



## Creation of the FCI European Works Council

AGREEMENT DATED OF JUNE 26<sup>TH</sup>, 2006

# AGREEMENT FOR THE CREATION OF THE FCI EUROPEAN WORKS COUNCIL

### **BETWEEN,**

FCI, a French public limited company (société anonyme), with a share capital of 158 487 184.35€ registered with the Versailles trade and company register under number 349 566 240, headquartered at 145 rue Yves Le Coz, 78000 Versailles, France, represented by Mr. Eric Turpin, in his capacity as Vice-President Human Resources and Communications for the FCI Group

### **AND,**

The members of the Special Negotiation Group

It has been agreed as follows:



## **Creation of the FCI European Works Council**

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## **Foreword**

The FCI Group is present on several global markets, characterised primarily by constantly changing technologies, fluid demand, rapid regional shifts in demand, and competition on all aspects, including prices.

To maintain and develop its position on the markets in which the influence of its clients is decisive, the FCI Group must constantly improve:

- The responsiveness, quality and suitability of its services
- Its technologies
- Its manufacturing processes
- The performance levels of its products
- Its organisation and structures
- The skills of its employees and their ability to evolve
- Etc.

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The FCI Group, today as in the past, believes that the contribution of employees to its performance is essential, basing the implementation of the fundamental principles outlined above on a policy of active dialogue with members of staff and their representative bodies.

For the FCI Group, the European Works Council represents a pivotal player in this policy of dialogue, strictly in accordance with the roles and missions of specific national and local representative bodies in companies from countries represented on the Council.

The term "consultation" used in the present agreement shall be understood as per the European Directive and applied in the French transposal law indicated below, i.e. "the exchange of views and the establishment of dialogue between worker representatives and central management or any other, more appropriate, level of management".

Pursuant to Council Directive 94/45/EC of 22 September 1994, amended by Directive 97/74/EC of 15 December 1997, this European Works Council shall be set up within two months of the signature of this document, which defines its nature, structure, remit, operating principles and resources.

## **Clause 1: Current Situation of the FCI Group in European Community Member States**

1.1 The present agreement applies to all companies (see Appendix 3):

- operating in countries located within the European Community and the European Economic Area,



- in which FCI, either directly or indirectly, has a majority controlling interest or exercises a dominant influence as per French legislation,
- and which employ at least 1 employee.

### 1.2 Entry of a company within the Group.

Any company located within the European Community and the European Economic Area that may be acquired by FCI under the terms set forth above shall be included within the scope of the present agreement relative to the biennial adaptation provided for under Clause 2.2 below.

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### 1.3 Exit of a company from the Group.

If a company no longer meets the criteria set forth above for any reason whatsoever, it shall immediately cease to be included within the scope of the European Works Council.

## **Clause 2: Structure and breakdown**

### 2.1 The European Works Council comprises:

- The Vice-President of Human Resources and Communications or his representative, who chairs the European Works Council. The Chairman of FCI's Board of Directors or his representative attends the company's annual plenary meeting. The Chairman of the Council may ask any manager from the FCI Group to attend meetings in accordance with the topics on the Agenda;
- Staff representatives designated in accordance with the provisions of Clause 3 of the present agreement.

### 2.2 Staff representation can be broken down as follows:

- 2 members jointly for all countries with less than 50 employees;
- 1 (1 + 0) member for each country with 50-499 employees;
- 2 (1 + 1) members for each country with 500-999 employees;
- 3 (1 + 2) members for each country with 1 000-1 999 employees;
- 4 (1 + 3) members for each country with at least 2 000 employees.

In any case, the total number of employee representative members on the Council may not exceed 20.

Furthermore, a given country may not hold over 49% of the seats.

If representatives are unable to attend a meeting, they may appoint a replacement exclusively for this meeting, in accordance with the same conditions as for their own appointment. This appointment must be made no later than 20 days before the date of the meeting and Management must be informed thereof no later than 15 days before said meeting, unless an exceptional situation occurs (e.g. illness). In this latter case, the aforementioned deadlines do not apply and an email or fax sent to Management 24 hours before the meeting indicating the nature of the situation and the identity of the substitute shall serve as information for the meeting.

Every two years, depending on the state of the workforce in January, the number of representatives per State shall be adapted, after the Select Committee has been duly informed by FCI Group Management.

Any new members appointed following this adaptation shall be appointed solely for the period left to run on the term-of-office in question.

### **Clause 3: Designation of staff representation**

3.1 Employee representatives on the European Works Council must be employees of an FCI Group company, a list of which is appended (cf. Appendix 3). The definition of an employee shall be based on the legislation in force in the country in question.

3.2 For companies located in other states and including at least 50 employees, employee representatives are designated in accordance with the legislation or practices applicable in their respective countries.

3.3 For the whole of the countries that have each one less than 50 employees, FCI Group Management shall designate a local correspondent of each one of the subsidiaries concerned. All of the correspondents shall meet in order to jointly designate the two countries that will be allocated the two joint seats.

The two designated countries correspondents shall then undertake to nominate the representatives to the European Works Council from among the employees in said countries, in application of legislation and local usual practices.

### **Clause 4: Term-of-office**

4.1 The term-of-office for employee representative members on the European Works Council shall run for a four-year period, starting as of the European Works Council's first plenary session following the representative's appointment.

4.2 However, the term-of-office currently running shall end automatically:

- If the company that a member belongs to leaves the scope of the FCI Group in accordance with the provisions of Clause 1.4 above;
- If the member is no longer an employee of an FCI Group company;
- Further to the loss of an elected or union office when this rule is applied by the designating country's legislation.

In both cases, a new representative shall be appointed for the duration of the term-of-office left to run, under the conditions set forth in Clause 3 above.

4.3 End of the term-of-office in the event of loss of a seat by a country.

If, following the biennial adjustment of the number of seats on the European Works Council set forth under the aforementioned Clause 2.2, a country loses one or more seats as the result of its workforce dropping below the threshold indicated in said clause, the choice of the member whose seat shall be eliminated is up to the country in question.

In the absence of any decision by the country in question, the most senior representative shall keep his or her seat, then if necessary, the next most senior person.

### **Clause 5: Remit**

5.1 The European Works Council aims to improve the provision of information and consultations, as per the European Directive, with employee representatives from the States covered by Clause 1.2 above, with their transnational effects and universal character requiring examination at this level.

Such topics must either concern the entire Group in its EU-wide dimension, or at least two of the Group's companies located in different Member States in order to fall within the remit of the European Works Council. To this end, once a year, the European Works Council exchanges views with the Group's Management Team during the plenary meeting indicated in Clause 7.1 below, based on a report drawn up by the Group's Central Management regarding the development of the FCI Group within the European Community and its outlook.

This report addresses the topics defined in the enclosed Appendix 2.

5.2 The mission of the FCI Group's European Works Council is to establish additional social dialogue that is separate from the prerogatives of each company or country's specific representative bodies. As such, it is not intended to replace these organisations, which keep all of their duties and functions in full.

## **Clause 6: EWC Select Committee**

### 6.1 Designation and structure.

The European Works Council, during the first plenary meeting following each renewal of a term-of-office, elects a Select Committee of three members, including a Secretary appointed by majority vote. These members must be from three different countries.

The Select Committee, elected for a two-year period, is the dedicated contact for FCI Group Management, notably when the exceptional circumstances outlined hereunder may have a significant impact on employee interests.

The Select Committee sets its operating rules in accordance with the legal provisions in force.

The Select Committee has an operating budget, which is negotiated annually with FCI Group Management, to allow the Select Committee to correctly fulfil its missions.

### 6.2 The Secretary

The Council Secretary is a member of the Select Committee whose mission is to:

- Liaise between the Council and FCI Group Management;
- Draw up the agenda for the annual plenary meeting with the Council Chairman.

Within this framework, he is tasked by the Select Committee to act as the Council's spokesman in dealings with Management for all issues relating to the organisation of meetings (date, location, equipment, organisation, etc.).

The Council Secretary works closely with the Select Committee. He may be replaced, if absent or unavailable, by another member of the Select Committee, appointed by the latter.

### 6.3 Meetings

The Select Committee meets with Management twice a year within the timeframe laid down in Clause 7.1:

- in June/July of each year;
- in November of the same year.

It meets as and when required by its operations and on the initiative of the majority of its members. The corresponding cost is booked against the budget defined in 6.1.

### 6.4 Exceptional circumstances

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In the event of exceptional circumstances, which may have a significant and lasting impact on employee interests, notably in the case of companies or entities being relocated or shut down or collective redundancy programmes being implemented, impacting at least two countries included within the scope of the European Works Council, the European Works Council Select Committee shall be informed of this as quickly as possible by FCI Group Management.

The Select Committee may, at its request, meet within 15 days of such a statement being announced with Group Management or with any other appropriate level to receive information and to undertake, at the appropriate time, their consultations as per the European Directive concerning governing such exceptional circumstances and the measures foreseen.

Participants in this meeting include the European Works Council (EWC) members from the European Community States concerned. A report drawn up by Group Management or the appropriate Management level shall be given to participants at least 8 days prior to this meeting.

## **Clause 7: EWC operating principles**

### 7.1 Annual plenary meeting for the EWC

It is normally held in April of each year.

It will notably concern the presentation of the report mentioned in Clause 5-1; a brief presentation of the FCI Group's latest global developments will also be given at this time.

European Works Council members are invited to attend by the Council Chairman at least 4 weeks prior to the meeting date.

The agenda is set jointly by the Council Chairman and Secretary, and is sent out to Council members at least 2 weeks prior to the meeting in question. If the Chairman and Secretary fail to agree on the content of the agenda, it will be set by the Chairman and sent out to European Works Council members at least 10 calendar days before the meeting date. The Council Chairman presents his reason for his refusal during the meeting in question.

The report defined in Clause 5.1 is sent out to European Works Council members along with the agenda.

However, when the Council Chairman believes that certain documents intended for the European Works Council contain highly confidential data whose premature disclosure could be detrimental to the Group or its companies, they will be sent out to Council members after the notice to attend and agenda have been sent, at least 5 calendar days before the meeting.

The notice to attend, the agenda and written information are sent out to Council members in French, German and English by email.

A meeting between EWC representatives may be held immediately after the plenary session, with simultaneous interpretation facilities to continue to be available for up to one and a half hours, included in the total contractual daily interpreting time of ~~seven hours~~ ~~hours~~, without triggering coverage of any additional accommodation expenses.

#### 7.1.1 Working languages

The parties have selected English, French and German as their reference working languages. The documents presented during Council meetings, as well as the minutes of such meetings, shall be translated into these three languages.

Simultaneous interpreting facilities in the three working languages shall be offered for the annual plenary meeting.

By way of experiment and for one two years period, a fourth language will be added to French, German and English. The Select Committee proposes this fourth language to Management for the organisation of the annual plenary meeting. A joint review of this system will be carried out by Management and the Select Committee after it has been running for two years.

#### 7.1.2. Meeting report

The meeting report, drawn up by an external specialist whose services are covered by Management, is transmitted by the latter to the Select Committee within one month of

the meeting. After any amendments and exchanges with Management required, the meeting report, duly approved by both parties, will be sent out to all Council members within two months of the meeting.

Council members may inform the employees in their respective countries.

## 7.2 Meetings of the Select Committee

Between two plenary meetings, the Select Committee shall meet under the conditions provided for under Clauses 6.3 and 6.4 of the present agreement.

If exceptional circumstances occur, as stipulated under Clause 6.4, an additional translation may be made in the language of the country in question, for the section of the report relative to this country, as well as for the documents concerning it.

## **Clause 8: Resources made available**

### 8.1 Preparatory meeting for the annual plenary meeting of the Council.

Employee representative members may arrive the day before the annual plenary meeting with a view to meeting under the responsibility of the Secretary. This preparatory session will start at 10.30 a.m. and will be held at the same location as the corresponding plenary meeting, with the same technical resources made available. During this one, the Select Committee will produce his activity report.

Any questions grouped together after the preparatory meeting shall be immediately sent on to Group Management with a view to providing as many answers as possible during the following day's annual meeting.

### 8.2 Assistance of an expert

The European Works Council may receive assistance from the expert of its choice in cases when it is required to address a specific topic which, due to its importance and/or complexity, requires special expertise.

The choice of the expert, purpose of the mission and terms of its implementation are defined within the Council subject to a majority vote among its members, and then decided upon jointly with FCI Group Management. If the expert is not approved by Management, an explanation shall be given at the following meeting.

The expert presents his report at the Council meeting, the agenda for which includes the presentation.



The costs associated with this expert's intervention are to be borne by the FCI Group, after a quote has been approved by Management.

### 8.3 Council Advisor

An employee representative advisor, recognised for his European labour relations skills, is associated with the Council's work in order to facilitate its operations.

More specifically, this advisor participates in heading the Council's annual plenary preparatory meeting. He also attends the plenary meeting as an observer, like with the Meetings of the Select Committee mentioned in clauses 6.3 and 6.4 of this Agreement.

The advisor is selected by majority vote among Council members.

The associated expenses corresponding to this participation are borne by the FCI Group after a quote has been approved by Management.

### 8.4 Day credits:

The Secretary and members of the European Works Council Select Committee shall have the time required to perform their functions, for up to ten days per year for the Secretary and five days per year for each of the other two members of the Select Committee.

Time spent by the Secretary and the other members of the Select Committee at Council and Select Committee meetings shall not be included in these days.

Moreover, time spent by European Works Council members in preparatory and plenary meetings shall be considered to be working time and paid at the normal rate.

Travel times for meetings are paid or compensated in accordance with the national legislation in force or the agreements applicable to the Group Council member from the country in question, on the most favourable basis when the two references are both applicable.

In any case, travel time must not result in any loss of earnings.

### 8.5 Training for Council members

European Works Council members, when first appointed, reappointed or designated during the course of a term-of-office, may take a two-day training course, enabling them to understand the main components of their mission. This training is carried out within six months of their appointment.



This training session is provided by an organisation that is recognised for its expertise on European labour relations. It is implemented following approval by Management and the Council Select Committee regarding both its content and cost.

In the event of a major amendment to the texts applicable to the present agreement, an additional one-day training course could be considered.

In addition, English language improvement classes are offered to Council members. They are organised by Group Companies that have one or more representatives on the Council, in accordance with the specific terms, conditions and legislation in force governing training in each company's home country. Training costs are borne by the FCI Group after a quote has been approved by Management.

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#### 8.6 Council operating expenses

The FCI Group shall be responsible for the European Works Council's operating expenses, including expenses incurred relative to translation, interpreting, document production and distribution as required for the Council to work properly.

Travel and accommodation expenses for Council members, associated with invitations to attend European Works Council or Select Committee meetings, are to be borne by the FCI companies or entities to which these employees belong in accordance with rules that are consistent with local practices established by Group Management.

#### 8.7 Means of communication

European Works Council members have access to the FCI Group's email system as well as international telephone services for communicating with one another and with Management, strictly in accordance with their role within this body.

In the event of any non-compliant use of such means, access to them shall be blocked immediately. Such tools must be used in accordance with the IT charters in force within the FCI Group.

### **Clause 9: Miscellaneous items**

#### 9.1 Duty of confidentiality.

European Works Council members, as well as the expert and advisor who may be called upon to assist them, are not authorised to disclose to any third parties any information that has been expressly communicated to them as confidential. This duty of

confidentiality continues, regardless of their location, even after their term-of-office has ended.

## 9.2 Protection of employee representatives

European Works Council members, in the performance of their functions, shall be afforded the same protection and similar guarantees as provided for employee representatives under the legislation and/or national practices in force in their country of employment.

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## **Clause 10: Term, revision and termination of the agreement**

### 10.1 Term

The present agreement shall be valid for a period of four years.

### 10.2 Termination.

Further to this period, the agreement may be tacitly renewed for an equivalent period or terminated in a letter sent recorded delivery with return receipt by FCI Group Management or two-thirds of signatory countries representing employees, subject to 6 months notice.

If terminated, in the month following notification of this decision, the Council Chairman shall convene a new special negotiating group in order to draw up a new agreement, it being understood that the initial agreement shall continue to apply during these negotiations. The new agreement concluded shall only come into effect after the notice period for termination of the initial agreement.

- If, after a period of six months, the parties have not reached an agreement, the Chairman and the majority of members may agree to extend the terms of the initial agreement for a maximum period of one year.

In this case, an addendum will be drawn up extending the present agreement, signed by Management and the majority of signatory countries. Further to this extension, the present agreement shall cease to be effective, and Management may put in place the European Works Council as provided for under French law in the absence of an agreement.

- If no new agreement is reached by the end of the 6 months notice period, and if the parties have not extended the terminated agreement, Management shall set up the European Works Council as required under French law if no agreement is found.



### 10.3 Revision.

The present agreement may be revised on the initiative of FCI Group Management or the majority of countries that have signed the agreement representing employees, notably if legal and regulatory directives have resulted in changes to its general character.

The revisions made shall be included in an amendment to the present agreement. This amendment must be signed by the Vice-President of Human Resources and Communications and the majority of countries that have signed the agreement representing employees. It shall be subject to the filing conditions set forth in Clause 12.

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#### **Clause 11: Governing law and competent courts.**

Since FCI's headquarters are located in France, the present agreement shall be governed by French law.

Any dispute regarding the interpretation and execution of the present agreement shall fall under the jurisdiction of the competent French authorities.

#### **Clause 12: Filing of the agreement**

The present agreement shall be translated by authorised translators into the languages of States represented on the Council.

However, only the French version shall be signed, shall be deemed binding by the parties, and shall be filed by FCI Group Management with the French Regional Authority for Work, Employment and Professional Training presiding for the location of the Group's headquarters, and with the French Administrative Services of the Industrial Tribunal for the area in which the Group's headquarters are located.

The present agreement shall enter into effect on the day after its filing.

The present agreement was concluded in Paris, on June 26<sup>th</sup>, 2006

#### **FCI representative:**

Eric Turpin  
VP Human Resources and Communications

**Employee representatives:**

For Germany	Peter HARTMANN	IG Metall
For England	Elleson MOORE	
For Austria	Othmar PREXL	GMT
For Belgium	Peter de GELAEN	
For Spain		
For France	Pascal GUESDON	CGT
For France	Nasser HAMRANI	FO
For France	François MOREL	CFDT
For France	Michel DIVARET	CFE-CGC
For France	Murielle STEFFTGEN	CFTC
For Netherlands	Sjaak SPERBER	FNV/UNIE
For Hungary	Bela JANOSY	WASAS
For Ireland	Donal HOSEY	



For Italy

Michele DI STEFANO

UIL-UILM

For Sweden

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## Appendix 1

Makeup of the European Works Council as on the date on which the "Agreement for the Creation of the European Works Council" was signed.

Countries	Country headcount	Number of Members
Spain	4	2
Belgium	11	
England	14	
Sweden	16	
Netherlands	83	1 (1+0)
Italy	249	1 (1+0)
Ireland	295	1 (1+0)
Austria	311	1 (1+0)
Germany	619	2 (1+1)
Hungary	759	2 (1+1)
France	2,079	4 (1+3)
<b>Total</b>	<b>4,440</b>	<b>14</b>

Total workforce: 4,440 at the end of November 2005

Company base: June 1<sup>st</sup>, 2006

## **Appendix 2**

Second paragraph of Article 2 of the appendix to EC Directive 94/45 dated 22 September 1994, as amended

- The group structure;
- Its economic and financial position;
- The likely development of its activities;
- Production and sales;
- The situation and likely changes in employment;
- Investments;
- Significant changes concerning the organisation, the introduction of new working methods or new production processes;
- Transfers of production;
- Mergers;
- Reduction in size or closing of companies, entities or major parts of these units;
- Collective redundancies.

Training and security are to be included alongside these topics as subjects of common interest to the employees and the Company.



### **Appendix 3**

List of companies included within the scope of the agreement as on the date on which it has been signed.

#### Germany

FCI Connectors Deutschland GmbH  
FCI Deutschland GmbH

#### United Kingdom

FCI Connectors U.K. Ltd

#### Austria

FCI Austria GmbH

#### Belgium

FCI Belgium NV

#### Spain

FCI Interconnect Iberica S.L.

#### France

FCI  
FCI Automotive France  
FCI Besançon S.A.  
FCI France  
FCI Microconnections

#### Hungary

FCI Connectors Hungary Kft

#### Ireland

FCI Ireland BV

#### Italy

FCI Italia S.p.A.

#### Netherlands

FCI s'Hertogenbosch BV

#### Sweden

FCI Connectors Sweden AB

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