

ZUBLIN AG
EUROPEAN WORKS COUNCIL AGREEMENT

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The following is agreed

Between

Ed. Zublin AG
(hereinafter referred to as the Central Management)

Zublin Group of companies (hereinafter referred to as the Zublin Group) with headquarters at Albstadtweg 3, D-70567 Stuttgart

And

The special negotiating body of the employees

INTRODUCTION

Having regard to the law on European Works Councils (European Works Council Act- EWCA) in the version of 28 October 1996, a European Works Council (EWC) shall be created in the Zublin AG Group in accordance with Sections 17 et seq. of the EWCA. The present agreement shall regulate the establishment, rights and obligations of the EWC.

ARTICLE I

SCOPE

The agreement shall apply to all employees (male and female) of the companies and establishments of the Zublin Group in the Member States specified in Section 2, paragraph 3 of the EWCA.

The Agreement shall apply to all companies and establishments of the Zublin Group over which Zublin can exercise a controlling influence within the meaning of Article 6 of the EWCA.

ARTICLE II

COOPERATION

The Central Management and the EWC shall work with each other with the intention of achieving mutual understanding and with respect for the rights of both sides and their mutual obligations.

The Central Management within the meaning of the present agreement shall be the board of directors of Ed. Zublin AG.

The Central Management shall ensure that agreements and arrangements concluded with the EWC are implemented. This applies in particular to controlled undertakings and establishments belonging to them.

ARTICLE III

COMPOSITION AND HEADQUARTERS

Each Member State in which one or more establishments are located shall be represented in the EWC. Only those companies of Ed. Zublin AG in the European Union that have more than 50 employees shall be taken into consideration. Companies of Ed. Zublin AG with fewer than 50 employees shall be represented by the EWC representatives of Germany.

For the time being, each Member State in principle shall have one employees' representative. This does not include the Federal Republic of Germany, which shall have four seats in order to ensure a balanced representation of the workforce.

The selection of the workforce representatives must observe the respective national laws or the existing national transposition arrangements.

The members of the EWC must be employees' representatives or employees of the Zublin Group.

The headquarters of the EWC shall be in Germany, at the headquarters of the group works council, in the office of the chairperson of the group works council of Ed. Zublin AG.

ARTICLE IV

TERM OF OFFICE

Membership of the EWC shall end four years after the member is elected or appointed.

The members of the EWC can be recalled by the employees' representatives who have sent them to the EWC, in accordance with the rules on their election or appointment. Should a member of the EWC lose his mandate through recall or departure from the company or the Group, then this seat shall be taken by another (substitute) member from the Member State concerned.

ARTICLE V

COMPETENCE AND RIGHT OF PARTICIPATION

The EWC shall be informed and consulted in a timely manner by the Central Management, with provision of the necessary documents, regarding matters that affect

the Zublin Group as a whole or at least two of the companies or establishments in different Member States.

The information and consultation of the EWC shall take place once per calendar year, and shall in particular be in regard to

- the structure of the Zublin Group
- its economic and financial situation
- the probable development of the business and of production and sales
- the situation and probable trend of employment
- the investment programme
- substantial changes concerning organization
- the introduction of new Corking methods or production processes
- the transfer of companies, establishments or important parts thereof, and transfers of production
- mergers or break-ups of companies or establishments
- cut-backs or closures of companies, establishments or important parts thereof
- collective redundancies
- other significant measures and plans of the Central Management affecting employee interests that have a substantial impact on companies in at least two EU countries.

Where there are exceptional circumstances affecting the interests of employees from at least two countries, the EWC shall have the right to meet. This shall regard in particular the planned relocation or closure of companies or establishments and/or collective redundancies.

ARTICLE VI

MEETINGS

The EWC shall meet once a year. The meetings shall take place in Stuttgart at the headquarters of the management of the Zublin Group. They should be scheduled in conjunction with the autumn meeting of the Economic and Central Joint Committee of Ed. Zublin AG. The EWC shall have the possibility of holding an internal meeting before and after this meeting.

The working language shall be German. If needed, interpretation into the necessary foreign languages shall be provided.

ARTICLE VII

OBLIGATION TO PROTECT CONFIDENTIALITY

Section 39 of the EWCA shall apply. It shall also apply to business data that has been disclosed within an information and consultation framework and which has been expressly identified by the Central Management as requiring the observance of secrecy.

ARTICLE VIII

EXPENSES

The verified non-personnel costs incurred in connection with the EWC meetings, including interpretation and experts' expenses, shall be borne by the management of the Zublin Group. The necessary non-personnel costs shall also include training expenses. The Central Management shall be promptly informed in writing before training activities are conducted.

The travelling and accommodation expenses of the EWC members shall be borne by the respective national company or establishment. The same shall also apply to the wage and salary costs of the hours spent on EWC activities.

The non-personnel costs incurred in performing work as an EWC member in the company or establishment shall be borne by the respective national company or establishment.

Members of the EWC shall be released from their professional duties for the work in the EWC to the degree statutorily required, without reduction of pay for the specific activity.

Invoicing shall normally take place at the company central office in Stuttgart.

ARTICLE IX

FINAL PROVISIONS

The Stuttgart industrial tribunal shall have competence for disputes arising from the rights and obligations of the present agreement.

The present agreement shall enter into force on the day of its signature.

The agreement can be terminated with six months' notice. The earliest it can be terminated is at the end of the year 2000. It shall end with immediate effect should the conditions for the creation of an EWC as specified in the EWCA no longer apply.

Stuttgart, [date illegible]

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Board of directors of Ed. Zublin AG

Special Negotiating Body