

HEINEKEN

EUROPEAN WORKS COUNCIL AGREEMENT

30/10/97

AGREEMENT BETWEEN:

Heineken N.V. and the Special Negotiations Committee of the ECF/IUF, mandated by the national employee participation structures or trade unions. The mandates were given in compliance with national EWC legislation for countries in the EU and in compliance with national practice for all the other countries.

PREAMBLE

- a) This agreement falls within the framework of section 11 of the Dutch Works Councils Act.
- b) This agreement must be viewed within the wider context of the endeavour to achieve social cohesion within the European Union and the resulting legislation that directly affects the companies and their employees. The goal of the legislation is to inform European employees of company policy in a broad sense and to consult them on policy and its influence on the position of the European employees.
- c) This agreement contains the structure and procedures related to information and consultation that will be further elaborated within the European companies of Heineken. They describe the structure and method of operation of the Heineken European Forum and the Heineken European Works Council. With this the parties wish to give substance to employee participation at a European level, through open discussion of important information and policy decisions that directly and indirectly affects employees from the companies involved in the agreement
- d) Differences exist between the informing and consultation of employees based on the European directive 94/95EG (and the resulting European Works Councils Act) and national employee participation regulations and practices.
- e) This agreement does not infringe on, but does supplement, rights and responsibilities that result from the national employee participation structures.
- f) The Dutch European Works Councils Act applies in situations not covered by this agreement.

BOTH PARTIES AGREE TO THE FOLLOWING:

ARTICLE I

DEFINITIONS

Heineken: Heineken N.V.

A company: an independent legal person that operates as an autonomous labour organisation within Heineken. Heineken must have a majority control in these companies as referred to in section 2 of the European Works Councils Act.

The executive committee: the Board of Directors of Heineken N.V. and/or their mandated representatives .

Employees: people working for a Heineken company under an employment contract.

ARTICLE II

SCOPE

This agreement applies to Heineken companies in countries that are members of the European Economic Space, including the countries of the European Union. It also applies to countries that have applied for membership of the European Union, and have been accepted as such.

The scope can be extended by consultation between the executive committee and the EWC, whereby account is taken of the real possibility of the actual integration of the relevant company in the European country concerned into the current European employee participation structure and culture at Heineken.

Contrary to section 2 paragraph 1, the agreement only applies to companies in countries where Heineken has a minimum of 40 employees.

Contrary to section 2, paragraph 1 to 3, an organisation that is not an independent labour organization but is part of the Export organization, will not participate directly in the EWC. In consultation with the executive committee, the EWC and the management concerned an employee participation structure will be created to- enable this group of employees to become affiliated with the (European) employee participation within Heineken.

The countries represented in the EWC at the time of its establishment are: the Netherlands, France, Italy, Greece, Spain, Ireland, Hungary, Switzerland, Slovak Republic and Belgium.

ARTICLE III

HEINEKEN EUROPEAN FORUM

The Heineken European Forum is the joint Consultation between the executive committee and the EWC.

The executive committee is represented in the European Forum by a permanent member of the Board of Directors, the Corporate Human Resources Director and three other members, appointed by the executive committee, from the management of the companies concerned. They will be assisted by experts.

The Heineken European Forum convenes twice each year and will be held jointly with the EWC meetings.

The executive committee chairs the Forum meeting. The member from the Board of Directors chairs the meeting in Amsterdam and can be replaced by the Corporate Human Resources Director for meetings in other locations.

ARTICLE IV

THE HEINEKEN EUROPEAN WORKS COUNCIL

The EWC consists of employee representatives (conform paragraph 4) and an ECF/IUF representative, appointed for international Heineken coordination, in a quality seat.

The distribution of seats within the EWC is as follows:

The Netherlands	4
France	4
Italy	3
Greece	3
Spain	3
Ireland	1
Hungary	1
Switzerland	1
Slovak Republic	1
Belgium	1
Total	22
ECF/IUF	1 quality seat

The maximum number of seats is 25.

The ECF/IUF representative may attend the EWC and Forum meetings and the limited committee consultations. He or she will receive the relevant information for this.

The EWC members are elected or appointed by and from the (central) employee participation bodies of the companies from the relevant countries. The local European Works Councils Act will be referred to for the procedure.

If a country within the scope of operation has no local European Works Councils Act, but there is a statutory employee participation structure, then this structure will elect or appoint the EWC representatives.

If a country within the scope of operation has no statutory employee participation structure, then further agreements will be made between the executive committee and

the EWC on the method of election or appointment. whereby all employees of the relevant company will participate in the procedure.

The EWC chairman and secretary are elected by and from the EWC. The chairman will chair the EWC meetings.

The EWC and the limited committee can be assisted by experts of their choice if this is necessary for the performance of their duties. Heineken will pay reasonable costs necessary for the EWC and the limited committee to perform their duties. The obligation to pay the costs of experts called in by the Works Council is limited to one expert per agenda topic unless the European Works Council and Heineken agree to the contrary (section 20 of the Dutch European Works Councils Act).

The term of office of the EWC is 4 years.

If a EWC member ceases to be a member of the national body that elected or appointed him or her, then the seat becomes vacant and the organisation Concerned must elect or appoint an interim replacement for the remaining term of the EWC.

Following the acquisition of a company with 40 or more employees in a country that is not yet represented in the EWC, the country will be represented in compliance with section 2, by one EWC member for the duration of the current term of the EWC. The maximum of 25 members may be temporarily exceeded as a result of this. Then, before the start of the new term, the number of EWC members for the country concerned will be determined by consultation between the executive committee and the EWC, and taking into account the above mentioned maximum.

Following the acquisition of a company in a country that is represented in the EWC, the company is considered to be represented by the incumbent EWC member(s) from the relevant country, for the duration of the current term of the EWC. Then, before the start of the new term, the number of EWC members for the country concerned will be re-determined by consultation between the executive committee and the EWC, and taking into account the above mentioned maximum.

If there is a significant change in the number of employees in a country, and the cause does not fall under paragraph 8 or 9, the number of seats or division of seats will be re-determined by consultation between the executive committee and the EWC, and taking into account the above mentioned maximum.

The EWC will draw up a set of house regulations. The executive committee will be allowed to declare their standpoint before the regulations are laid down. The house regulations is not a matter that can result in additional obligations for Heineken.

ARTICLE V

LIMITED COMMITTEE

The limited committee is comprised of a maximum of 4 members: the elected Chairman and secretary of the EWC and two additional members from the EWC.

Tasks and responsibilities of the limited committee:

- preparations and completion of the EWC meetings, agendas and minutes;
- consultation with the executive committee for the preparation and completion of the forum meetings, agendas and minutes;
- monitoring adherence to the agreements;
- discussion partner for the executive committee in cases involving special circumstances.

ARTICLE VI

MEETINGS

Frequency: The Heineken EWC and European Forum convene twice a year.

The time of the meetings is determined in consultation between the limited committee and the executive committee. In principle, the meetings will be held in May and November.

Each series of the meetings lasts three days. The EWC preparatory meeting can start at 14:00 on the first day. The Forum meeting will be held on the second day. On the third day the EWC follow-up meeting will last at the latest to 16:00. All participants will have the opportunity to attend the entire meeting.

Location: One annual meeting in the Netherlands, in or around Amsterdam. The location of the second meeting will alternate between the relevant countries. The location must have an adequate infrastructure for the meeting.

The limited committee can convene between the EWC meetings to prepare the meetings and to consult with the executive committee on the agenda for the Forum meeting.

ARTICLE VII

SCOPE AND POWERS

the EWC will be informed and consulted on issues that are important to all the companies, or a minimum of two companies from two countries within the scope of the agreement.

The EWC will be informed and consulted in advance by the executive committee, through timely written reports and dialogue on: The structure of the company, the financial-economic position, the probable development of the activities, production and sales, and investments. Actual changes in the organisation, the implementation of new labour and production methods, care for the environment, mergers, transfers, reductions or closures of companies or major parts of them, the current state and development of the employment situation and collective dismissal (in conformance with section 19 paragraph 2 of the Dutch European Works Councils Act).

Also on relevant themes of social policy, such as policy in the field of training, policy in the field of safety, health and welfare, and policy in the field of information facilities for employees.

Information will be provided in the language of the relevant country.

The EWC does not infringe on the rights and duties of existing national employee participation structures.

ARTICLE VIII

SPECIAL CIRCUMSTANCES

The executive committee informs the EWC and the limited committee as quickly as possible, of special circumstances and proposed decisions that would have significant consequences for employee interests in a minimum of two companies in different countries that fall within the scope of operation. Especially concerning the transfer or closure of branches, collective dismissal, merger with another concern, or take-over by or of another concern.

At the request of the limited committee, they will meet with the executive committee to be further informed and consulted on the circumstances specified in the previous paragraph, based on the information already provided. This meeting will take place at a time when the information and consultation is still meaningful. EWC members from the companies directly effected by the measures or events can be invited to participate in the meeting with the limited committee. At the request of the limited committee, the entire EWC and/or the European Forum may be convened instead of a limited committee from its ranks. The meeting does not infringe on the powers of the executive committee.

The limited committee or the EWC can in cases of special circumstances be assisted by experts. If necessary, more than one expert can be called in per agenda topic, in which case the executive committee must be consulted costs in accordance with section 9 paragraph 2.

ARTICLE IX

FINANCIAL AND MATERIAL MEANS

Heineken will pay reasonable costs that are essential for the proper functioning of the EWC. These costs include:

- continued payment of the salaries of elected members during the performance of duties related to participation in the EWC;
- travel and hotel expenses of the EWC members, and any experts, participating in the EWC meeting;

- translation and interpreter costs for all the relevant languages: during the EWC and Forum meetings, for the information provided in advance by the executive committee that is necessary for preparation, and for the minutes of the meetings. English can be used as the key language to facilitate local translation facilities;
- training and education related to functioning in the EWC;
- external experts, with a maximum of one expert for each topic on the agenda;
- communication between, and informing of, members of the limited committee, EWC members and local Works Council members, using the existing means and structures as much as possible;
- informing the employees, using the existing means and structures as much as possible;
- secretariat.

The limited committee and the executive committee must discuss in advance expenses that fully or partially fall outside of the expenses specified above.

All parties and participants in activities within the framework of this agreement will make very effort to limit costs to a minimum. Agreements will be required on budget, notification and reporting, to enable monitoring and management.

ARTICLE X

CONFIDENTIALITY

EWC members, persons holding a quality seat and experts must maintain confidentiality concerning all business and company secrets that they acquire in this capacity, as well as all matters whereby confidentiality has been imposed on them, or whereby the confidential character should be understood because of the imposed confidentiality.

The executive committee is not required to issue information if it is reasonable to expect it will hinder or damage the functioning of Heineken. If there are reasonable grounds, the executive committee can impose confidentiality on certain information. Notification must be provided, if possible in advance of the relevant event: of the grounds for imposing confidentiality, which written or verbal information is subject to confidentiality, for how long the confidentiality will apply, and whether there are other persons party to this confidentiality.

Except in cases of where they are subject to confidentiality, the members of the EWC will inform the trade union representatives, or all employees of the relevant company if there are no trade union representatives, on the content and the results of the information and consultation that has taken place during the Forum meeting.

ARTICLE XI

LEGAL PROTECTION

EWC members have the same legal protection as specified in their national Legislation, with respect to representation in an employee participation body. In countries where there is no legislation providing legal protection with respect to representation in an employee participation body, the EWC members will have the same legal protection as specified for Dutch members in the relevant Dutch legislation.

ARTICLE XII

DURATION OF THE AGREEMENT

The duration of the agreement is for 4 years.

The EWC and the executive committee will review the functioning of the agreement every 3 years. This review will form the basis of the decision of whether to prolong or re-negotiate the agreement. If it is decided to re-negotiate the EWC will elect a negotiating delegation from amongst their members, which may be assisted and Coordinated by the ECF/IUF.

If the re-negotiation does not result in agreement within one year, the existing agreement will be prolonged for one year. Further negotiations will take place during this year. The existing agreement will continue to be prolonged by one year if no agreement is reached.

ARTICLE XIII

ARBITRATION REGULATION

In the case of a dispute, the parties undertake to establish a commission to arbitrate in the matter. This commission will be composed of one member appointed by the executive committee, one member appointed by the EWC and one member appointed by both parties.

ARTICLE XIV

APPLICABLE LEGISLATION

This agreement is subject to the legislation and legal system in the Netherlands. The Dutch text applies in cases where there is a difference of interpretation.

ARTICLE XV

FORMATION OF THE FIRST EWC AND PREPARATION FOR THE FIRST MEETING

It is only possible to elect the limited committee during the first EWC meeting. During the period leading up to this, the role of the limited committee will be fulfilled by the limited delegation from the Special Negotiations Committee. Its primary task will be the formation of the first EWC, including the elections, and the preparations for the first meeting in cooperation with the executive committee.

Amsterdam, 30 October 1997