

**Agreement
on cooperation between the Management of the Volkswagen Group and the
Volkswagen European Group Works Council**

Preamble

With this agreement concerning the Volkswagen European Group Works Council, the Management of the Volkswagen Group and the elected employee representative bodies of the Group companies wish to establish a social dialogue at European level.

They seek in this way to make an active contribution to future understanding and structuring within the framework of the development of Europe into a political union of European states with a single market.

With its European marques of Volkswagen, Audi, SEAT and Skoda, and the setting up of new European production facilities, the Volkswagen Group has accepted responsibility in the development of Europe which includes the social obligation towards the workforces and locations on the basis of active collaboration with employee representatives and unions.

The signatories to this document are agreed that a successful social development is dependent on international competitiveness achieved through a high level of productivity and flexibility, making constantly increasing demands in respect of the quality and environmental acceptability of the products.

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The following agreement is entered into between the Management of the Volkswagen Group and the Volkswagen European Group Works Council which was set up on 30th August 1990 by the elected employee representative bodies of Volkswagen AG, Audi AG, SEAT SA and Volkswagen Bruxelles SA on a voluntary basis:

§ 1 Principles

- (1) The Management of the Volkswagen Group shall collaborate with the Volkswagen European Group Works Council in accordance with the provisions of this agreement.

Both parties regard this agreement as a basis within the Volkswagen Group for working together at European level in the spirit of constructive dialogue and cooperative surmounting of economic, social and ecological challenges and for jointly solving any conflicts which may arise.

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- (2) The statutory rights and duties of the individual national employee representative bodies are not affected by this.

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§ 2 Organisation

- (1) The individual companies represented in the Volkswagen European Group Works Council and the number of employee representatives in the Volkswagen European Group Works Council and in its executive committee are laid down in a statute of organisation (rules of procedure). The same applies to purview and location of headquarters. These provisions of the statute of organisation in the draft of 30th August 1990 shall be recognised by the Management of the Volkswagen Group (Appendix 1 Members of the Volkswagen European Group Works Council; Appendix 2 Statute of organisation).
- (2) Should alteration become necessary to the statute of organisation or the scope of companies represented, both parties shall declare after joint deliberations whether this alteration is to become a part of the agreement. Until such time the existing provisions shall continue to apply.
- (3) The special protection afforded by the mandate and the obligation to observe confidentiality in connection with company and business secrets apply, in conformity with the national law applicable, to membership of the Volkswagen European Group Works Council.
- (4) The members delegated to the Volkswagen European Group Works Council by the employee representative bodies of the Group companies represented must be re-nominated after every new election of a company's employee representative body.

§ 3 Exchange of information

- (1) The Management of the Volkswagen Group and the Volkswagen European Group Works Council shall meet in session at least once per year. Both parties can designate the participants at this meeting in accordance with the topics to be dealt with. The Managements of the companies represented in accordance with § 1 (1) and § 2 (1) above should be represented.
- (2) The topics to be dealt with at the meetings, to the extent that they are of general importance for the European production plants, shall relate primarily to the following areas:
- securing of jobs and plants, and plant structures
 - development of Group structures
 - productivity and cost structures
 - development of working conditions (e.g. working hours, wages and salaries, job design)
 - new production technologies

- new forms of work organisation
- work safety, including plant environment protection
- the effects of political developments and decisions on the Volkswagen Group

(3) Discussion of these topics should at the same time serve an exchange of information on development trends and strategies and promote progress to the benefit of all concerned.

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§ 4 Consultation

- (1) The Volkswagen European Group Works Council or its executive committee shall be informed in good time regarding planned cross-border transfers of production (main investment emphases, production scope, essential company functions). This applies to transfers which may have a substantial adverse effect on the interests of employees at production plants of the Volkswagen Group in Europe.
- (2) The Volkswagen European Group Works Council or its executive committee shall have the right of comment within an appropriate period which shall be agreed upon by both parties in each case immediately on receipt of the information.
- (3) In its comments the Volkswagen European Group Works Council or its executive committee can require explanation of the planned transfer in the framework of consultations to be jointly laid down. These consultations shall take place early enough for the views of the Volkswagen European Group Works Council to be taken account of in the decision-making process.
- (4) The rights and duties of the responsible company bodies in each case remain unaffected.

§ 5 Costs

The Volkswagen Group undertakes to bear the costs of the work of the European Group Works Council in accordance with the ruling as set out in Appendix 3.

§ 6 Future development

Both parties declare their willingness to alter this agreement as required and to adapt it dynamically to new requirements of the social dialogue in Europe in mutual agreement.

Brussels, 7th February 1992

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Management of the
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Members of the European Volkswagen Group Works Council

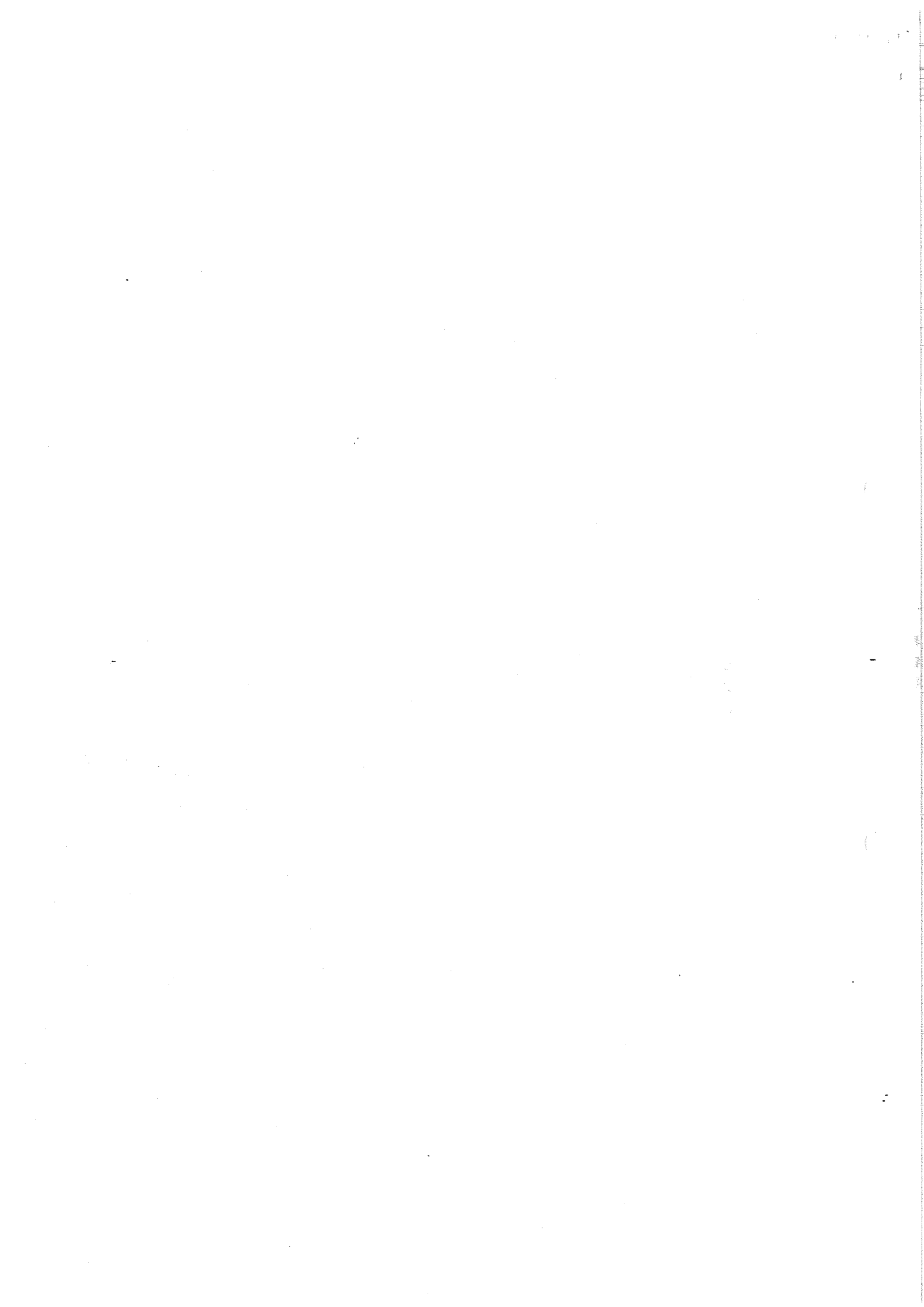
Following companies with number of employee representatives are involved:

Volkswagen AG (8 members)

Audi AG (2 members)

SEAT SA (5 members)

Volkswagen Bruxelles SA (2 members)



The Statute of Organisation of the European Volkswagen Group Works Council.

As per § 2 of the Agreement on the European Volkswagen Group Works Council, the following points of business regulations are recognised by the management of the Volkswagen Group:

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I. Name, purview and location of headquarters.

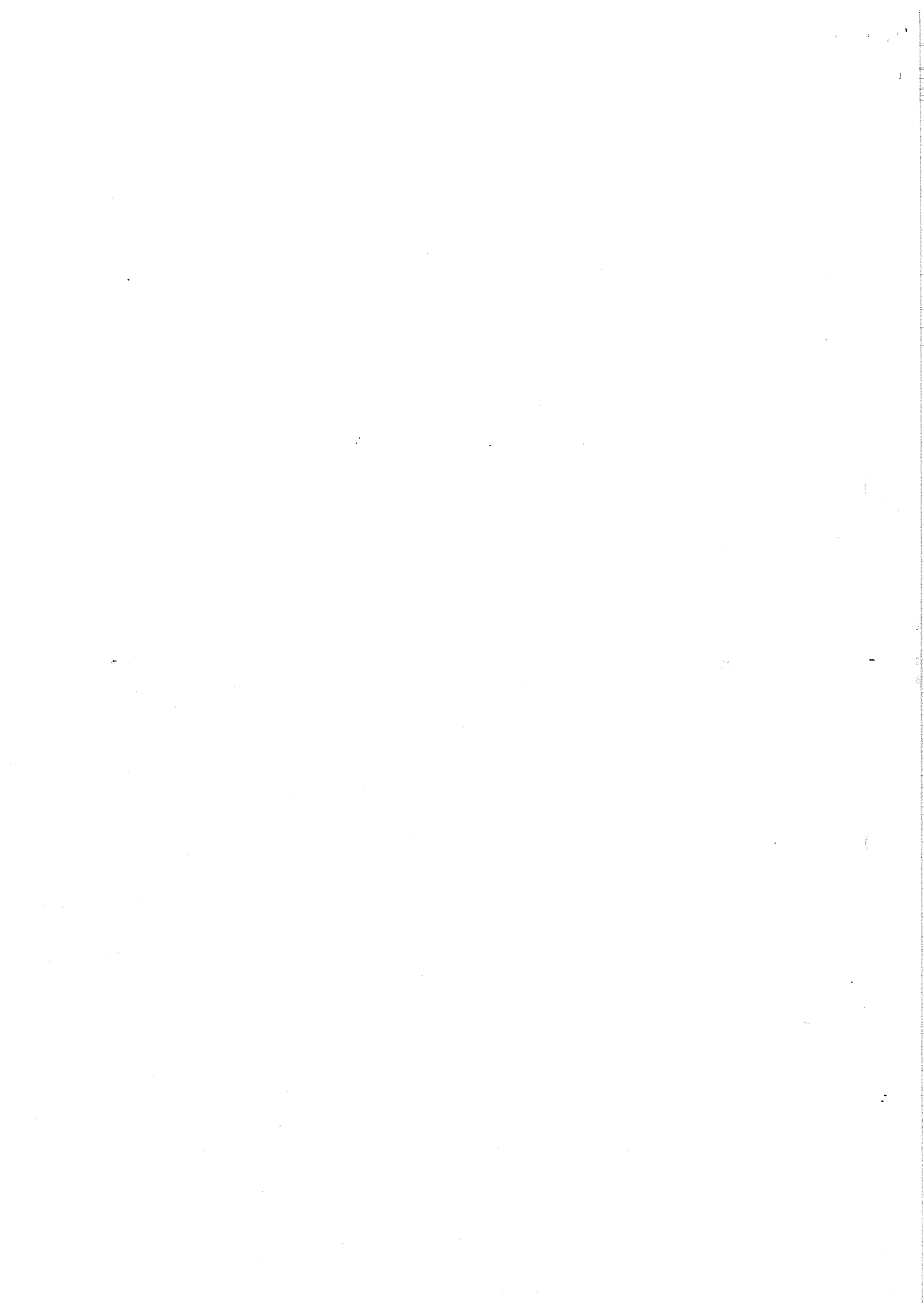
1. The name of the organisation: "European Volkswagen Group Works Council".
2. The purview of the European Volkswagen Group Works Council comprises of all Volkswagen companies in Europe, which are predominantly owned by VW AG. Exceptions are possible only on consent. The joining to the European Volkswagen Group Works Council is voluntary. The working principles and these business regulations will be recognised by joining the council.
3. The location of headquarters of the European Volkswagen Group Works Council is Wolfsburg.

II. Members

1. The members of the European Volkswagen Group Works Council can only be freely elected democratic legitimated employee representatives of the company. They should according to existing legal regulations adequately represent the subsidiaries of the VW Group in the respective country.
2. The delegation of members to the European Volkswagen Group Works Council should be regulated by the individual national employee representative bodies of the respective VW-Group subsidiaries. To this respect, it may be necessary to constitute national coordinating committees in the subsidiaries of the VW-Group.
3. The number of delegates of the individual employee representative bodies will be decided unanimously by the European Volkswagen Group Works Council. Thereby the number of employees will be taken into consideration.
4. Through the resolutions of the Executive Committee, internal or external consultants can be invited to the meetings of the European Volkswagen Group Works Council.

III. Structure

1. The European Volkswagen Group Works Council elects a president who is at the same time member and chairman of the Executive Committee.
2. The European Volkswagen Group Works Council elects a general secretary who is at the same time member of the Executive Committee.
3. The European Volkswagen Group Works Council elects an Executive Committee. At least one member must represent each country in this Executive Committee. The Executive Committee can include additional members for consultations.
4. The European Volkswagen Group Works Council shall meet in session at least once a year. The meetings will be called for and organised by the Executive Committee.



Cost Sharing

1. Budget TCI www.euro-br.eu

The Management of the VW Group undertakes to bear the costs for the work of the European Group Works Council (including the cost of translation and the cost of trade union representative to be nominated by the Executive Committee) and provides an annual budget at the disposal of the council. The extent of cost will be decided by the Management of the VW Group and will be unanimously agreed upon with the European Volkswagen Group Works Council. The cost for meetings will be borne by the guest group companies after prior consultations.

2. Travelling cost

The travelling cost of the VW Group employees will be borne by the respective group companies according to their travelling cost regulations.

3. Infrastructure

The included group companies are obligated to provide a reasonable infrastructure that is necessary for the members of the European Volkswagen Group Work Council to carry out their functions and duties.

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