

UNILEVER EUROPEAN WORKS COUNCIL AGREEMENT (UEWC)

Preamble

- The internationalisation of businesses and the changes in Europe, also in terms of the European Internal Market, are changing the way people think and leading to changes in company structures. In this integration process, which is important for both the company and its employees, economic and social aspects form the basis for a future-oriented company policy.
- In 1997 Unilever formed a European Works Council (UEWC) in order to create a framework for the effective consultation and exchange of information on a European level. Management and employees have now reached a future oriented agreement based on the goodwill and co-operation previously developed.
Parties agree, based on their mutual experience, that the existing agreement provides an adequate framework for the future, with sufficient room for development.
Established practices and further arrangements regarding the implementation of the Information and Consultation process are set out in annex 3.
- Unilever is a company in which numerous companies in different economic branches are actively responsible for their own results due to a decentralised organisation. The main task of the national companies is to reach profit targets by managing the local business.
The responsibility for investment, production, and in many cases also for innovation, is coordinated internationally in the business groups in joined responsibility with the companies involved. Within the framework of this organisation, the information and consultation process on European level takes place in the European Works Council.
- The development of a fair, frank and trusting relationship between the management, the employees and their operational representatives is important. It will be facilitated by comprehensive and timely communication of information as part of a mutual exchange of views allowing all parties to bring their own ideas into the dialogue. An exchange of information and opinions across the countries will promote mutual understanding and a willingness to co-operate.
- Procedures and definitions which are not mentioned within this agreement, or in the appendices, will be settled on a case-by-case basis in the spirit of trusting co-operation and take account of the rights and obligations of both contracting partners.

1. Aim and Status of the Agreement

The following Agreement under the terms of Article 13 of the AEU Directive (94/45/EC) dated 22nd September 1994 governs supranational information and consultation of employees and their representatives.

2. Scope

This Agreement shall apply to all Unilever companies in the European Economic Area including in the United Kingdom and in Switzerland.

Companies joining and leaving Unilever NV/PLC in the European Economic Area will be automatically included in the Agreement or respectively excluded from the same. The fact that companies join or leave Unilever PLC/NV shall have no influence on validity of this agreement.

3. Composition

The UEWC is composed of a management delegation with authority and of an employee delegation.

Exclusively employees of a Unilever company in the scope of the UEWC shall enter into consideration as members of the employees' delegation.

The number of employee representatives who may be seconded to the UEWC from a country is based on the total number of those employed in the respective country.

In this regard, the following key shall apply:

Number of Unilever employees in the country	Number of UEWC employee representatives to be seconded
< 1,500	1
1,500 – 6,000	2
6,000– 12,000	3
> 12,000	4

A maximum of 3 advisory members from the CEE countries will be admitted to the UEWC

Selection or appointment of employee representatives

The employee representatives shall be elected or appointed in accordance with the national legislation collective labour agreements or with current practice.

The employee representatives thus elected or appointed are considered to be fully representative of all Unilever employees in their country including employees who join the Unilever NV/PLC during his/her full term of office.

The term of office of each employee representative in the UEWC shall correspond to his/her national practice but shall not be longer than 4 years.

If necessary on business or on personal grounds the succession of an employee representative should be organised in line with the agreed procedure on the selection of employee representatives.

Re-election or re-appointment shall be possible.

The employee members of the UEWC will enjoy the protection that the national legislation and/or practice in their country of employment provides for. By virtue of exercise of their mandate they may neither receive preferential treatment nor may they be disadvantaged; they must receive leave of absence for attending the meetings referred to in this Agreement in accordance with national praxis.

4. Organisation

- a) The management shall appoint an authorised Management Representative.
- b) The employee delegation will elect from amongst its members and for its organisation a Chairman and a Secretary.
- c) Furthermore the employee delegation in the UEWC may establish a Coordination Committee (the "ECC") which shall consist of the Chairman and the Secretary of the employee delegation and of up to 5 further employee representatives and 1 advisory member from the CEE countries. The tasks of the ECC shall be laid down by the employee delegation in rules and procedures. These rules and procedures shall be submitted to the management for notification. Two mandatory meetings of the ECC will take place per year, but the ECC and management representatives may meet more frequently at the request of the employee or management representatives.

This coordination committee shall meet twice per year.

- d) Once a year a plenary UEWC meeting shall take place in Rotterdam under rotating chairmanship of the management and the employee representatives.
- e) The employee delegation may hold a preparatory session on the day before the plenary meeting. After the plenary meeting the employee delegation may organise a debriefing meeting. In total the preliminary session plenary meeting and debriefing meeting should not take up more than two days excluding travelling time.
- f) The employee delegation shall be entitled in the preliminary session and debriefing meeting as well as in the meetings of the Coordination Committee (art. 4c) to invite internal or external experts of their choice in conjunction with topics which will be dealt with in the UEWC. In so far as this incurs costs which the employee delegation wishes the management to bear prior consent shall be required.
- g) It is agreed that all participants shall endeavour to reduce the number of languages used. For this purpose the employee representatives shall be offered an English course at the expense of their employing company.

If necessary and if feasible interpretation facilities shall be offered during the meetings. The extent of these facilities shall be jointly determined in the UEWC.

All written information prepared by the management as well as the agenda, Minutes and the Joint Statement, shall only be drawn up in English. English shall be the authoritative language.

Translation of all written information, into the respective mother tongue may be undertaken in the respective home country at the expenses of the company concerned.

- h) The costs connected to the meetings, as well as travelling, accommodation and board for the participants, shall be borne by the company. With regard to travelling undertaken by the employee representatives the travel policy of the respective Unilever companies shall apply.

5. Competence

- a) The subjects of information and consultation shall in particular be the matters listed below being of a cross-border nature and which affect at least two countries within the geographical scope of application of this Agreement:

- Economic and financial situation
- Progress of the business in the different sectors
- Probable trends in employment
- Investments
- Significant organisational and structural changes
- Introduction of new working methods and production procedures
- Relocation of production and relocation of product lines
- Workforce reduction in or closure of operational units or major parts thereof as well as collective redundancies.

By way of example, further themes may be:

- Safety of employees and Environmental protection
- Training
- The situation of women

- b) The UEWC shall not infringe the authority and competence of the respective national or local management and the respective national or local employees' representative bodies.

Matters relating to employees and companies in just one country shall remain under the exclusive competence of the interlocutors in such country under the rules usual thereto (e.g. matters in conjunction with state legislation or national collective labour agreements; salaries, wages, working conditions, negotiations of any kind; personal or political matters).

- c) Tasks of the Chairman and the Secretary of the employee delegation and of the appointed management representative (art. 4a) on behalf of the UEWC chairman:

- Preparation of the agenda for the annual plenary meeting
- The keeping of Minutes at the annual plenary meeting

- Drafting of the Joint Statement of the annual plenary meeting for use in communication to all employees to whom this Agreement shall apply. Local rules shall apply to this communication.
- Point of contact between meetings for example in the event of special circumstances significantly affecting employees' interests in several countries. They consult amongst themselves on the necessity and format of all further information and consultation. This could imply the involvement of the Coordination Committee or the respective employee representatives in the UEWC of the countries concerned.

6. Confidentiality

The employee delegation must maintain confidentiality (i.e. based on their national legislation or practices) on all business and company secrets which they learn in their capacity as representatives as well as on all matters designated confidential or whose confidential nature they ought to appreciate in the light of the confidentiality requirement being imposed. This also applies to third party experts.

The duty of confidentiality shall not be terminated by cessation of their representative mandate or by cessation of the involved person's employment at the undertaking.

Management shall not be obliged to provide information which would be prejudicial to the business interests of Unilever.

7. Duration

- a) This agreement shall come into force on the day upon which it is signed and shall apply for an indefinite period.
- b) Evaluation of this agreement and the functioning of the UEWC under this agreement will take place every 4 years in line with the term of office of the employee representatives. Both management and the employee representatives can make proposals for amendment. If no agreement is reached the existing UEWC agreement will stay valid.
- c) Changes to the EU directive are not immediately anticipated, but in the event of fundamental changes to this directive the management and employee representatives can propose amendments to reflect these changes. If no agreement is reached the existing UEWC agreement will stay valid.
- d) The agreement can be terminated by the majority of employee representatives or by Europe Committee with a notice of one year but not before 4 years have elapsed. Termination can only be justified for exceptional reasons and must be well argued in writing.
- e) In case of notice of termination the management and employee representatives shall evaluate the situation which may lead to a renegotiation of the agreement. If however no agreement is reached before the end of the 1 year notice period Dutch EWC transposition law will apply.

8. Interpretation Agreement

In so far as differences of opinion shall arise between the management and the employee representatives as to the content and interpretation of this Agreement, these should be settled within the framework of voluntary negotiations.

Dutch law shall apply.

Rotterdam, 20 November 2001

ANNEX 1

Definitions

Information:

The provision of data and the explanations of such data, orally or in writing.

Consultation:

Exchange of views and establishment of a dialogue. Consultation will take place in the course of the normal decision taking process, in principle prior to the final decision, except for exceptional circumstances where premature information and consultation would be prejudicial to the business interests of Unilever, and will concern the principles underlying the decision.

Employee:

All regular staff considered as "employees" according to the legislation/practice in each Member State of employment.

Unilever company:

Any company of which Unilever NV/ PLC or companies belonging to the Concern hold the majority (i.e. 51 %) of the equity.

European Economic Area:

The EEA contains the countries as described in the geographical scope of that Treaty.

Management:

Management in this agreement refers to the management representatives responsible for the execution of this agreement on behalf of the Central Management.

Employee Delegation:

The employee delegation is the group of employee representatives in the UEWC as a whole.

Employee representatives:

An employee representative is an employee of a Unilever company elected or appointed as described under Article 3.

ANNEX 2

Number of UEWC Employee Representatives

Per country

As per November 2001

<u>Country</u>	<u>UEWC</u>
Austria	1
Belgium	2
Denmark	1
Finland	1
France	3
Germany	4
Greece	1
Ireland	1
Italy	3
Netherlands	3
Portugal	1
Spain	2
Sweden	2
Switzerland	2
United Kingdom	4
	<hr/>
	31
<u>Advisory members</u>	
Poland	1
Czech & Slovakian Republics	1
Hungary	1
	<hr/>
	3
Total	34

ANNEX 3.

Further arrangements regarding Information and Consultation

- a) The body which informs and consults with the UEWC is the Europe Committee (“EuCo”), which is also responsible for the consistency of the process. EuCo appoints an authorized Management Representative.
- b) Information and Consultation will take place with respect to significant transnational projects.
- c) Management recognizes the need to inform on major local issues to the extent they are part of a European strategy and expresses the intention to fulfill this need. For the avoidance of doubt, this intention does not include any Consultation on such local issues.
- d) **Consultation**
Exchange of views and establishment of a dialogue. Consultation will take place in the course of the normal decision taking process, in principle prior to the final decision, except for exceptional circumstances where premature information and consultation would be prejudicial to the business interests of Unilever (Examples: market sensitive acquisitions and/or disposals to be judged by EuCo) and will concern the principles underlying the decision.
Sufficient time for Information and Consultation will be made available, but always taking into account the complexity of the transnational issue concerned.
Without prejudice to the foregoing of this paragraph the start of the Information and Consultation process will be mutually aligned with any applicable local information and consultation process. The local information and consultation process and the European Information and Consultation process are complementary and are not each other’s substitute.
- e) Any information provided to the UEWC will be adequate and, relevant and will be given in good time. Bureaucracy will be avoided with a view to cost efficiency.
- f) Management recognizes the need to provide the UEWC also with relevant information relating to specific Business Groups. All relevant information on specific issues will be made available by EuCo via the Management Representative.
Appropriate management representation of all European Business Groups will be ensured during the plenary meetings.
Employee representatives will inform the Management Representative as early as possible of their information needs in order to facilitate the Information process. As part of an evolutionary process management agrees to continue the dialogue with employees with a view to further improve the information and consultation process regarding European Business Groups.
After a 2 year period the information and consultation process regarding the European Business Groups will be evaluated in the ECC.
- g) The need to involve CEE-countries in the future is recognized but prudent timing is important given the development state of these countries and the more urgent priorities of the Unilever organisations in these countries.
In order to facilitate future extension of the UEWC with CEE countries, 3 advisory members, employee representatives of Poland, Czech & Slovakian Republics and Hungary will be invited to the UEWC, and one of these 3 advisory members will be invited to the ECC-meetings.

For more agreements search www.ebr-ewc.net

- h) Regarding the role of the plenary UEWC and the ECC:
 - i) The objective of the plenary UEWC is to be informed and consulted with on relevant transnational issues at a strategic level, including supply chain strategy and the issues mentioned in clause 5. Competence of the agreement.
Under normal conditions one plenary meeting will take place per year.
 - j) The principle role of the ECC, authorised by the UEWC, is to be informed and consulted with on relevant transnational issues on a regular basis.