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AGREEMENT FOR COMMUNICATION

AND CONSULTATION

WITH EMPLOYEES OF HONDA

IN EUROPE

Established 1st March, 1995.

Amended 19th March, 1998.

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AGREEMENT FOR COMMUNICATION AND CONSULTATION WITH EMPLOYEES OF HONDA IN EUROPE.

Background and Introduction

Within its various business operations and locations within Europe, Honda has always accepted its responsibility for the development of the Company and this includes the social obligations towards active collaboration with its employees and their Representatives.

With this Agreement concerning Honda business operations in Europe, the Management of Honda in Europe and its employees across its business locations wish to establish an information and consultation structure which will develop a dialogue and exchange of views at European level. They together seek to make an active contribution to improving understanding at all levels of the Company operations across Europe.

The parties to this Agreement are agreed that a successful social development has to go together with international competitiveness which is achieved through the highest level of productivity and flexibility, making constantly increasing demands in respect of the quality and customer acceptability of our products.

The following Agreement is made between Honda Motor Company Limited (Hereinafter referred to as "The Company" and whose nominated European Representative is Honda Motor Europe Limited) and its employees and/or their nominated/elected Representatives of their locations within its European operations.

1. Principles

1. The Company and the Representatives of their employees at their various locations within the area agree to develop, over and above any local situation, arrangements to work together at European level in the spirit of constructive dialogue in order to continually develop communication and consultation over European business subjects and to jointly and constructively work together to resolve any difficulties which may arise.
2. The parties to this Agreement together agree to establish the Honda European Communication and Consultation Group.

3. The statutory rights and duties/responsibilities of current national and local arrangements/agreements and of employee representatives shall not be affected by this Agreement.

2. Procedures

- A) Timing and Structure

1. Once per annum (normally between 1st January and 31st March), the following Meeting shall take place for the purpose of developing communication and consultation between the Company and the Employees at European level.

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- a) **Part 1** - All regular attendees to the European Presidents Meeting.

Nominated European Managers.

One Employee representative from each location with more than 50 permanent full-time employees.

However, notwithstanding the above, arrangements shall be made that there shall be at least one Employee representative from each European country where the Company has a majority-owned subsidiary/ies and a minimum of 15 permanent full-time employees in that country.

This **part** shall be primarily for the purpose of communication and clarification.

- b) **Part 2** - Employee representatives and nominated European Managers primarily for the purpose of consultation on matters arising from **Part 1** and to discuss items of common interest.
- c) **Interim Meetings** may be held at a convenient time for the purpose of:
 - * reviewing the first half of the current fiscal year.
 - * highlighting key issues for the remainder of the current fiscal year and

*** preparing together the Agenda items for the next Annual Meeting.**

Should any important matter arise between such Interim Meetings and the Annual Meeting, the Co-ordinator may adjust the Agenda of the forthcoming Meeting.

2. **The Company shall be responsible for appointing the Chairman of each Meeting and a Co-ordinator.**
3. **During the course of each year and between Meetings, issues may arise which could affect business activities and the interests of employees in more than one country. At the request of the Representatives of any two HECCG locations and countries, or a European Director or on his own initiative, the Co-ordinator shall then establish a Special Group composed of the European Director concerned plus Representatives of potentially affected locations to consult directly in good time regarding the situation or proposal.**
4. Attendance at these Meetings places on all the obligation to observe strictest confidentiality in connection with all Company and business **items which are commercially sensitive** in conformity with national law applicable. This obligation shall apply in perpetuity.
5. Employee Representatives shall be elected and nominated according to local law and custom and practice but, as a general guideline, the Company would recommend that all levels of the organisation below Manager level should be included. All employees in full-time permanent employment with the Company and based at a particular location, whatever their nationality or term of assignment, shall be entitled to participate.
- 6) **It is expected that nominated European Managers present will embrace sufficient operational expertise to address any reasonable requests from HECCG representatives for:**
 - * additional information or**
 - * clarification relating to Agenda topics.**

On the rare occasion that this cannot be achieved to the satisfaction of the Representatives concerned and with the support of a majority of Representatives present, the Chairman will be required to see that such a request is answered from the most effective source. The Company shall be responsible for the cost of such provision.

- B) Contents of Meeting.
1. Provision of Information
 - a) **All HECCG Representatives** shall therefore meet in session as **earlier prescribed** and the Company shall be entitled to nominate the location of the Meetings and be responsible for all expense for these Meetings.
 - b) All parties accept that the responsibility for communication and consultation for local (location and national) matters shall remain at local level and that therefore the topics to be discussed at these Meetings shall cover European matters only and shall relate primarily to the following areas:
 - European business activities for current year
 - European business plans for the forthcoming year.
 - c) Discussion of these topics shall at the same time contribute to an exchange of information on trends and strategies and promote understanding to the benefit of all persons.
 - d) **It is expected that, over and above the formal part of this Agreement, all HECCG Representatives shall take every opportunity to meet and communicate informally at every Meeting with colleagues from other locations and Divisions.**
 - 2) Consultation.
 - a) The Employee representatives shall be consulted at these Meetings (**Part 2**) regarding any business plans or activities which might have a substantial effect on the interests of employees at European level bearing in mind that local plans shall always be discussed at local level.
 - b) The information given in **Part 1** of this process shall be as informative as possible for all Representatives and any clarification required shall be made at that time. The final **Part** shall consist of a Question and Answer session and open discussion of all attendees which shall be taken into consideration within the Company decision-making process. It is accepted by all parties to this Agreement that Management have the full

responsibility for managing Company affairs and activities. As English is the common language for Honda business activities at European level, it is important that all attendees have a reasonable knowledge of English in order to maximise understanding and participation.

Should any representative of HECCG have particular language difficulty, the Company will offer English training support upon request to the Co-ordinator. If this still leaves a particular difficulty, special translation support may be provided at the Meeting subject to individual need and to enable reasonable understanding of the key proceedings. The Co-ordinator shall be responsible for the method of such support.

- c) **Prior to HECCG Meetings, each Representative shall receive pre-Meeting information and Product Division material in order to prepare for Agenda items.**

At the Meetings, each representative shall receive the full text of the Keynote Speech and copies of all presentation material in an appropriate key European language.

Following the Meetings, each location shall receive a summary of discussions of the Meeting in addition to Minutes in order to assist in communication with all local employees.

Any adjustments to these arrangements may be made with the agreement of a majority of all representatives.

- d) **Following these Meetings between Management and Employee representatives, both Representatives from each location shall report back together to all employees at that location as to the content and key items discussed at the Meetings.**

3) Costs

The Company undertakes to be responsible for the costs of all attendees to the Meetings including travel, accommodation, meals and reasonable general expenses.

4) Period of Agreement

This Agreement shall **continue for a further period of four years until 28th February, 2003** with an option to review **one year prior to this date** for a further four-year period. Any further extension shall be on the same basis.

5) Scope of Agreement

The scope of the Agreement shall apply to all locations for which the Company has a majority share holding **within the countries European area of the Business operations..**

6) Development of the Agreement

All members of the HECCG Agreement agree that they will positively work together to constantly try to improve the operation and effectiveness of this Agreement.

Any member may recommend ways to achieve this objective and such ways should be utilised if they have the support of a majority of all Representatives.

When the time comes for considering the possibility of extending the HECCG Agreement, such developments may be then incorporated into the Agreement if approved by a majority of all Representatives.

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DEFINITIONS

For the purpose of this Agreement, the Terms and Definitions listed below will apply.

Representative/s

This shall be defined as the **Elected and Nominated Representatives** from each Location in accordance with local/national laws and/or custom and practice.

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Regular Attendees at the European Presidents' Meeting.
This shall be defined as those positions which are designated to regularly attend the European Presidents' Meeting at the sole behest of The President of Honda Motor Europe **Limited**.

Nominated European Managers

This shall be defined as those persons nominated by the Executive **Committee** of Honda Motor Europe Limited from time to time to act as Representative Management during Pan European information and Consultation processes.

Europe/European

This shall be defined as including those countries within the **European part of our** Region of the Company and other countries which from time to time may be designated. **A list of those countries and locations entitled to be part of this Agreement shall be maintained by the Co-ordinator.**

Communications.

This shall be defined as the presentation of information and understanding regarding issues of European activity and/or influence.

Consultation.

This shall be defined as the exchange of views and establishment of dialogue between employees' representatives and the appropriate level of management.

Chairman

Nominated by the Company, he/she shall be responsible for directing the Meeting within the prescribed Agenda and within the terms and conditions of this Agreement. In the event of any question or clarification during the Meeting, his/her position shall be responsible for guiding the Meeting.

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Co-ordinator

Nominated by the Company, he/she shall be responsible for planning and co-ordinating all arrangements required within this Agreement including preparation of Agenda, required Meeting arrangements and other specified tasks. He/she shall be responsible for taking all necessary Minutes and circulation to all attendees: if no amendments are requested within two weeks of receipt, these Minutes shall be considered as approved.

DEFINITIONS

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_____ as the Elected/Selected Representative from each location
_____ local/national laws and/or custom and practice.

_____ **an Managers**

_____ as those persons nominated by the Executive Board of
_____ e Limited from time to time to act as Representative
Pan European information and consultation processes.

_____ as including those countries currently within the Region
_____ other countries which from time to time may be

at the European Presidents Meeting

_____ as those positions which are designated to regularly attend
_____ ents Meeting at the sole behest of the President of Honda

_____ as the presentation of information and understanding
_____ European activity and/or influence.

_____ as the exchange of views and establishment of dialogue
representatives and the appropriate level of management