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## **BMW Euro-Works-Council**

### **1) NAME, OFFICIAL SEAT AND ADDRESS**

- a) The name of the central board made up of representatives of employees from various countries is : "BMW EURO Works Council":
- b) The seat of BMW EURO Works Council is Munich.

### **2) CHAIRMANSHIP**

- a) The BMW EURO Works Council shall appoint a Chairman who shall also be the Chairman of the Inner Committee.
- b) b) The Chairman shall represent the BMW EURO Works Council in all relations with Group Management and third parties.
- c) The Secretary of the Overall Works Council of BMW AG shall also be the Secretary of the BMW EURO Works Council. In agreement with the Chairman, he shall be responsible for coordinating all ongoing business and organisational tasks and requirements.
- d) The BMW EURO Works Council shall appoint an Inner Committee. As a fundamental rule. All countries shall be represented on such Inner Committee by one delegate each. The Chairman shall invite delegates in accordance with the issue(s) to be discussed.

### **3) MEMBERS**

- a) The delegation of members to the BMW EURO Works Council shall be the right and responsibility of the national employees' representatives.
- b) After each re-election of the respective employees' representatives of the Group Companies represented on the BMW EURO Works Council, the members delegated to the BMW EURO Works Council shall be reappointed by the respective employees' representatives.
- c) As long as employer/employee relationships are co-determined to a large extent in Great Britain by the trade unions, two trade union members shall be invited to the meetings of the BMW EURO Forum. They will be treated to all intents and purposes as any other representative.
- d) Members of the BMW EURO Works Council may be removed from their position as members by the same representation of employees that originally delegated such

- members to the BMW EURO Works Council, in accordance with the regulations pertaining to such members' election/appointment.
- e) Should a member of the BMW EURO Works Council lose his membership status by being removed from office or on leaving the Company, such member's seat shall be taken by another member from the member country the original member came from.

#### **4) OBJECTIVES AND TASKS**

- a) The BMW EURO Works Council seeks to exchange information across borders and to coordinate the representation of employees on the BMW Forum, whenever decisions to be taken and issues treated involve corporate locations in several European countries:
- b) Treatment of these issues shall serve to enhance the exchange of information on development trends and strategies, promoting ongoing developments to the benefit of all parties involved.

#### **5) PRINCIPLES OF CORPORATION**

- a) The members of the BMW EURO Works Council undertake to work within the meaning and in the spirit of these Rules of Business and to inform each other on any and all issues and developments which might affect the workforce of other Companies within the Group.
- b) The members of the BMW EURO Works Council shall inform the respective national representatives of interested parties and the employees on the activities of the BMW EURO Works Council:

#### **6) FINAL RULE**

- a) The present Rules of Business shall take effect on 14 March 1996. They may be amended by unanimous decision.

Munich. 14 March 1996

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# **COMMUNICATION AND CONSULTATION ARRANGEMENTS WITH REPRESENTATIVES OF EMPLOYEES OF BMW GROUP COMPANIES WITHIN THE EUROPEAN UNION**

## **PREAMBLE**

In view of the ongoing development of the single European market and growing internationalisation of the BMW Group, communication and consultation with employees of BMW's European subsidiaries is to be enhanced.

### **1) AREA COVERED**

This Agreement applies to BMW AG and its subsidiaries including their business interests in the member states of the European Union.

### **2) BASIC PRINCIPLES OF COOPERATION**

Communication and consultation with Employees' Representatives of companies producing automobiles (including the production of components) shall be effected by meetings of the BMW EURO Forum. Communication and consultation with the employees of all other companies shall be the responsibility of their respective local management. The Representatives of Employees and the employer undertake to cooperate to the benefit of all employees and the BMW Group, applying and following the principles of cooperation in a spirit of mutual trust and confidence. Representatives of Employees undertake to treat any and all confidential information made available to them by the Management of the BMW Group with due confidentiality and secrecy.

### **3) COMPOSITION OF THE BMW EURO FORUM**

Only employees of the BMW Group may be elected or appointed delegates to the BMW EURO Forum. The employees may delegate a total of 13 representatives (BMW EURO Works Council) to meetings in the following composition:

Germany 8 Delegates  
Great Britain 4 Delegates  
Austria 1 Delegate

As long as relations between employers and employees in Great Britain are determined to a large extent on the part of employees by trade unions (eg. in the case of wage agreements etc.), up to two full time trade union officials from Great Britain who are not employees of the BMW Group shall be invited as guests to the BMW EURO Forum.

In the event of any dramatic change in the overall size of the workforce in the various countries and/or in the event of new car production locations joining the Group within the European Union, an agreement may be made with the Management of the BMW Group to modify the number Of delegates representing employees and their subdivision. Any change in the composition of the BMW EURO Works Council shall not in any way affect the other provisions of this Agreement.

### **4) ORGANISATION OF EMPLOYEES' REPRESENTATIVES WITHIN THE BMW EURO WORKS COUNCIL**

In their first session the Employees' Representatives shall elect a Chairman by simple majority. When necessary, the Chairman shall appoint an Inner Committee with a maximum of three participants.

The Chairman shall represent employees in discussions with the Management of the BMW Group. He invites the Employees' Representatives to the BMW EURO Forum. Further organisation issues, in particular those involving business rules and procedures, shall be determined and agreed with the employer.

## **5) MEETINGS OF THE BMW EURO FORUM**

The BMW EURO Forum shall meet once a year for a one-day session, meetings being held alternately at one of the European locations of the BMW Group where automobiles are produced. The first meeting will be in 1996 To prepare for this annual meeting, the BMW EURO Works Council may meet on the day of their session or on the afternoon of the preceding day in the absence of the employer's Representatives. In the event of exceptional circumstances arising with a substantial effect on the employees' interests, additional meetings may be held by agreement with the Management of the BMW Group.

## **6) MATTERS TO BE COMMUNICATED AND CONSULTED UPON**

The Management of the BMW Group or their representatives shall inform and consult on the following topics, to the extent to which such matters affect the interests of employees in at least two member countries.

- Economic and financial situation
- Production and sales
- Development of employment
- Major capital expenditure projects
- Major cross-border changes in production (re-location)

Fundamental information and data of significance in this context shall be provided to the Employees' Representatives in writing. The Chairman shall be entitled to propose further topics to the Management of the BMW Group. The agenda of the annual meeting will be determined jointly by the Chairman and the Management of the Group.

## **7) DECENTRALISED COMMUNICATION AND CONSULTATION**

The employees of all companies not represented on the BMW EURO Works Council shall be informed and consulted by their respective management on the overall context of the meetings of the BMW EURO Forum.

## **8) COSTS**

The costs of the annual meeting of the BMW EURO Forum shall be borne by the employer in accordance with a cost schedule agreed by the parties. BMW EURO Works Council does not have its own budget. To the extent to which activities on the part of the Chairman or the Inner Committee, in exercising their official duties, result in further costs, such additional costs shall be borne by the respective national company.

## **9) FINAL PROVISIONS**

Either party may terminate this Agreement with a period of notice of one year, as of the end of each year for the first time on 31 December 2005. Should any further matters or aspects require regulation, for example on account of future national legislation regarding the EU Directive on the establishment of a European Works Council or the requirement to introduce a procedure for communicating and consulting with employees in companies and groups of companies operating throughout the European Union, such further matters and requirements shall not affect

the validity of this Agreement. The Parties hereto shall, in such case, modify the Agreement accordingly, taking into account their mutual interests as set forth herein. Munich shall be the place of jurisdiction.

Munich, 11 December 1995

Management of the BMW Group      Representatives of the Employees

Pischetsrieder Niederhofer      Schoch

## **MEMO**

Regarding the Communication and Consultation Arrangements with Representatives of Employees of BMW Group Companies within the European Union, 7 November 1995

- 1) Should the Employees' Representatives or the Management of the BMW Group wish to invite an expert to the meetings of the BMW EURO Forum, the Management of the Group or, respectively, the Employees' Representatives shall be informed accordingly. This wish may be rejected only for substantial reasons.
- 2) Communication to and consultation of the BMW EURO Works Council or, respectively, the Inner Committee shall in all cases be conducted in good time allowing due consideration of the employees' position in the decisionmaking process.
- 3) The Chairman is entitled to invite a further knowledgeable employee to meetings of the Inner Committee in order to obtain relevant information.

Munich, 11 December 1995

BMW Group      Representatives of the Employees

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Niederhofer      Dr. Letz      Schoch

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