

Skandia Employee Works Council Agreement

Between

1. Skandia Insurance Company Ltd (publ), Sveavägen 44, S-103 50 Stockholm, Sweden (hereinafter referred to as Skandia)

and

2. The signing representatives of employees.

1. Introduction

1.1 Skandia is a multinational group of companies in insurance and financial services sectors. The operational business organisation is focused to provide products for long-term savings. Skandia recognizes the need to have an open dialogue with its employees and as part of achieving this goal Skandia has established a group wide Employee Works Council. This council will meet the requirements of the European Works Council set up according to legislation and agreement detailed in article 1.3 and article 1.4.

1.2 Skandia has approximately 5 000 employees in the European Union (EU) and in the European Economic Area (EEA). The total number of employees in Skandia is approximately 6 000. Skandia is domiciled in Sweden and has its headoffice in Stockholm.

1.3 Skandia and the European employee representatives have agreed to continue the operation of the Skandia Employee Works Council (EWC) as a European Works Council within the framework of the European Directive 94/95 adopted by the European Council on 22 September 1994 and the Swedish act on European Works Council (1996:359) by means of this agreement. This agreement is intended by both Skandia and the employee representatives to satisfy the requirements of this legislation.

1.4 The parties agree that Skandia European Works Council Agreement of July 1999 requires updating to reflect changes affecting the structure and business of Skandia, the accession to the EU of new member states and the wish to allow for the participation of employee representatives from outside the EU/EEA in the Skandia EWC. It is, therefore, acknowledged by the parties that the Skandia European Works Council Agreement of July 1999 is superseded in its entirety by the terms of this agreement.

2. Objective

2.1 The objective of the Skandia EWC is to increase information, dialogue and consultation between the management and employees of Skandia in Europe and outside Europe. As such the Skandia EWC will facilitate and co-ordinate worldwide exchange of transnational information

and increase the flow of information, knowledge and co-operation and dialogue between management and employees of Skandia.

2.2 The Skandia EWC is to comprise the employee representatives and the management representatives together. The employee representatives and the management representatives will meet in the form of a Skandia EWC, in accordance with article 6.

3. Representations on Skandia EWC

Employee representatives

3.1 The number of employee representatives from Skandia's companies in each country shall be determined according to the following formula, based upon the total number of individual employees employed in each country:

From 10 to 499 employees	1 representative
From 500 to 1499 employees	2 representatives
From 1500 to 2999 employees	3 representatives
From 3000 to 4499 employees	4 representatives
More than 4500 employees	5 representatives

3.2 The allocation of representatives per country is set out in annex 1. For any given year, the number of employees to be taken into account for the purpose of allocating representatives on the Skandia EWC are, unless otherwise agreed (see article 12.1), those officially registered by Skandia as employees as at December 31 of the preceding year. The allocation of representatives per country should be reviewed each year.

3.3 Subject to any redistribution of seats pursuant to article 3.2 and article 3.5, the employee representatives will be elected or appointed for a period of 4 years from the commencement date of this agreement set out at article 13. After such period, the replacement employee representative will be elected or appointed for a further period of 4 years.

3.4 Employee representatives will be elected or appointed according to national legislation and practice. For a country to have the right to elect or appoint members of the Skandia EWC, Skandia's workforce in that country must comprise more than 10 employees.

3.5 Notwithstanding article 3.3, the appointment of each employee representative shall cease with immediate effect if:

3.5.1 the representative ceases to be employed by Skandia;

3.5.2 the representative resigns as an employee representative by notice to the Working Committee; or

3.5.3. the representative is prohibited by law from being an employee representative.

3.6 Employees, who are not represented in the Skandia EWC, shall have the right to submit issues of general interest to the Skandia EWC. The issues are to be handed into the Working Committee for preparation.

3.7 In view of the importance of European trade unions as social partners and UNI's status as a recognized trade union organization at the European level for the private services sector, one representative of UNI may participate in preparatory meetings.

3.8 Substitutes must be elected or appointed for each employee representative on the Skandia EWC. If any employee representative is temporarily unable to attend a Skandia EWC meeting then he/she will be replaced by his/her substitute. The names of the employee representatives and substitutes must be transmitted to the Working Committee upon appointment or election. A substitute shall cease to be a substitute for the reasons provided at article 3.5.

3.9 If any employee representative or substitute ceases to be an employee representative or substitute by reason of article 3.5, then he or she should be replaced in accordance with article 3.4 within 12 months of such cessation.

3.10 Equal opportunities aspects will be taken into consideration in composing the Skandia EWC.

Management representatives

3.11 The number of management representatives on the Skandia EWC shall not exceed the number of employee representatives.

4. Scope

4.1 The objective of the Skandia EWC is to:

4.1.1 undertake to establish a social dialogue with regard to exchange of information and allow consultation on strategic decisions and issues of importance to the management of Skandia and to employees of Skandia.

4.1.2 without limiting the subject areas, and with due notice to subsidiarity and the need for national negotiations, this social dialogue will cover matters such as:

- strategic and structural questions
- economic and financial situation
- strategies in personnel policy or training
- business development
- future developments with regard to employment
- organisational changes, new product areas and the introduction of new working methods or production processes
- restructuring such as transfer of production, mergers/acquisitions, downsizing or closure of companies fully and/or partly
- equal opportunity issues
- new technology

For more agreements search www.ebr-ewc.net

- environmental issues
- health and safety

- 4.2 Issues to be discussed in the Skandia EWC must relate to more than one country within the group.
- 4.3 The consultation process must enable the Skandia EWC to have influence on the decision making process. Consultation is the opportunity for employee representatives to receive advance notification of any proposals from management, to discuss and comment on such proposals and for those comments to be taken into account to influence the proposal before implementation.
- 4.4 The Skandia EWC will operate in addition to any national and/or local system of staff representation and consultation (including collective agreements), and shall in no way affect such system's rights, function and jurisdiction.

5. Working Committee

- 5.1 The Working Committee shall comprise three representatives from the employee representatives and up to three representatives from the management representatives. The employee representatives for the Working Committee are to be elected by the employee representatives from among their number and the management representatives for the Working Committee shall be appointed by the management. The employee representatives' members of the Working Committee should seek to reflect a sensible geographic distribution of seats on the Skandia EWC.
- 5.2 The function of the Working Committee will be to:
- 5.2.1 liaise with the appropriate management representatives with regard to the preparation and organisation of Skandia EWC meetings, the setting of the final agenda and the drawing up and distribution of minutes;
 - 5.2.2 provide an ongoing communication among and between Skandia EWC members and with representatives of Skandia management;
 - 5.2.3 see to it that Skandia will ensure that the employee representatives, before and after the Skandia EWC meetings, are able to communicate by using Skandia's existing means of communication such as telephone, fax, intranet/Internet etc;
 - 5.2.4 otherwise ensure the smooth operating and functioning of the Skandia EWC;
and
 - 5.2.5 keep record of the list of members and substitutes of the Skandia EWC
- 5.3 Consultation within the Working Committee alone will not substitute consultation and dialogue with the Skandia EWC.

- 5.4 In order to enable it to perform its duties the Working Committee shall have the right to independent, regular meetings, the necessary infrastructure, interpreters/translation and consultation with experts.
- 5.5 The Working Committee may meet as the business of the Skandia EWC requires up to a maximum of three times per year.

6. Meetings

Annual meetings

- 6.1 The Skandia EWC shall meet at least once a year (the annual meeting). The annual meeting may be held in conjunction with the annual general meeting of the shareholders in Stockholm.
- 6.2 The annual meeting will be preceded by a preparatory meeting for the employee representatives and followed by a follow-up meeting for the employee representatives.
- 6.3 The preparatory meeting, the annual meeting of the Skandia EWC and the follow-up meeting will take place over a total period of 2 consecutive days.

Additional meeting

- 6.4 In addition to the annual meeting the employee representatives on the Skandia EWC are entitled to one further meeting of one day.

Extraordinary meeting

- 6.5 In addition to the annual meeting and the additional meeting, at the request of the Skandia management or the Working Committee (after consultation with the employee representatives on the Skandia EWC), an extraordinary meeting shall be held when issues of major significance occur.

General provisions

- 6.6 Where possible, two months prior to the date of a Skandia EWC meeting agenda items will be called for from all Skandia EWC members. On the basis of these submitted proposals the Working Committee shall in discussion with management fix the final agenda prior to the meeting. This final agenda and supporting documents will then be sent to all Skandia EWC members and substitutes.
- 6.7 The location and date of Skandia EWC meetings will be arranged by the Working Committee in agreement with management.
- 6.8 Interpretation and translation of documents will be provided into all languages necessary for the Skandia EWC to function properly.
- 6.9 Except where issues are agreed as confidential to the Skandia EWC only, employee representatives will be free to disseminate information and their views relating to the

discussions held at Skandia EWC meetings to employees who are not employee representatives.

Experts

6.10 Two experts (for instance UNI experts) with specific knowledge and/or skills, who can contribute to the ongoing work of the Skandia EWC may be invited to attend any preparatory meeting, follow-up meeting or additional meeting with the employee representatives of the Skandia EWC.

6.11 If so agreed, experts may be invited to attend the annual meeting of the Skandia EWC.

6.12 Experts may be invited to such meetings on condition that they agree to comply with the duties with regard to confidential information as apply to the employee representatives.

Chair

6.13 The Skandia EWC shall elect one of its members as a chair person. The chair person shall chair the Skandia EWC's meetings.

6.14 If the chair person is absent from a meeting of the Skandia EWC or is otherwise unable to perform any of his/her duties hereunder Skandia management shall nominate one of the management representatives to be substitute chairperson.

7. Information disclosure

7.1 Subject to the provisions set out in the following article 8 the parties agree that information disclosed during any meeting must be disseminated to employees within Skandia. For that purpose the employee representatives have the right to report back through appropriate national and/or local structures.

8. Confidentiality

8.1 Where necessary in the interest of Skandia, management may prescribe confidentiality concerning particular information. Employee representatives, substitutes and experts shall not reveal such information to employees or third parties.

8.2 A member of the Skandia EWC who has received confidential information may, notwithstanding the requirement for confidentiality, pass on the information to other members, including substitutes, of the Skandia EWC

8.3 The obligation of confidentiality shall continue to apply after an employee representative's or substitute's appointment on the Skandia EWC and/or his/her employment in Skandia has been terminated. The expert's duty of confidentiality shall continue to apply after he/she ceases to act as an expert on the Skandia EWC.

9. Costs

9.1 All costs associated with Skandia EWC meetings including interpretation and translation for the full Skandia EWC meetings, preparatory and follow-up meetings, Working Committee meetings, additional meetings, extraordinary meetings and the costs of experts will be met by Skandia.

9.2 Attendance at any meetings will be considered a business travel expense to the effect that the applicable local Skandia employer will ensure that the respective employee representative will be paid the normal salary and wages during absence.

10. Protection

10.1 Employee representatives and their substitutes shall enjoy the same protection and guarantees in the exercise of their functions as provided for employee representatives in European Works Councils by national legislation and/or practice in force in their country of employment.

10.2 Management of the relevant Skandia employer will provide the necessary time and resources for the employee representatives of the Skandia EWC (including substitutes), the Working Committee, and working groups to undertake their functions. The time needed to perform such functions will be considered as normal working time and remunerated accordingly.

10.3 This protection does not diminish in any way the protection provided to employee representatives by their national legislation and/or agreements.

11. Training

11.1 Employee representatives, including substitutes, shall be entitled to receive appropriate language training and, if so agreed, other appropriate training. The cost of that training shall be met by Skandia.

12. Restructuring

12.1 The composition of members on the Skandia EWC must be reviewed to reflect the structure of Skandia. In case of merger and/or takeovers or any other restructuring, provision must be made to re-negotiate the number of seats on the Skandia EWC as soon as possible. Until a new structure for the Skandia EWC has been put in place the structure as provided in this agreement will be in force.

13. Term of Agreement

13.1 This agreement enters into force upon signing. The agreement will only be changed by mutual consent of the employee representatives and the management representatives. The agreement will remain in force for an unlimited duration, unless terminated after the first four years by either party giving six months prior written notice of its decision to

For more agreements search www.ebr-ewc.net

withdraw from this agreement to expire on or at any time after the expiration of four years from the date hereof. Any decision by the employee representatives to withdraw from this agreement requires a majority vote of their number in favour of withdrawal.

13.2 This agreement will be reviewed by the employee representatives and the management representatives after two years and amendments might be included if both the employee representatives and the management representatives wish to do so.

13.3 The authoritative language for this agreement is English. The agreement will be translated into all languages relevant to the members of the Skandia EWC

13.4 This agreement will be governed by Swedish law and subject to the exclusive jurisdiction of the Swedish courts.

Stockholm, October, 2004

Skandia Insurance Company Ltd (publ)

Employee representatives

Annex 1

Country	No of employees end of 2003	Representatives on Skandia EWC
Sweden	2 255	3
Denmark	236	1
Norway	130	1
Finland	30	1
UK	2 287	3
France	25	1
Germany	242	1
Austria	112	1
Italy	49	1
Spain	114	1
Poland	47	1
Switzerland	127	1
Australia	178	1
Colombia	246	1
Mexico	158	1
USA	47	1