



Pernod Ricard

AGREEMENT

FOR A EUROPEAN WORKS COUNCIL

PERNOD RICARD

The English version has been translated from the French version. Should there be any discrepancy between the French and the English version, the French version will prevail.

PREAMBLE AND SCOPE OF IMPLEMENTATION

This Agreement is adopted in accordance with the principles set forth in the Council Directive 94/45/EC of September 22, 1994 and in the French law 96-985 of November 12, 1996 implementing the directive, in order to recognise the community scale dimension of the activities of the Pernod Ricard Group.

The purpose of this Agreement is to improve the right to information for the employees of the Group and their representatives at the European level and to allow for a dialogue between management and labour within an institution representing the employees of the Pernod Ricard Group in the European Union.

This Agreement applies to the Companies named hereafter:

Germany

IGM mbH
SIAS DSF GmbH

Austria

PR AUSTRIA GmbH
YB SIAS GmbH

Belgium

PR BELUX

Denmark

WBDF Denmark

Spain

PR LARIOS

Finland

WBDF Finland

France

CSR PAMPRYL

ORANGINA

PERNOD

CUSENIER

RICARD

PR EUROPE

SIAS MPA

SIAS France

PERNOD RICARD S.A.

Greece

LIZAS & LIZAS

EPOM

Italy

RAMAZZOTTI S.p.A.

SAN GIORGIO FLAVORS S.p.A.

ITAL CANDITI Spa

Norway

BRAND PARTNERS

Netherlands

PR NEDERLAND

Portugal

SOMAGNUM

Ireland

IRISH DISTILLERS GROUP

Sweden

PERAU

United Kingdom

CAMPBELL DISTILLERS

CAXTON TOWERS

SIAS UK

WBDF

Subsidiaries of IDG and BWG

In the event of an acquisition, the acquired company or companies will have the possibility of being appointed to the European Works Council when the latter is renewed, with the

understanding that the said company/companies will be included, as of the date of its/their acquisition, in the information conveyed to the European Works Council.

Moreover, any company that leaves the Group will no longer be taken into account as of the date of its leaving the said Group.

Article 1 : Tasks

The task of the Works Council is to develop information, dialogue between management and labour, and the exchange of views on the problems within the scope of its competence.

The scope of the Works Council includes: the structure as well as the economic and financial situation of the Pernod Ricard Group in Europe, the development of the business (production and sales, the employment situation and development, investments,...), vocational training where it affects at least two countries, and European geographic mobility as well as substantial changes concerning the Group's organisation, large scale introduction of new working or production processes affecting several countries of the European Union, transfers of production, mergers, closing of undertakings and/or establishments and collective redundancies, insofar as they involve undertakings of the Group in several Member States of the European Union.

Article 2 : Term of office

The term of office of the European Works Council is four (4) years.

The appointment of the titular members will be effective for the whole term of office. However, the termination of the employment contract within one of the Group's firms, irrespective of the reason for the termination, the loss of capacity as member of a national representative body, or the loss of capacity as a trade union representative inside the undertaking, will lead to the loss of capacity as member of the European Works Council according to the conditions required by the applicable national legislation implementing the Directive.

Article 3 : Composition

The European Works Council has a maximum of 20 titular members representing the employees of the Pernod Ricard Group within the European Union.

The Management of the Pernod Ricard Group will be represented by its Chairman and Chief Executive Officer. He will act as Chairman of the European Works Council. He may decide to be represented by a proxy of his choice with the condition that the latter shall be a staff member of the Pernod Ricard Group. He may ask for the assistance of the Group's President, the Group's Human Resources Vice President, the Group's Financial Vice President and the Chairmen of the subsidiary companies established in the European Union that are concerned by an item on the agenda of the meeting. He can also avail himself of the assistance of all other persons whose presence would be a useful contribution to the quality and/or organisation of the discussions.

During its first meeting, the European Works Council will appoint internally a Select Committee, made up of five members from five different countries, one of which will be designated by the Council as Secretary.

Article 4 : Appointment of members

The members of the European Works Council shall be appointed from the employees of an undertaking of the Pernod Ricard Group in the European Union.

They shall be appointed in accordance with the conditions specific to each national legislation implementing the Directive (with the exception of the possible apportionment in compliance with provisions of French law regarding electorate, in accordance with point b hereunder) and will take into account the following conditions regarding the number of representatives per country:

- a- It is provided that there shall be one representative for each and every state where there is a minimum of 150 employees and that there shall be one representative for every 500 employees beyond the first 500. The maximum number of representatives for the same state is to be 6 delegates regardless of the number of employees working for the Group in the said state. Therefore:
- | | | | | | | |
|-----------|------|-----|------|-----------|---|-------------|
| - between | 150 | and | 500 | employees | : | 1 delegate |
| - between | 501 | and | 1000 | employees | : | 2 delegates |
| - between | 1001 | and | 1500 | employees | : | 3 delegates |
| - between | 1501 | and | 2000 | employees | : | 4 delegates |
| - between | 2001 | and | 2500 | employees | : | 5 delegates |
| - over | | | 2500 | employees | : | 6 delegates |

Special case of Nordic countries:

Insofar as no Nordic country is entitled to a seat of its own, one delegate will be allocated to the whole region. The said delegate will represent the 4 countries:

Denmark
Finland
Norway
Sweden

The delegation will be allocated for one year to each country in turn. Each delegate will be appointed in accordance with the national transposition law in that country.

Upon integration of Council Directive 94/45/CE of September 22, 1994 in the national legislation of the United Kingdom, that country will be able to designate a representative or representatives to the Pernod Ricard European Works Council without awaiting the renewal of the body.

Allocation of seats is covered by an Annex to this Agreement. This Annex is to be revised every four years, in line with developments in the number of employees in the Group.

- b- It is agreed that as far as possible the appointments to these seats shall guarantee a fair representation:
- of the different grades of managerial staff as understood in French legislation;

- of the supervisors, technicians, salesmen;
- of administrative employees and workers.

- c- For each representative appointed, provision will be made for a deputy to be appointed by name in order to replace him in the event of his being unable to attend a plenary meeting and/or in case he leaves the undertaking.

If the representative does not have a deputy or if he loses his capacity as representative in his undertaking, a new representative shall be appointed, without awaiting the renewal of the EWC, by the same organisation that had obtained the seat of member and of deputy or through any other mode of appointment.

Deputy members are not invited to attend the meetings of the European Works Council.

Article 5 : Organization and follow up of meetings

The European Works Council will meet once in every fiscal year.

The management of Pernod Ricard shall convene the meeting no later than 15 days before the set date.

The delegation of employee representatives may hold a preparatory meeting which should last no longer than one half day and must take place the day before the plenary meeting.

Written information allowing for an exchange of views on the subjects mentioned in Article 1 of the present Agreement will be forwarded to the participants no later than 8 days before the date of the plenary meeting.

The languages to be used during the discussions shall be French and English. Simultaneous interpretation facilities from French into English and from English into French shall be provided.

The management will endeavour to provide necessary assistance, on a case by case basis, to representatives who do not possess sufficient proficiency in either of the two languages.

The meeting of the European Works Council shall lead to the drawing up of a report, under the responsibility of the Secretary, and this report will be circulated subject to the express agreement of the Chairman, to the members of the European Works Council, to the Chairmen and to the Secretaries of the bodies representing the staff of the companies, even if the said companies are not represented within the Council provided they come under its scope as defined in this Agreement. Moreover, if necessary, the Secretary may also inform the employee organisations in companies of the Group which don't belong to the European Union.

Article 6 : Select Committee

The European Works Council shall set up, by virtue of Article 3 of the present Agreement, a Select Committee made up of five members, from five different states, representing the employees. This Committee has the ongoing task of acting as correspondent with Management

on matters related to the operation of the European Works Council, such as setting dates for meetings, the logistics of the meetings, the items on the agenda that come under the competence of the European Works Council and that the representatives of the employees wish to have discussed, etc. All these items must be decided by the Select Committee and the Management of Pernod Ricard, no later than one month before the plenary meeting of the European Works Council.

Moreover, the Select Committee will meet to exchange views in the event of a particularly important project arising within the Pernod Ricard Group, when this project, linked to a decision coming under the competence of the Pernod Ricard Holding Group's Management, concerns all the European companies covered by the present Agreement or when the project concerns at least two of the said European companies as long as they are located in two different Member States. Within this context, the Management of Pernod Ricard shall convene the Select Committee no later than 8 days before the date set for the meeting.

When the project involved concerns an employment problem, the meeting of the Select Committee shall take place after the first consultation meeting of the local employees' representation bodies as provided for by Directive n°75.129 of February 17, 1975 on the procedures for collective redundancies. The holding of such a meeting will be compulsory only if the project as a whole has a transnational impact, is part of a general restructuring plan and concerns a minimum of 100 employees in each of the entities concerned. The information received by the Select Committee will be a collation of information received by the national organisations of countries concerned, accompanied by a four or five page summary translated into French and English.

Within the scope of information presented above, the Select Committee may emit an opinion should it deem necessary.

In these circumstances, the meeting of the Select Committee will be followed by a report drawn up by the Secretary and forwarded to the other members of the European Works Council as well as to the persons mentioned in Article 5.

When the situation mentioned in the above paragraphs directly involves a State that has no representative sitting on the Select Committee or a State that has no representative in the European Works Council, then a member of the European Works Council of the said State in the first case or an employee of the Pernod Ricard Group of the State concerned in the second case, shall be approached by the Secretary and shall be asked to attend the meeting.

Whatever the situation, the provisions of the present Article shall not impede the progress of legal proceedings instituted before the local representation authorities and neither the Select Committee nor the European Works Council shall reduce or interfere with the competence of these institutions.

Article 7 : Missions of assistance

The delegation of employee representatives to the EWC and to the Select Committee can be assisted by a representative appointed by the SETA-UITA. This appointment must be approved by the Management of Pernod Ricard.

The work of this representative is to facilitate analysis of information transmitted to the members of the European Works Council.

The delegation may also be assisted by the Pernod Ricard auditors to facilitate analysis of financial data. The nature and structure of this information will be defined in a prior study.

The annual budget allocated to the global assistance service will be 8000 Euros. This budget can be revised on an individual basis.

Article 8 : Resources

-Time credit-

Each titular member of the European Works Council has at his disposal an annual credit of 40 hours, with the possibility of a maximum credit of 20 hours for any single month, except in the case of exceptional circumstances which shall be evaluated by the Management of Pernod Ricard and the Select Committee jointly.

The members of the Select Committee will each have a yearly credit of 60 hours which includes the credit provided for in the previous paragraph.

The Secretary is inevitably a member of the Select Committee and has a global yearly credit of 80 hours which includes the credits provided for in the previous paragraphs. These credits are to be considered as credits in addition to the time credits that members may already have in their capacity as local staff representatives.

Time spent in preparatory meetings, in plenary meetings and in any meeting called by the Management of the Pernod Ricard Group, as well as time spent travelling to the place where meetings are being held, shall not be deducted from the above mentioned time credits.

If necessary, each member may use the time credit of another member. This transfer possibility is limited to the credit of just one other member.

-Mode of Operation-

The Pernod Ricard Group shall be responsible for the travelling and accommodation expenses of the staff representatives for the preparatory meeting, in accordance with the modes of payment in use in the undertaking of which each representative is an employee.

The participation in the plenary meeting as well as the time spent travelling to the place of the meetings shall in no way reduce the remuneration of the staff representative concerned.

These rules apply to all the meetings convened by the Management of the Group, and in particular those related to the Select Committee.

All incidental costs of meetings (meeting room, simultaneous interpretation facilities, etc.) as well as the costs related to the duties of the Secretary (typing, translation of the report, photocopying and mailing of the report to the persons mentioned in Article 5) shall be met by the Management.

-Training-

The members of the European Works Council may take advantage of a training period of a maximum of three days during their term of office in order to prepare for this specific post. The time spent in training will not be deducted from their time credit and will be considered as working hours. The cost of the training and all incidental expenses shall be paid by Pernod Ricard.

The arrangements for this training will be decided jointly by the Management and the EWC.

Article 9 : Protection

The members of the European Works Council enjoy the same protection as that provided by each national legislation.

Article 10 : Confidentiality

All persons taking part in the work of the European Works Council are under an obligation not to reveal any information or documents which have been provided to them in confidence by the Management of the Group.

This obligation remains, wherever they may be and even after expiry of their term of office.

Article 11 : Duration and termination of the present Agreement

The present Agreement is concluded for period of four (4) years, starting from the date of its signature, at which time it will be automatically renewed for another term of four years unless terminated by one of the parties.

The present Agreement can be terminated either by the Management of the Pernod Ricard Group or by the majority of three quarters of the members of the European Works Council. In this case, the termination will have to be notified six months prior to the normal term of the Agreement at the latest.

In addition, this Agreement can be revised at any time by the European Works Council taking its decisions under the conditions provided for the drafting of the present Agreement.

In case of disagreement, French law applies.

Signed in Paris, 1999



Pernod Ricard
**Composition of the
European Works Council
Pernod Ricard**

Country	Employees (31.12.98)	Number of delegates
Germany	364	1 delegate
Austria	66	
Belgium	40	
Spain	305	1 delegate
France	4702	6 delegates
Greece	167	1 delegate
Ireland	1089	3 delegates
Italy	558	2 delegates
Netherlands	171	1 delegate
Portugal	39	
Nordic countries	51	1 delegate
Denmark		
Finland		
Norway		
Sweden		
United Kingdom	1429	3 delegates
TOTAL	8981	19 delegates