

**AGREEMENT
ON THE EUROPEAN WORKS COUNCIL IN
THE AKER KVÆRNER GROUP**

In order to continue and further develop a forum for communication, consultation and information between Aker Kværner Group management and its employee representatives, the undersigned parties have entered into the following agreement for a European Works Council (EWC). This agreement is based on the agreement between the Norwegian Federation of Trade Unions (LO) and the Confederation of Norwegian Business and Industry (NHO) in accordance with the EU Directive 94/95. The agreement is also based on the experiences from the former EWC agreements in Kværner from September 1996 and Aker Maritime from June 2000.

1. COMPOSITION OF THE EUROPEAN WORKS COUNCIL

- a. The European Works Council will consist of maximum 20 members.
- b. The EWC will consist of representatives from all countries within EU / EEA where Aker Kværner have more than 100 employees. Every country will have 1 extra representative for every 2000 employees exceeding 1000 employees.

100	-	1000 employees	=	1 representative
1000	-	3000 employees	=	2 representatives
3000	-	5000 employees	=	3 representatives
5000	-	7000 employees	=	4 representatives
7000	-	9 000 employees	=	5 representatives
More than	-	9 000 employees	=	6 representatives

- c. Each member is elected or appointed pursuant to national law or tradition. At the same time, a deputy member will be elected or appointed, to replace the member of the EWC in case of absence. Members and substitutes of the EWC are elected for a period of two years, if other rules are not stated in national legislation or agreement.
- d. Only permanent employees of an Aker Kværner group company in the EU / EEA can be elected or appointed as member or deputy of the EWC.
- e. Arrangements must, as far as possible, ensure that Aker Kværner's main business areas are represented in the EWC.

2. CHAIR, WORKING COMMITTEE.

- a. The EWC elects one chairman and one secretary from among its members.
- b. The EWC elects a Working Committee (WC) from among its members, consisting of at the most three members in addition to the chairman and the secretary. The WC shall represent at least 3 different countries.

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- c. The WC can meet at least every quarter if circumstances so require. The working committee will meet with management representatives when one of the parties asks for it. The WC will deal with issues such as:
- Preparations for the EWC meetings.
 - Orientation on special issues.
 - Situations between EWC meetings that requires information and consultation according to this agreement.
 - Extraordinary situations as mentioned in 3 f below
 - Situations concerning only parts of the Group that is better dealt with in the WC in addition to reps and management from this part of the Group as well as strategy discussions concerning only one of the operations or countries.
 - Other relevant issues.

see more information on EWC's under www.euro-br.eu

3. WORK METHODS

- a. The EWC meetings will take place at least twice a year, normally for two days.
- b. The date and the agenda of the meetings are set by mutual agreement between the working committee and the Group management. Except in exceptional circumstances, notice for the meeting and relevant documents will be sent to every member of the EWC as standard 5 weeks in advance. If this standard notification has been applied, then proposals for agenda items should be sent to the management or the working committee at least three weeks before the meeting, otherwise at the latest ten days after notification.
- c. At these meetings, the EWC will meet with group management or representatives designated by the Group management. The Groups President and CEO and the Senior Vice President and Group HR manager will participate in the EWC meetings.
- d. In connection with the EWC meetings, the employee representatives are given the possibility to conduct internal discussions before and after the meeting with the management, without representatives from management being present.
- e. The information and consultation of the EWC shall take place in such a time, manner and content that the representatives can express an opinion concerning a planned measure on the basis of the information received.
- f. In extraordinary situations of great significance to the groups joint European operations, or where the employees' interests are significantly affected, the WC and the management have a mutual right to take the initiative for additional meetings. This is particularly relevant with regard to moving or closure of operations, large-scale redundancies etc, affecting more than one country. EWC members representing the operations/country, which is directly affected by the planned measures, could be present at such meetings in addition to the WC. A meeting of this kind shall be held as soon as possible on the basis of a report from management. At the end of the meeting, or as soon as possible afterwards, the WC is entitled to make a statement on the report. This statement shall be included in the documents for the further processing of the case, unless there are particular reasons why they should not do so.

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4. COMPETENCE

- a. The aim of the meetings is to give information and to consult the EWC on issues concerning the entire Group, which are of interest to all employees, such as:
- The Group's structure and major changes in the organisation of the operations or the Group
 - The Group's economic and financial position
 - The expected development of the Group's operations, production and sales
 - The employment situation within the Group and its anticipated development
 - Investments and substantial organisational changes
 - Transfer of production, mergers
 - Reduction or closing down of a company, operations or substantial parts of them
 - Collective notice of termination
 - Health-safety-environment issues
 - The Group's culture, identity and core values
 - Leadership attitudes and leadership approach
- b. The list is not exhaustive and can be expanded to include important and transnational issues not mentioned above. Questions affecting individual terms of employment or corresponding matters are however not dealt with.

see more information on EWC's under www.euro-br.eu

5. THE ROLE OF THE EWC REPRESENTATIVE.

- a. The members of the EWC shall inform the employees' representatives on national and local level about the contents and outcome of the information and consultation taken place in the meeting. They should also report back questions and all relevant opinions and facts to the EWC bodies.
- b. The EWC representatives shall be given sufficient time to prepare for meetings. The members of the EWC shall also have the right and obligation to communicate with the employees in the constituency and other EWC representatives between the conferences. Normally most of the latter will go through the EWC chairman, who is the first point of contact or report. In certain situations it will be natural to consult the local or divisional HR-department / representative.
- c. The group will provide the EWC with necessary equipment and funds for communication and visits to fulfil these obligations. The EWC members shall have access to phone, fax and/or e-mail, so that they are able to carry out their assignments properly.
- d. EWC representatives shall have equal protection and guarantees as employees-representatives have under national law, agreement and/or practise in the country in which they are employed. Redundancy of Members and deputies of EWC will not be made effective before the chairman of the EWC has been noticed and consulted.

6. EXPERTS

The EWC and/or WC have the right to be assisted by an expert designated by EWC or WC and

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paid for by the Group.

7. LANGUAGE

- a. The corporate language of Aker Kværner is English. Meetings will therefore take place in English. Translation of documents and simultaneous translation during meetings are to be provided when necessary.
- b. The group will provide necessary language training to the EWC representatives to improve their English language capability.

8. EXPENSES

The expenses for the meetings in EWC and WC and for the representatives' participation in these meetings, as well as for the experts mentioned in 6 and simultaneous translation and training in 7 above, are to be paid by the group according to the normal procedure in the group.

see more information on EWC's under www.euro-br.eu

9. SECRECY

Members of EWC and WC, and any expert who assists them must observe confidentiality concerning information, which have been disclosed to them by the management under strict confidentiality. The same shall apply to participants in other consultation arrangements under the agreement. The secrecy requirements also apply after the expiry of the term of office.

10. DURATION OF THE AGREEMENT

- a. This Agreement is valid when signed, and will apply to the parties for a period of four years from 4/2 - 2003.
- b. The Agreement will automatically be extended for periods of two years, if it is not cancelled by one of the parties. Cancellation of the agreement must take place with a notice of at least 6 months before expiration, and shall be followed by mandatory negotiations initiated by the company.
- c. If rules in accordance with Council Directive 94/45/EF are implemented or in any other way introduced in Norway, in the form of either legislation or agreements, which significantly change the premises of this Agreement, or if other material circumstances so require, the parties can demand the renegotiation of this Agreement.
- d. During the current period of the agreement, changes or amendments can be made by mutual agreement between EWC and Group Management.

11. CHOICE OF LAW

This Agreement is subject to Norwegian law.

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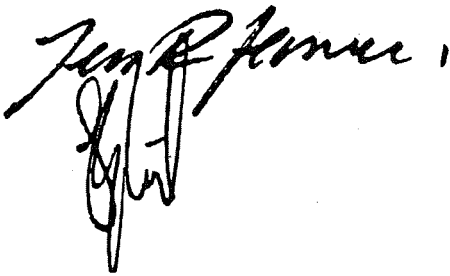
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This Agreement has been prepared in English, and will be translated into Norwegian, Finnish, German and Dutch. The English version of the Agreement will have precedence in the case of doubt as to the interpretation of the Agreement.

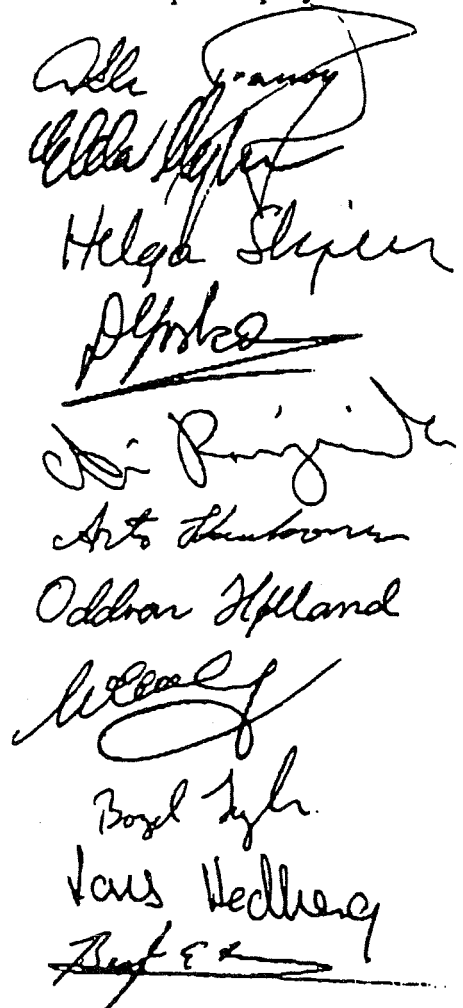
see more information on EWC's under www.euro-br.eu

Oslo 4/2 - 2003

For Aker Kværner Group



For the Group's employees



A list of handwritten signatures for the Group's employees, including: Arde Granoy, Elda Kjetten, Helga Skjerve, Alfnes, Siri Rungvold, Arto Huhtonen, Oddvar Hølland, Alfnes, Børge Lyhr, Kari Hedberg, and Bjørge.