutes of the plenary meeting will be done at the meeting by an Assistant provided by the HP Management

e) This drafting will be reviewed and completed by the Select Committee within one month after the meeting. These minutes will be put on the server after unanimous approval of the Select Committee. English will be the language vehicle.

§2 “Ad hoc” meetings

For "ad hoc" transnational issues, the Select Committee will have a meeting with the HP Mgmt, and eventually with some more EWC members if necessary.

At the end of the meeting the Select Committee may inform all the EWC members electronically and ask for an electronic vote in order to give recommendations to HP Mgmt on these issues. Normally by phone, a physical meeting in extraordinary circumstances only!!!!

§3 “Exceptional circumstances” meetings

For exceptional transnational circumstances the Select Committee and the HP Mgmt will organize a formal meeting with all EWC members following the same process as for the “on going meetings.”

§4 Information only

For issues which are low priorities, information will be done by HP Management using HP electronic communication (like regular internal EWC conference calls, e-mail, web sites...)

§5 Mgt shall not be obliged to release information which would harm the interests of the company, its shareholders or its employees, under the conditions and limits laid down by national legislation and/or practice

Article 10: ELECTIONS AND DESIGNATIONS OF EMPLOYEE REPRESENTATIVES

§1 Each country, as listed in Article 5, will organize the elections or designation of its employee representative(s) as follows :

- a. For EEA countries with more than 150 employees and Switzerland - Per country one employee representative and one substitute via general elections or designation according to relevant national law.
- b. For EEA countries with more than 1000 employees, a second employee representative and another substitute via general elections - or designation according to relevant national law.
- c. For EEA countries with more than 5000 employees, a third one and another substitute via general elections – or designation according to national law.
- d. For EEA countries with less than 150 employees – one joint employee representative and substitute via general election or designation according to relevant national law.
- e. For EU applicant countries – one joint employee representative and substitute via general election or designation according to relevant national law.

§2 The election procedure will be done as indicated by national law

§3 The headcount to be taken in consideration for the election or designation of the above mentioned employee representative(s) will be the one of November 1st, of each year.

§4 In order to comply with diversity principles of HP, the EWC should ideally be as diverse as possible as mentioned below:

HP's DIVERSITY STATEMENT

In order to make HP Europe workforce more diverse and more diversity aware, at all levels, especially management, all entities are invited to work out diversity plans and have them in place. HP enjoys a competitive advantage in its ability to attract and retain highly talented people. That advantage depends on some key employee perceptions:

1. the relative attractiveness of the HP work environment vs. others,
2. the enduring quality of the core values in the HP Way, despite changing practices,
3. the company's willingness to help employees balance the demands of their work and non-work commitments, and
4. its ability to create an inclusive environment in which all segments of its diverse workforce (gender, culture, language, HP business, socio-economic, health, ...) are able to contribute at their full potential.

Article 11: CRITERIA FOR THE CANDIDATES OF THE EWC MEMBERS

§1 EWC candidates must be active HP employee with 1 year seniority. Elections are based on national laws.

If no participation from a member, the Select Committee may ask his/her electing body to replace this member.

Members of EWC are expected to be able to understand, speak and write English in order to facilitate communication.

However translation and interpretation will be provided, for any of the 11 official EU languages, by HP Management upon request of an EWC member, after approval by the Select Committee.

§2 Members of the EWC are elected or designated for a period of 4 years, unless national law of the employee representative(s) prescribes a different time frame.

Article 12: TRAINING

Training will be provided for newly elected EWC representatives at the next “on going” meeting following the election.

The training will cover a period of one/two days and will be organised jointly by the Mgmt. Contact and the Select Committee.

Training will cover EU legislation regarding EWCs, HP EWC organisation and processes, HP European businesses and financial structure.

Part of this training will be provided by an expert selected by the Select Committee and HP EMEA MGMT by mutual agreement and will be paid by HP Management.

Other part will be provided by HP Business/Financial expert provided by HP Management.

The Select Committee can invite the expert, paid by HP Management, at regular meetings to provide on going training to all EWC members, if necessary.

Article 13: RESPONSIBILITIES - MISSION - VOTING POWERS OF THE EWC MEMBERS

§1 The EWC is designed to enable the proper functioning of the "Transnational Information and Consultation" process as provided for within the present agreement. On behalf of all employees, EWC members will direct their questions concerning transnational issues, uncertainties and demands for clarification to the Select Committee who will submit to HP Mgt and provide additional information back to employees as appropriate.

§2 Employees will be informed on transnational matters, through HP's regular information channels and in absence of it, by the EWC members following standard communication processes followed in each of the HP units.

§3 Each employee representative(s) in the EWC informs and discussed regularly or occasionally with the employees they represent on transnational matters being discussed in the EWC or provided to employees during coffee breaks, general personnel meetings or via an electronic communication system like HP e-mail.

§4 However, in an exceptional circumstances meeting, the employee representative(s) of each country or group of countries will have in total as many votes as there are employees in their country / group of countries, based on employee headcount at election date depending on art. 10 .3.

Article 14: SELECT COMMITTEE - COMPOSITION & ROLE

§1 The Select Committee will be composed of a chairman and four employees representatives to be elected for four years by and among the EWC members, based on the majority of the voting employee representative(s). Each employee representative present will have one vote

§2 The Select Committee will meet each quarter. If no issue are open, they can decide to cancel the meetings. They will work using the following process:

- a) Cooperation with other members of the EWC will be done to facilitate communication.
- b) The quorum of Select Committee is three members.
- c) In case of "unavailability/drop-out" of a Select Committee member, the Select Committee will select a temporary EWC member up to the next "on-going" meeting, where formal election will be done to replace this Select Committee member.

Article 15: CONFIDENTIALITY

Members of the EWC are not authorized to reveal any information which is company private and/or confidential or make use of the trade or business secrets that have come to their knowledge as a result of the membership on the EWC and/or which the Mgt has especially stated to be confidential, even after their mandate is expired.

Under no circumstances should they disclose sensitive information to third parties. The provisions of the HP Standards of Business on how to handle company information will govern in all cases.

Article 16: EXPERTS

§1 The HP EWC will have the right to call upon the assistance of experts in as far as the proper discharge of its tasks so requires.

This will also be valid for training purposes of EWC members.

Accepted experts will be HP employees or with prior agreement of the Mgmt. Contact, external consultants who are first willing to sign confidentiality agreements.

Article 17: BUDGETS & COSTS

All costs related to the proper function of the EWC (meetings, travel, training, Experts, translation) will be borne by HP Mgmt

Article 18: DURATION OF THE EWC AGREEMENT

18.1 This agreement is valid for four years starting May 27th 2002. After expiry, it will always be automatically renewed for another period of 4 years.

A majority of 2/3rd of the employee representative(s) or Central Mgt can terminate this agreement, at any point of time with a six months written notice.

After expiration of this agreement, its provisions shall continue to apply for a maximum of one year.

The regulations and terms of procedure defined in the present agreement may be changed by mutual agreement between at least 2/3 of EWC members and the Central Mtg., when legal or practical requirements make this necessary.

18.2 In the event of any future acquisition by HP of any company or business (whether by way of share acquisition, asset purchase or otherwise), it is agreed that this agreement shall continue in full force and effect and the existing employee representatives shall be competent to represent any additional employees that become employed by the HP group of companies as a result of such acquisition until the expiry of this agreement in accordance with Article 18.1. This provision shall apply notwithstanding that any acquired company or business may have had an existing European Works Council in existence prior to or at completion of the acquisition.”

Article 19: EMPLOYEES EXISTING RIGHTS

This agreement shall not limit employees' rights to information and consultation under national law.

Article 20: PROTECTION

Members and substitutes of as well as candidates during their period of election for the EWC, in the exercise of their function, enjoy the same protection and guarantees provided for employees' representatives by the national legislation and/or practice in force in their country of employment.

Article 21: LAW APPLICABLE TO EWC AGREEMENT - COMPETENT COURTS

Unless contradiction with national laws or when not covered for by national laws, the law of Belgium will be regulating all matters of this EWC agreement.
In case of conflict in interpretation only Belgian law and Belgian courts will be competent.

Article 22 : STRUCTURE OF THE EWC as of December 2004

Countries	No. of EWC members	Represented Countries
Austria	1	
Belgium	2	
Czech Republic	1	
Denmark	1	
Finland	1	
France	3	
Germany	3	
Greece	1	
Hungary	1	
Ireland	2	
Italy	2	
Netherlands	2	
Norway	1	
Poland	1	
Portugal	1	
Slovakia	1	
Spain	2	
Sweden	2	
UK	3	
Switzerland	1	
EEA Small Countries	1	Estonia, Latvia, Lithuania, Slovenia, Luxembourg
EU Applicant Countries	1	Bulgaria, Romania, Croatia, Turkey
TOTAL	34	

Zurich, May, 27th 2002

The Central Management

..... Roland Fleischmann	European HR Director Hewlett-Packard
..... Ulrich Oechsle	Chairman Select Committee
..... Marja Ahola	Select Committee Member
..... Maria Villa	Select Committee Member
..... Dieter Chlodwig	EWC Member
..... Axel Preusch	EWC Member
..... Beat Kleiner	EWC Member
..... Joe Leutner	EWC Member
..... Gregorio Pasamontes	EWC Member
..... Angel Pasos	EWC Member Sub
..... Jose Lourenzo	EWC Member
..... Bruno Vetturini	EWC Member
..... Michel Demoulin	EWC Member

..... Eric Trouve	EWC Member
..... Vic Murphy	EWC Member
..... Terry Field	EWC Member
..... Peter Lucey	EWC Member
..... Jorge Sved	EWC Member
..... Trine Morvad	EWC Member
..... Anna Winberg	EWC Member
..... Hanne Rode	EWC Member
..... Holger Nieuwenhuijzen	EWC Member
..... Ulla Herckenrath	EWC Member
..... Manuel Mata	EWC Member
..... John Vardakis	EWC Member

10th December 2004 Addendum to the 27th May 2002 Agreement

The May 2002 Agreement has been updated to take into account the new EU Accession Countries. The changes were presented to and approved by the EWC on Friday December 10th 2004.

On behalf of the EWC

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Werner Sczeponik EWC Select Committee Chairman

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Marja Ahola EWC Select Committee Member

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Christophe Hagenmuller EWC Select Committee Member

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Silvana Bellotti EWC Select Committee Member

.....
Ulla Herckenrath EWC Select Committee Member

On behalf of HP Central Management

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Walter Russell HP Director, EMEA Employee Relations