

**Draft Agreement  
on the establishment of a European Works Council  
for the Yamaha Motor Europe Group**

between

1. The Special Negotiating Body representing the employees of the Yamaha Motor Europe Group in the European Economic Area,

and

2. Yamaha Motor Europe N.V., established at Schiphol-Rijk, the Netherlands, representing Yamaha Motor Co. Ltd. in the European Economic Area.

**Whereas,**

It is with the present agreement on the establishment of a European Works Council according to Section 6 of the EU directive 94/45 EC as of 22 September 1994 on the Appointment of a European Works Council that the European Management and the employees of Yamaha Motor in Europe want to start a constructive dialogue through their duly elected representatives. Existing mechanisms that may be present in some countries shall not be replaced, however, and the European Works Council shall not change anything as regards the management prerogatives.

Parties aim to add a new dimension to the communication at European level that will give added value for both the staff members and the Yamaha Motor companies in the European Economic Area;

Parties believe that this process requires an open mind of everybody involved in it and willingness to work in a spirit of good cooperation and to bridge different mentalities and cultures;

Parties believe that they have a common interest to share a proper understanding of the current status and future progress of the Yamaha Motor European business;

Parties aim to put in place an organizational structure to establish a European dialogue and to inform and consult employees on trans national matters that regard employees of the whole group or companies in at least two different member states.

Therefore, parties agree as follows,

**Definitions**

**For the purpose of this agreement,**

Yamaha Motor Europe Group: means all legal entities and partnerships controlled by Yamaha Motor Europe N.V. (YME) within the European Economic Area. In this respect

controlled means having the majority of shares and/or voting rights, or having the power to nominate more than half of the members of the Executive or Supervisory Board.

European Economic Area (EEA): comprising all the countries that are member state of the European Union plus Norway, Liechtenstein and Iceland.

Employer: natural or legal person, party to employment contracts or relationships with employees.

Employee: the person who has an employment contract with a company belonging to the Yamaha Motor Europe Group.

European Works Council (EWC): The body of elected or nominated Yamaha Motor employee representatives as set out in section 1.1.

Employee representative: is an employee of a Yamaha Motor company in the European Economic Area (EEA), who represents the employees of his country in the EWC. He or she is elected or nominated according to procedures provided for in this agreement, national law and/or practices.

see more information on EWC's under [www.euro-br.eu](http://www.euro-br.eu)

Central Management (CM): the representatives of European central management appointed by the President of YME.

Information: the oral and written information provided by CM to the EWC in order to enable them to acquaint themselves with the subject matter. Information will be given in a timely manner, in order for the EWC to prepare for consultation if needed.

Consultation: the exchange of written and oral information and views and the establishment of the European dialogue between CM and the EWC and the right for the EWC to provide management with opinions on transnational decisions.

## **Section 1. The European Works Council**

- 1.1. With this agreement parties want to establish the EWC to organize the exchange of information and views between management and employees on transnational matters of the Yamaha Motor European Group.
- 1.2. The Yamaha Motor companies and the employees covered by this agreement are listed in the annex no. 1.
- 1.3. This agreement shall be without prejudice to national employees' rights and local management prerogatives.
- 1.4. Local matters and terms and conditions of employment are not a subject for the European dialogue in the EWC.
- 1.5. The information, consultation and communication - oral and written - between CM and the EWC and within the joint meeting shall be done in English.

1.6. In compliance with the provisions of this agreement, CM and the EWC may elaborate additional rules of procedure.

1.7. The information and consultation will be done in a time and cost efficient way.

## **Section 2. Constitution of the EWC**

2.1 The threshold for the distribution of seats and the election of EWC members is based upon the number of employees per country:

- Each country: 1 seat
- > 400 employees: + 1 seat (total of 2 seats)
- > 1000 employees: + 2 seats (total of 3 seats)
- For every 1000 employees more: 1 additional seat (total of 4 seats etc.)

2.2. If a country gets more than 1 seat and there is more than one Yamaha Motor company in this country – as is the case in France (YMF and MBK) and Italy (MM and YMIT) at the moment of signing this agreement – the country will be represented by representatives from both companies.

2.3. When a new company joins the Yamaha Motor Europe Group in a country that is already represented at the EWC, the employees of that company will be represented by the existing EWC members from that country insofar the total number of employees in the country does not reach the threshold for additional EWC members.

2.4. For the distribution of seats for the first term of office – starting in 2006 - the number of employees in a country will be determined by the average number of employees in the year 2005 (number of employees each month divided by 12).

2.5. If the Yamaha Motor Europe Group acquires a company in a state in the EEA that is not yet represented in the EWC, the employees will be represented as soon as possible, but at least within two years.

2.6. The employees' representatives shall be elected according to national law or practice nominated for a term of office for four years. They are eligible for re-election for subsequent terms on the EWC. If national law or practice does not provide for regulations regarding the representation of employees, a democratic election procedure shall be applied within the Yamaha Motor Europe Group. The regulations will be carefully applied and supervised by local management who will report the findings to CM and EWC.

2.7. The representatives must be employees of a Yamaha Motor Europe Group company.

2.8. For every EWC member a deputy EWC member will be elected under the terms of section 2.6. Deputy EWC members will act if regular EWC members are unable to act. Deputy EWC members are allowed to use resources at the moment they have to act as EWC members. They do not participate in the special programs and trainings of EWC members. In case an EWC member steps down, his deputy will replace him and a new deputy will be elected.

2.9. The aim is that EWC members have a reasonable command of the English language. If this is not the case but if such member is willing to learn English language, Yamaha Motor will facilitate this.

2.10. The EWC will elect from its members a chairman, a vice chairman and a secretary and they will represent different countries. The chairman of the EWC has to master the English language.

2.11. The members of the EWC are responsible for a good reporting back to their local constituencies and works councils. The EWC secretary takes care for the tasks of the absent (deputy) EWC members and supervises the reporting back of the results of the meeting to the local employees. CM is responsible for a good reporting back to local management.

2.12. The EWC members shall, in the exercise of their function, enjoy the protection and guarantees for employees' representatives as provided for employee representatives by the national legislation and/or practice in force in the country of employment.

2.13. The President of YME will appoint at least 3 senior CM representatives, of whom one of them will be chairman and another one the management secretary. If required, other management representatives may be invited to a joint meeting.

### **Section 3. Select Committee**

3.1. The chairman, vice chairman and the secretary of the EWC shall form the Select Committee (SC) of the EWC. The SC shall represent the EWC only in organizational matters as defined in article 3.2.

3.2. The SC will coordinate and prepare pre-meetings of the EWC. The SC will be consulted by CM about the preparations of the agenda of joint meetings, the content of the one page bulletin and the minutes of joint meetings. If required, a meeting will be held between SC and CM some 6 weeks in advance of a joint meeting in order to prepare the agenda.

### **Section 4. Information, consultation and the European dialogue**

4.1. The EWC shall be informed and consulted on the development of transnational activities of the Yamaha Motor Europe business as a whole or two or more of its operations in at least two different member states.

4.2. The information and consultation and the European dialogue shall focus on the economic and financial situation and the probable development of the Yamaha Motor Europe business. It shall in particular relate to the following items:

- structure
- financial and economic situation
- the probable development of the business, production and sales
- the situation and probable trend of employment
- investments
- substantial changes concerning organization

- introduction of new working methods or production processes
- transfers of production, mergers, cut-backs or closures of undertakings
- establishments or important parts thereof and collective redundancies.
- other relevant issues falling within the scope of Yamaha Motor Europe Group.

The local management shall be informed accordingly.

The outcome of this dialogue shall be taken into account in the ongoing process of planning of activities.

## **Section 5. Meetings**

5.1. Each year there will be two joint meetings between CM and the EWC. These meetings take place respectively in the month March or April and October or November.

The first meeting in a year will be held in the offices of YME at Schiphol-Rijk, close to Schiphol Airport. The second meeting will be held at a different Yamaha Motor company in Europe. Dates and venues of the meetings will be decided between CM and the EWC.

5.2. The meeting will not take up more than two consecutive days. The first of the two days will be reserved for a preparatory EWC meeting, the second day will be the joint meeting. Following that meeting the EWC will have an evaluation meeting.

5.3. The joint meetings between CM - EWC will be chaired on a rotating basis.

5.4. Before each joint meeting CM will discuss with the SC the proposed agenda for the coming joint meeting. E-mail and telephone will be used as much as possible in this process.

5.5. Two months before the planned date of the joint meeting, the chairman will send out the date and a tentative agenda to the SC. After the feedback and communications thereon, the chairman and secretary of CM and the SC will jointly set the agenda and fix the date of the joint meeting one month before the date of that meeting and inform the members of the EWC.

5.6. All documents are provided in the English language. If needed, documents, minutes of joint meetings and the one page bulletin will be translated locally within two weeks after receipt. Local EWC members and local management are responsible for this translation. If required, CM will contact local management to fulfil this policy.

5.7. While the communication in the joint meeting will be held in English, EWC members may request for an interpreter in the meeting. CM will respond positively to such a request, in line with the SNB practice.

5.8. CM will prepare the draft minutes of the joint meeting within two weeks. The minutes of the joint meetings will be approved by CM and the SC. The minutes will be issued within one month following the meeting. Following every joint meeting or additional meeting (exceptional circumstances) SC and CM will issue a joint one page bulletin to be distributed to all employees and local management in each country within two weeks following the meeting.

5.9. CM shall inform the EWC as soon as possible about exceptional circumstances or planned decisions affecting the employees' interests to a considerable extent in at least two establishments or undertakings of Yamaha Motor Europe Group in different countries within the geographical scope of this agreement, particularly as regards the relocation or closure of establishments, or collective redundancies.

5.10. If the EWC so requests, it shall meet CM, or another more appropriate level of management within YME having its own powers of decision on the matters to be dealt with at the meeting, in order to be further informed about and consulted on the circumstances referred to above on the basis of a written report drawn up by YME.

In exceptional circumstances, additional meetings may be held on request of EWC or CM. The additional meeting will be held at a time at which such information and consultation is still meaningful. The EWC may issue an opinion on the report after the meeting or within a reasonable time after the meeting. CM will respond to the opinion of the EWC.

5.11. EWC and CM together can set up working committees to work on transnational issues. These committees will work under the terms of this agreement.

## **Section 6. Confidentiality**

6.1. The members of the EWC or any expert who assists them are not authorized to disclose any information which has a confidential nature and has been expressly been provided to them in confidence. This obligation shall apply even after the membership of the EWC.

6.2. With respect to the provision of information, CM may impose a requirement of confidentiality if there are reasonable grounds to do so; a statement shall be issued as early as possible prior to the matter in question being dealt with, indicating the grounds for imposing the requirement, what written or oral information is covered, for how long it applies and whether there are any persons with regard to whom such confidentiality does not need to be maintained. CM shall not transmit the confidential information to those members who refuse to accept the obligation of confidentiality.

6.3. Any breach of the obligation not to disclose confidential information will be dealt with according to national legislation, employment conditions and regulations of the company in which the EWC member is employed.

6.4. CM is entitled not to transmit the information of which the nature is such that according to objective criteria it could seriously harm the interests of Yamaha Motor Europe N.V. or any other company belonging to and/ or related to the Yamaha Motor Europe Group, or could contravene stock market rules or other regulatory requirements.

## **Section 7. Experts and training**

7.1. The EWC may call in an expert, if needed and necessary to perform its tasks, after consultation of CM about the issue and approval by CM of the expenses involved.

7.2. Unless both parties agree otherwise, experts shall not attend the joint meeting. All experts shall be bound by prior written agreement to keep secret any confidential information made available to them.

7.3. Employee representatives may consult an expert outside the meeting room. Time outs for internal discussions can be agreed.

7.4. The EWC may indicate to CM their need for training on subjects related to EWC matters and of common interest of all members. The training project needs approval of CM. Costs will be borne by CM. The EWC trainings will be combined with the joint meetings.

## **Section 8. Costs and resources**

8.1. EWC members will be provided with necessary and paid time of to perform their tasks as EWC member.

see more information on EWC's under [www.euro-br.eu](http://www.euro-br.eu)

8.2. Travel time to and from the joint meetings and participating in joint meetings (plus SC), will be regarded as working time.

8.3. The costs for hotels and traveling will be born by the local companies. The EWC secretary will coordinate with CM the logistic arrangements for an EWC meeting.

8.4. Costs of language training and translation of documents will be borne by local companies.

8.5. The operational costs of the joint meetings shall be borne by YME. Administrative support for other EWC meetings will be arranged for by the EWC itself.

8.6. Each member of the EWC shall have private access to e-mail and internet at his workplace.

8.7. The EWC will make a set of internal rules and regulations. CM will be provided with a copy of these internal rules and regulations. These internal rules and regulations may not conflict with this agreement. In cases of conflict this agreement prevails.

## **Section 9. Settlement of disputes**

9.1. EWC and CM will do their utmost best to resolve any dispute arising from this agreement in a spirit of good cooperation.

9.2. If they do not succeed to find a solution in the dialogue, they will call in mediation by an expert (mediator). Both EWC and CM will be represented by their chairman. Both chairmen will jointly appoint a mediator who will chair the mediation meeting. The mediator will support EWC and CM to find a solution of the conflict.

9.3. If the mediation failed, parties are free to submit the issue to the Companies Division of the Amsterdam Court of Appeal.

**Section 10. Applicable law and duration of the agreement**

10.1. This agreement is governed by Dutch law.

10.2. The English version of the agreement shall prevail above the translations in other languages.

10.3. The present agreement on the establishment of the EWC, together with the appendices, shall come into force when it is signed by CM and by a majority of the members of the SNB. The term of the agreement will start at the first official meeting of the EWC and shall end after a term of four years.

see more information on EWC's under [www.euro-br.eu](http://www.euro-br.eu)

10.4. In the course of the fourth year CM and the EWC will evaluate the agreement. This evaluation will form the basis of the joint decision of whether to prolong or re-negotiate or renew the agreement. In case of re-negotiation, the existing agreement will be automatically extended until a new agreement has been reached.

10.5. Individual regulations of the present agreement can be modified or added at all times with the consent of both parties.

10.6. Each party may terminate the agreement on a six month notice in writing, if continuation of the agreement cannot in reasonableness be asked from one of the parties. In case of a termination, CM and the EWC will negotiate in order to agree upon a new agreement within one year after the termination date. During the negotiations the present agreement shall continue to be in force. After the year has elapsed without any results being obtained, the agreement shall be replaced by the provisions of the Directive 94/45/EC of the Council as of 22 September 1994 as implemented in the Dutch law.

Signed on ..... (date)

By:

Yamaha Motor Europe N.V.

Special Negotiating Body,  
representing Yamaha Motor  
employees in Europe

..... (name)

..... (name)  
..... (country)

\* Annex 1: Yamaha Motor companies and employees per country in the meaning of the EWC directive.