

## **AGREEMENT FOR INFORMATION AND CONSULTATION BETWEEN EMPLOYEES AND MANAGEMENT OF SHARP IN EUROPE**

### **Preamble**

Management and employees of Sharp in Europe wish to improve the communication at all levels especially on a pan-European basis so as to improve cooperation between all of its members, and in this way create added value for the Sharp Group in Europe (the "Group").

The Directive of the European Union 45/94 of September 22, 1994 (the "Directive") allows and promotes the conclusion of agreements in groups operating in several countries of the European Union on transnational information and consultation before the Directive will be implemented into national laws (September 22, 1996).

The signatories wish - in pursuit of improved communication as described above - to conclude such an agreement on transnational information and consultation.

It is now, therefore, hereby agreed as follows:

### **Art. 1 Objective**

- a) The objective of the present agreement (the "Agreement") is to set up a forum for transnational information and consultation at European level for all employees and for all units whatever their size. "Consultation" means the open exchange of views and establishment of dialogue between employees' representatives (the "SEC-representatives") and representatives of Sharp's European management (the "Sharp European Management") or any more appropriate level of management.
- b) This objective will be reached by meetings between a European information and consultation body called "Sharp European Council (SEC)" and the Sharp European Management.

- c) A specific organisational structure will ensure that employees whose countries and units send no member of their own to the SEC are nevertheless involved in the necessary process of information and opinion exchange.

### **Art. 2 Spirit of cooperation**

The representatives of the SEC and the Sharp European Management will cooperate in a spirit of confidence, good faith and mutual trust. They will have due regard to their reciprocal rights and obligations as well as due consideration for the interests of the Group as a whole.

### **Art. 3 Competence**

- a) The SEC is established for information and consultation on general issues of a strategic and **transnational** character concerning the Group as a whole at European level. “**Transnational Matters**“ in this context are those matters affecting a minimum of 2 European countries, or 2 companies - as defined in Art. 5 - in different European countries which are covered by this Agreement. Within this scope the issues are in particular:

- the Group's overall strategy and structure, the economic and financial situation
- the probable development of its business, production and sales
- the present position and probable trend of investment
- the present position and probable trend of employment (incl. pan-European job rotation and exchange)
- substantial changes concerning organisations, such as the introduction of new working methods or production processes
- transfers of production, mergers, closures of companies, significant cut-backs or collective redundancies of permanent staff
- environmental protection matters
- health and safety matters

- b) The SEC is **not** established for the purpose of negotiation or co-determination, nor for:

- giving binding opinions prior to company decision making
- local or national legislation or about local or national collective agreements
- negotiation or discussion about compensation, benefits, salaries and other material working conditions
- discussion on individual or political matters
- supplanting the rights of existing local or national information and consultation bodies and collective arrangements

#### **Art. 4 Scope**

Subject to Art. 1c hereof this Agreement covers the entire workforce of the Group in all its units (subsidiaries, branches etc.) whatever their size in all countries of Europe where the Group operates (all of them being E.U.-countries plus Switzerland). A list of those countries is given in annex 1 hereto. The Agreement may be extended to other countries by mutual agreement between the SEC-representatives and the Sharp European Management.

#### **Art. 5 Allocation of SEC-representatives**

The following allocation of seats shall apply to the number of permanent working employees as per/effective July 1, 1996:

- a) 1 representative for each company employing more than 24 but less than 350 employees
- b) 2 representatives for each company employing 350 employees but less than 1000 employees
- c) 3 representatives for each company employing 1000 employees and more
- d) 1 common representative for all companies with less than 25 employees (this representative will be appointed jointly by those companies with less than 25 employees; „company“ in this context also includes the liaison offices of Sharp Corporation Japan and the independent branches; all these companies are listed up in Annex 2; other dependent units (e.g. the SEEG MED-Offices) will be represented by the SEC-representative of their parent company.).

The list of countries, companies and number of SEC-representatives per company is given in annex 2 hereto. Once the SEC is set up, the number of representatives will

not change for the duration of the Agreement unless another mutual agreement according to Art. 4 Sentence 3 is concluded.

### **Art. 6 Selection of SEC-Representatives**

The SEC-representatives will be selected in accordance with the following rules:

- a) The SEC-representatives as well as a corresponding number of substitutes will be selected (by election or appointment) by the relevant local works councils where appropriate or according to local rules where no works council exists.
- b) The SEC-representatives must have worked for at least 12 months for the company. Where national law specifies otherwise or in the case of the establishment of a new company, the Sharp European Management and the SEC-representatives will allow departures from this rule.
- c) The Sharp European Management and the local managements concerned will be informed of the names of the SEC-representatives and the substitutes participating in the SEC directly after nomination (a substitute will only participate in the SEC-meetings in case a full member of the SEC can not participate). In case of a "Plenary Meeting" as defined in Art. 10 of the Agreement the Sharp European Management and the local managements will be informed of the participants six weeks ahead.

### **Art. 7 Terms of office of SEC-representatives**

The SEC-representatives will be appointed for a period of 3 years, with re-election possible. With the termination of the contract of employment the term of office will terminate prematurely. SEC-representatives may only be removed from the SEC in accordance with national legislation or rules. Following elections for whole national works councils or staff committees SEC-representatives may be changed.

### **Art. 8 Executive Committee of SEC**

The SEC-representatives will designate among their number a Chairman, a Senior Deputy Chairman, a Deputy Chairman and 2 substitutes - all selected from different countries - as an "Executive Committee".

### **Art. 9 Select Committee of the Sharp European Management**

The Chief Executive Officer of all European Subsidiaries and Operations (the "CEO") will designate representatives of the Sharp European Management (the so called "Select Committee") to participate in the annual meetings with the SEC for at least one day. Furthermore the Select Committee will be the contact for the SEC. The SEC-representatives will be informed of the names of the members of the Select Committee.

### **Art. 10 Annual Meetings**

a) A "Plenary Meeting" will be held once a year for up to one day upon invitation at a date and a place agreed by the Sharp European Management and the Executive Committee. The Plenary Meeting should take place in the first quarter of each fiscal year (preferably in May).

A one day preparatory meeting of the "SEC" will be held the day before the plenary annual meetings without the Management being present. Such preparatory meeting will be called hereafter „Pre-Meeting“.

- b) Both the designated SEC-representatives and the Select Committee will participate in the Plenary Meeting.
- c) The Group's CEO or such person as he may designate will preside over the Plenary Meetings.
- d) The Sharp European Management will circulate an agenda for the Plenary Meeting previously agreed with the Executive Committee. This agenda will be issued 1 month before the said meeting.

- e) The Sharp European Management will be responsible for drafting the minutes - within a period of 1 month - on the content and outcome of the Plenary Meetings, subject to Art. 16 hereof. The minutes will be drafted in English. Such minutes are to be agreed upon between the Sharp European Management and the Executive Committee. The Sharp European Management will send these agreed minutes to the SEC-representatives and local managements.
- f) Reporting back to local information and consultation bodies on the content and the outcome of the Plenary Meetings is a joint responsibility of the SEC-representatives, Sharp European Management and local managements. A joint communiqué will be issued at the end of each Plenary Meeting to assist in this process.
- g) Sharp European Management will ensure that all employees will be informed about agenda and minutes of the meetings.

#### **Art. 11 Exceptional Circumstances/Special Meetings**

In case of exceptional circumstances affecting directly and simultaneously at least two of the companies covered by this Agreement in Transnational Matters, the SEC-representatives of such affected companies and the Select Committee will be convened in a special meeting for information and consultation on the said exceptional circumstances (the "Special Meeting"). The initiative for such Special Meeting may be taken either by the Sharp European Management or by the Executive Committee acting on behalf of the SEC-representatives of the affected companies. Attendance at the Special Meetings will be restricted to the Executive Committee and the SEC-representatives of the affected companies. From the management group at least the local managements of the concerned companies will be present.

#### **Art. 12 Expenses/Release**

All costs and expenses relating to the organisation of the Plenary Meetings, the Pre-Meetings or the Special Meetings will be borne by Sharp Europe. The company which employs the SEC-representatives will give to such employees release from

their normal duties with payment - calculated in accordance with local agreements - for their participation in Plenary-Meetings, the Pre-Meetings or the Special Meetings together with all costs in connection herewith (e.g costs for accommodation). All arrangements for release, travel and accommodation will be made or at least authorized by the local managements in advance.

### **Art. 13 Language**

English will be the main language of all meetings. All SEC documents circulated within the Group will be drawn up in English. If requested by a SEC-representative translation into her/his national language will be provided for by the local management concerned until the SEC-representative is proficient in English. Simultaneous interpretation will be provided in Italian, German, French and Spanish or Catalan where necessary. However, it is the aim that all participants of the SEC shall speak and understand English to an acceptable level.

### **Art. 14 Training**

In order to allow for SEC-representatives to have sufficient knowledge of English, local managements will organise during working time - according to local rules - at the companies expenses courses in English for the SEC-representative who needs such courses.

Training may be coordinated by the Sharp European Management or local managements according to local rules and again fully at companies expenses, for those who so desire, for the purpose of giving them a better knowledge of the Group, its business in Europe and to improve the quality of this European dialogue.

### **Art. 15 Advisers/Guests**

Following consultation the SEC may be assisted by a maximum of 2 advisers, the names of whom should be determined and notified at least 2 weeks in advance to the Sharp European Management by the Executive Committee. The role of the advisers is to support the SEC-representatives in their work, especially in complex and difficult matters. They should not act directly on behalf of the SEC-

representatives or independently instigate items for consideration or discussion with the Sharp European Management and local managements.

Funding of advisers will be on the basis of:

- a) 2 advisers whose reasonable travel and accommodation expenses will be born by the Sharp European Management; no other fees will be paid.
- b) 1 adviser whose reasonable travel, accommodation and agreed professional fees will be born by the Sharp European Management.

### **Art. 16 Confidentiality**

SEC-representatives, the advisers and the translators/interpreters have the responsibility not to disclose any information which has expressly been provided to them in confidence. Any breach of confidentiality would be seen as a serious disciplinary offence and will be dealt with in accordance to respective national laws and practices. This obligation will continue even if the SEC-representatives leave the Group. Additionally any such proven breach will result in the immediate removal from the SEC of the person(s) involved.

### **Art. 17 Protection of SEC-Representatives**

Protection of the SEC-representatives is subject to the provisions of national law.

### **Art. 18 Review/Modification of the Agreement**

The present Agreement may be modified by common agreement of both parties. A proposal for modification may be introduced by either party. The SEC-representatives may introduce a request for modification in writing if signed by at least 2/3 of all SEC-representatives. In the event of legally binding changes in European law, both parties agree to commence immediate discussions with a view to implementing those changes.

### **Art. 19 Duration of the Agreement**

The present Agreement is concluded for an indefinite period of time. It can be terminated first after 3 years by either party giving the other 6 months notice in writing of its intention to withdraw from this Agreement. Such notice shall be addressed to either the Chairman of the Executive Committee or the Select Committee. The employees' side may withdraw from this Agreement by written request of at least 2/3 of the SEC-representatives.

### **Art. 20 Acknowledgement by Signatories**

The signatories of this Agreement formally acknowledge that the present Agreement, which concerns transnational information and consultation of employees of the Group, covers the entire workforce engaged in Sharp Europe and is an agreement as referred to in Art. 13 of the European Directive of September 22, 1994.

### **Art. 21 Applicable Law/Competent Court**

The present Agreement is subject to the law of the country where the central management - as defined in the Directive - of Sharp Europe is located. Any claim in connection with the execution or the construction of the Agreement will be submitted to the Sharp European Management or the Executive Committee. Both will endeavour to resolve the dispute amicably. Failing an arrangement the court of competent jurisdiction at the seat of the central management will be responsible for handling such a claim.

### **Art. 22 Miscellaneous**

The English text of the present Agreement is the official text. In case of differences between the English text and a translation thereof into another language, the English text will take precedence.

**Annex 1: List of Countries**

1. Austria
2. Belgium
3. France
4. Germany
5. Greece
6. Ireland
7. Italy
8. Netherlands
9. Spain
10. Sweden
11. Switzerland
12. U.K.

**Annex 2: Allocation of Seats in the SEC****Number of Representatives  
in the SEC**

1. Austria	
- SEA	1
2. Belgium	
- SCBO	(1)*
- SEEG-Branch	(1)*
3. France	
- SMF	1
- SEF	1
4. Germany	
SEEG	2
5. Greece	
- SCAO	(1)*
6. Italy	
- SEIS	1
7. Netherlands	
- SEB	1
8. Spain	
- SEES	2
9. Sweden	
- SES	1

## 10. Switzerland

- SEZ 1

## 11. U.K.

- SUKM 3

- SUK 1

- SPM 1

- SLE 1

- SIF (1)\*

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Total

**18**

\*(incl. the joint representative for those companies with less than 25 employees as agreed in Art. 5 e)