

CHESAPEAKE EUROPEAN WORKS COUNCIL (EWC) AGREEMENT

1. Chesapeake European Council

1.1 The objective of this agreement between Chesapeake Corporation Management (Richmond, USA), as represented in Europe by Chesapeake UK Holdings Ltd (Old Amersham, England) and the nominated employee representatives of all Chesapeake Corporation employees in all European countries covered by this Agreement, is to establish a European Works Council which will be known as the Chesapeake European Council (the "Council"), made up of representatives from both management and employees.

1.2 The management of Chesapeake Corporation and its European employees believe that the interests of all is best served by there being an understanding of the objectives, strategy, competitiveness and performance of the company, as well as its operating environment and market position. To encourage this understanding, the Council will be established to enable the company to provide employee representatives with appropriate information and consult with them on European transnational issues, including human resources issues, and to enable a free exchange of views and encourage opinions to be expressed as defined in paragraph 2.

1.3 The parties to this agreement:

- Recognise that the primary mechanisms for information and consultation shall operate now and in the future through local employees' representation systems and structures that are already established (or specified through national legal statute) and that these mechanisms shall remain solely competent to consider issues that are the subject of collective bargaining or negotiation;
- Acknowledge that the operation of the Council must continually reflect the operating culture, competitive position and evolving organisation of the company;
- Appreciate their responsibility for the interests of the company as a whole, of all its facilities, of all its employees and of its shareholders.

1.4 The parties shall participate in the Council in a spirit of co-operation, good faith and mutual trust. It is understood that the Council shall not affect the right of management to make necessary and timely business, financial, commercial and technological decisions, at local, national and transnational levels or the right of employee representatives to be consulted on such matters at local levels.

2. Framework and Scope of the Council

2.1 A Chesapeake European Council will be formally established.

2.2 The Council will provide a forum for the company to inform and consult with employee representatives on matters related to the structure, economic and financial situation, the

probable development of the business and of production, sales, employment and organisation trends, introduction of new working methods or production processes, transfers of production, mergers, cut-backs or closures of undertakings, establishments or important parts thereof, and collective redundancies in so far as these activities relate to the company's European operations as a whole or involve company operations in at least two different countries within the scope of this agreement.

2.3 "Information" is defined as written and/or verbal information provided by the company consistent with paragraph 2.2.

"Consultation" is defined as an exchange of views and the establishment of constructive dialogue between management and the employee members of the EWC on matters that significantly affect employees' interests.

2.4 The Council will be a representative body covering all the company's employees within the European Union and European Economic Area. This will include employees at all its subsidiaries where the company exercises a controlling interest. Attached is a list of all the relevant Chesapeake sites at the date of issuing this agreement (appendix A).

2.5 Where the Company expands its European operations to incorporate new businesses, which may or may not have agreements concerning transnational information and consultation, the incorporation of such businesses into the Council will be consistent with the terms of this agreement.

3. Composition of the Council

3.1 The council will consist of:

- The Chief Operating Officer or such other senior executive as he/she may appoint who will preside over the council;
- Other company-nominated executives, one of whom will act as Council Co-ordinator (the total number of company nominated attendees will not exceed the number of Employee Council Representatives);
- Employee Council Representatives appointed under the procedure in 4.

4. Appointment of Employee Council Representatives

4.1 Employee council representatives will initially be appointed on a country basis according to the following thresholds:

Employees	Number of Representatives
< 25	0

25 – 400	1
401 – 1000	2
1001 – 1500	3
1501 – 2000	4
2000+	5

There will be a maximum of 5 Employee representatives per country.

On the basis of the current scope of the company's operations, employee representation will be as per appendix B. Where the employee headcount in an individual country justifies the appointment of more than one employee council representatives, wherever possible these representatives will be elected/selected/designated by unions from different operating divisions, units and facilities to ensure an appropriate spread of representation.

The scale by which the level of employee representation is decided will be reviewed periodically and particularly following any major restructuring of the company's organisation as a result of any significant merger, acquisition, or divestment.

- 4.2 Where a country's headcount is below the minimum threshold for the appointment of a country employee council representative appropriate arrangements will be established to ensure that employees in such countries are able to receive information and raise issues of concern with the Council.
- 4.3 For each Employee Council Representative, a substitute representative will also be appointed. The substitute will be invited to attend Council meetings when a representative is either unable to attend or becomes ineligible.
- 4.4 To be considered for membership of the Council, an Employee Council Representative must have at least one years' company service or such other service threshold as is specified in the national law of the representative, and be a direct employee of the company's European operations. An employee under notice cannot be nominated or attend as a representative. A representative who leaves the company's employment for whatever reason during their term of office will have their appointment to the Council terminated immediately.
- 4.5 Employee Council Representatives must be elected or selected in accordance with the appropriate national law in their country of employment, or according to local procedure and practice agreed with management, or by secret ballot involving the entire workforce within their constituency.
- 4.6 Employee Council Representatives will serve for a four-year term, which may be renewed for further four-year terms.

5. Employee Council Representatives' Chairman (and Deputy)

5.1 The Employee Council Representatives shall appoint one of their number as the Employee Council Representatives' Chairman and two Deputies (this may be referred to as Representatives Sub Committee). They will come from different countries and operating divisions. The Representatives Sub Committee will liaise with the Council Co-ordinator as to:

- a) Administrative matters
- b) Council agenda items, minutes and any communiqués
- c) Extraordinary meetings
- d) The invitation of experts as per 6.1 and 6.2
- e) Dispute resolution
- f) Training and development of employee representatives
- g) Establishing pre-meetings

6. Experts

6.1 Experts may be invited by the representatives Chairman to attend employee pre-meetings. Such experts (and the items on the agenda they will be attending) must be made known to the Council Co-ordinator prior to being invited to attend and at least two weeks in advance of the Council meeting. They must have knowledge of the subjects under discussion and meet the requirements of paragraph 11.5, and shall act in a responsible manner.

6.2 Up to two experts may be invited to attend the Council meeting following the same procedure as set forth in 6.1 so as to advise Employee Council Representatives.

6.3 Travel and accommodation costs of up to two experts will be paid for by the company when such costs have been notified to and agreed with the Council Co-ordinator in advance of a Council meeting.

6.4 Extra ordinary requests for additional experts, required because of particular agenda items, will be considered and such requests will not be unreasonably denied if a substantive reason for their attendance can be established. The cost of these addition experts would not normally be borne by the company.

6.5 When additional experts are in attendance they will channel their comments and contributions to the meeting through employee representatives.

7. Annual Meetings

- 7.1 The Council will meet once per year, normally within 4-6 weeks after the announcement of the company's annual results.
- 7.2 The Council Co-ordinator will advise Employee Council Representatives of the date and location of the Council meeting giving at least four weeks' notice.
- 7.3 Following consultation with the Representatives Sub Committee on items for inclusion on the agenda and taking account of paragraph 2.2, the Council Co-ordinator will circulate the agenda at least three weeks prior to the annual meeting.
- 7.4 Council meetings will be conducted in English which is the official working language of the company. The agenda, minutes and any additional information will be translated into all other appropriate languages as required. To ensure that there is meaningful representation and a full exchange of views, simultaneous interpretation facilities will be made available as required in other official languages. However, all representatives will also be supported to learn English to assist with the flow of dialogue within meetings. To this end the company will permit reasonable time off to attend recognised English language courses at the company's expense and as agreed by the Council Co-ordinator
- 7.5 Following the meeting the Council Co-ordinator and Representatives Sub Committee will prepare a brief communiqué. This will be published within two working days of the conclusion of the annual meeting and will be communicated as widely as possible to all employees according to national and local law, custom and practice. No general dissemination of Council discussions shall take place until the communiqué is published.
- 7.6 The Council appointed Secretary will prepare draft minutes for consideration by the Representatives Sub Committee prior to circulation to Employee Council Representatives.

8. Employee Council Representative Meetings

- 8.1 Facilities and release from duty will be made available for a preparatory meeting of Employee Council Representatives on the day immediately preceding the Council annual meeting.
- 8.2 If necessary a review meeting will be held immediately after (and on the same day as) the Council meeting.
- 8.3 Employee Council Representatives meetings will be provided with the same meeting facilities, including where required simultaneous translation, as are available at Council meetings.
- 8.4 In addition Employee Council Representatives will be afforded reasonable time and facilities in general to enable them to carry out their duties. If Employee Council Representatives believe they need time off to fulfill their duties such requests for time off should in the first instance be raised with their local managers who may verify the basis for this request with the Council Co-ordinator. Reasonable requests for time off will not be denied.

9. Extraordinary Meetings

- 9.1 The Representatives Sub Committee shall be informed of exceptional circumstances in a timely manner.
- 9.2 The representatives' Chairman and/or the Council Co-ordinator can request an extraordinary meeting between annual meetings when significant exceptional circumstances directly affect employees' interests in at least two company facilities in different countries within the scope of this agreement. Such exceptional circumstances will include business relocation, the closure of establishments, undertakings or collective redundancies.
- 9.3 An extraordinary meeting will be attended by:
- a) The Chief Operating Officer or such other senior executive as he/she may nominate to preside over the meeting
 - b) The Council Co-ordinator
 - c) Nominated company senior executives
 - d) The representatives Chairman or his/her Deputy
 - e) Employee council representatives' directly affected by the issue under discussion
 - f) Any expert who may be invited by the representatives Chairman subject to paragraphs 6.1 and 11.5
- 9.4 The parties agree that the operation of paragraphs 9.1 to 9.3 will be subject to the letter of understanding at appendix C to this agreement.

10. Communication

To enable effective two-way communication between employee representatives and their constituency employees the following communication channels and resources will be made available and utilised; jointly agreed communiqués, email, personal post box and telephone access. In addition translation software will be provided for employee representatives.

11. Confidentiality

- 11.1 The operation of the following clause on confidentiality will not be used by the company to unreasonably prevent the free flow of information and consultation.
- 11.2 The company wishes the Council to operate in a spirit of openness enabling a free exchange of views. In order to support this all representatives attending the meetings agree not to

misuse or divulge information that is expressly supplied on a confidential basis. This obligation continues after the conclusion, for whatever reason, of Employee Council Representatives' terms of office or employment, for as long as the information remains confidential as deemed by the company. Any proven breach of this provision will lead to the individual being excluded from all future Council meetings and will be viewed as a serious disciplinary offence which may be dealt with in accordance with national/local laws and procedures in the representative's country of employment.

11.3 Consistent with the intent of 11.1 any written or oral reports designated as confidential, provided to, or emanating from, the Council may not be released outside of the company without the express written consent of the Chief Operating Officer. At Council meetings representatives will be given clear indications as to which agenda items or written papers are deemed to be confidential.

11.4 It is specifically agreed that the company, its subsidiaries and joint ventures may be subject to regulations, which have an effect on the confidentiality of information including but not limited to US securities laws and the rules of the NY Stock Exchange. Neither the company, its subsidiaries and joint ventures nor its management shall have any obligation under this agreement to provide confidential and/or price-sensitive information which might be in breach of any such regulations.

11.5 It is accepted that under normal circumstances no expert will be invited to attend Council meetings who has advised employees in competitor companies. The Council Co-ordinator will provide the representative's Chairman and Deputy with a list of competitor companies prior to the invitation of any expert to attend meetings.

If an invited expert is a full time official of a recognised union their presence would normally be permitted throughout the meeting, provided they sign the appropriate confidentiality undertakings (see section 11.6).

The company does, however, reserve the right to exclude any invited expert from items on the agenda of particular commercial sensitivity. Wherever possible, advanced notice will be given by the company if it judges there is a need to exclude invited experts during certain agenda items.

11.6 Third parties, who are not company employees will be required to sign a formal undertaking to the company neither to misuse or divulge information designated as confidential - provided to or emanating from the council meetings. Any breach of this provision could lead to civil or other action by the company.

12. Administration

12.1 The operating expenses of the Council will be determined and borne by the company. Employee Council Representatives will be released from duty, without loss of standard wages or benefits (e.g. annual leave, national holidays, rostered time off or shift pay) to attend Council meetings or any authorised preparatory or review meetings, together with appropriate travelling time. Arrangements for time off and travel must be made in

advance by representatives with local management in accordance with national law and practice. Overtime payments will not be made for the period of travel and attendance at EWC or related meetings.

12.2 The duration of the annual EWC meetings, and any extraordinary meetings, will not exceed three days in total and this is inclusive of all travel requirements.

12.3 The parties to this agreement are in accord that it should operate in the most cost-effective and efficient manner with the company committing to provide adequate translation and interpretation facilities for all meetings.

12.4 The company is committed to ensuring that the EWC is run in a professional manner and there is meaningful representation with a full exchange of views. Representatives will undertake to learn/improve their conversational English so as to improve the free flow of discussions at Council meetings.

13. Protection of Employee Council Representatives

13.1 Employee Council Representatives in the exercise of their function under this agreement are entitled to the same protection and guarantees provided for representatives by the national legislation in their country of employment.

13.2 Employee Council Representatives will suffer no advantages or disadvantages through membership of these arrangements and be protected in accordance with 12.1 above.

14. Duration of Agreement

14.1 It is intended that this agreement will continue indefinitely on a four-year rolling basis. Between the final twelfth and sixth month of each four-year term the agreement may be either jointly renewed or terminated by the company, or by the Employee Council Representatives following a simple majority vote of their intention to withdraw from the agreement. Until and unless a new agreement is reached this agreement will continue in full force and effect.

14.2 If the company and Employee Council Representatives deem it necessary, this agreement may be amended by mutual consent during the lifetime of the agreement, such amendments being adopted as operating practices. Such amendments will include variations to the size and appropriate representation of specific facilities and countries as a result of acquisition, disposal or joint ventures by the company.

15. Dispute Resolution

15.1 It is the intention of the parties that any disputes arising out of this agreement will be resolved amicably. In the event that disputes cannot be resolved by agreement the following procedure is to be followed:

- Either party shall notify the other in writing of its dissatisfaction with the other's position as to a particular subject.
- The other party shall state in writing its position on the subject within 10 calendar days.
- The parties shall meet within 20 calendar days thereafter to discuss the subject and attempt to resolve the dispute.
- If the dispute cannot be resolved the parties will select a neutral conciliator to meet with the parties and resolve the dispute.
- If the neutral conciliator cannot resolve the dispute the procedure as set out in the UK Statutory Instrument 1999 No. 3323 'The Transnational Information and Consultation of Employees Regulations 1999' - 'Compliance and Enforcement' will be enacted.

16. Status and Interpretation

- 16.1 It is the intention of the parties that this agreement is legally binding and has the standing of an agreement under Article 6 of Council Directive 94/45/EC as amended by the Council Directive 97/74/EC and the Transnational Information and Consultation of Employee Regulations 1999. To the extent which may be required, interpretation of the agreement shall be in accordance with English common law.
- 16.2 This agreement shall be interpreted and construed in all respects in accordance with the English language version.

SIGNATURES

We hereby acknowledge that we have read, understand and agree to the provisions laid out in the preceding Chesapeake EWC Agreement.

Employee Representatives (SNB)

Name	Signature	Country / Location
Mike Griffiths		European Union Representative
Richard Wileman		UK
Raffiq Moosa		UK
Carol Darrah		UK
Dorien Heidenreich		Germany
Bo De Baets		Belgium
Benoit Allard		France
John McHale		Republic of Ireland
Frank Faas		Netherlands

Company Representatives (SNB)

Name	Signature	Title
Martin O'Connell		Exec. VP & Director – Plastics / Luxury Packaging
Jim Tims		Director – Pharmaceutical & Healthcare
Ian Deninson		Director – Human Resources
David Edwards		Group HR Development Manager

Date :

Appendix A

Chesapeake EWC – Relevant Locations

United Kingdom

Amersham
Bedford
Belfast
Bellshill
Birmingham
Bourne
Bradford
Bristol
Crewe
East Kilbride
Glasgow
Greenford
Leicester
Loughborough
Lurgan
Newcastle
Northampton
Nottingham
Thatcham
Portsmouth
Tewkesbury
Wrexham

Republic of Ireland

Cavan
Dublin
Limerick
Westport

France

Angouleme
Avallon
Bordeaux
Ezy sur Eure
Lisses
Migennes
Noisy Le Grand
St. Etienne
St. Pierre des Corps
Ussel

Spain

Madrid

Germany

Bremen
Bunde
Duren
Frankfurt
Stuttgart

Belgium

Bornem
Brussels
Gent

Netherlands

Oss

Appendix B

Chesapeake EWC Representation

Employee Council Representatives by Country	Number of Employee Council Representatives
Netherlands	1
Belgium	2
Germany	2
France	2
Republic of Ireland	2
United Kingdom	5
Spain	1
TOTAL	15

Appendix C

Joint understanding concerning the operation of paragraphs 9.1 to 9.3

- a) The Council Co-ordinator will notify the representative's Chairman and Deputy of exceptional circumstances concerning business relocation, the closure of establishments, undertakings or collective redundancies which directly and adversely involve at least 50 employees in company facilities in two or more countries within scope of this agreement.
- b) The Council Co-ordinator and the representative's Chairman and Deputy will determine whether it is appropriate that Employee Council Representatives are notified or otherwise informed of the exceptional circumstances.
- c) The operation of paragraph 9 will not affect the ability of the representative's Chairman to seek information or clarification of circumstances affecting employees' interests as and when such circumstances occur between annual council meetings even though such circumstances may be outside the criteria in 1 above.
- d) The operation of paragraph 9 will not limit or affect the right of management to make necessary and timely business, financial, commercial and technological decisions.