Agreement on the Establishment of a European Works Council

in the FINANCE GROUP

The central management of the FINANCE GROUP (hereinafter the central management) and the 'Special Negotiating Body' of the employees' representatives from the companies and/or establishments of FINANCE GROUP AG hereby enter into the following Agreement on the Establishment of a European Works Council (EWC):

Preamble

In accordance with Directive 94/45 EC on the Establishment of a European Works Council and on the basis of the provisions of the Austrian Labour Constitution Act (Arbeitsverfassungsgesetz, hereinafter ArbVG), Part V, and considering the transnational activities of FINANCE GROUP the Parties hereto agree hereby the establishment of a European Works Council for the information and consultation of all Employees of the Company. The Parties hereto stipulate the rules below on the composition, functions and the informing and consultation procedure of the said European Works Council.

1. Scope

1. This Agreement shall apply to all employees in the establishments and/or companies of FINANCE GROUP within the scope of Directive 94/45 EC and beyond that in all countries in which FINANCE GROUP is active and with which the European Union has entered into an Association Agreement.
2. The establishments and/or companies to be included in terms of the European Works Council are those which are controlled by FINANCE GROUP as defined § 176 ArbVG, with the exception of one-hundred percent holding companies as defined by § 176 para 6 ArbVG. A current list of the establishments and companies affected is set forth in the annex to this Agreement.
3. Should FINANCE GROUP expand its activities, every effort shall be made to include the establishments and/or companies affected in the European Works Council at the earliest possible time.
4. The central management shall keep the European Works Council constantly informed of all of the establishments and companies affected by this Agreement by updating the list included in the annex.

2. Composition

1. The European Works Council shall be composed as follows:
   - Each State in which this Agreement is valid shall have a minimum of one seat in the European Works Council irrespective of the number of employees; [Alternative: minimum threshold e.g.: Each State in which this Agreement is valid and in which the number of employees is 20 or more shall have a minimum of one seat in the European Works Council;]
   - Beyond that the distribution of seats in the European Works Council shall be calculated from the number of employees in each State according to § 192 para 2 ArbVG. [Alternative: additional seats in the EWC on the basis of an allocation formula e.g.

250, 300, 500: Beyond that the distribution of seats in the European Works Council shall be calculated from the number of employees in each State with one additional seat per xxx employees in the company as a whole.]

The result will be a distribution of seats in the European Works Council according to States as set out in another annex to this Agreement.

2. The distribution of seats shall be reviewed at the annual meetings of the European Works Council to reflect major changes in employee numbers, and the allocation shall be updated accordingly as soon as possible and included in the annex to this Agreement.
3. The members of the European Works Council shall be employees' representatives elected, sent or appointed democratically according to the national practices and statutory regulations from the companies and/or establishments belonging to FINANCE GROUP. One alternate shall be appointed for each member of the European Works Council.
4. If a member of the European Works Council withdraws from the European Works Council before the term of office expires, his/her alternate shall succeed to his/her position. If the alternate also withdraws, a new appointment shall be made.
5. The members of the European Works Council shall for the first time be appointed immediately after this Agreement has entered into force. The chairman of the European Works Council shall inform the central management of the names of the members of the European Works Council and any change in membership.

3. Constitution, chair, rules of procedure and seat

1. The central management of FINANCE GROUP shall convene the constituent assembly immediately after having received the names of the appointed members of the European Works Council.
2. The members of the European Works Council shall elect a chairperson and two alternate chairpersons from among the members. Together they shall constitute the Select Committee of the European Works Council. The chairperson shall represent the European Works Council externally. If he/she is prevented from performing his/her duties, an alternate chairperson shall take over his/her function. The duties of the Select Committee are set forth in detail in Article 6 hereof.
3. The European Works Council may adopt its own rules of procedure by a majority of votes of its members. The rules of procedure may define the internal work procedure and particularly also the establishment, composition, powers and management of a select committee and the authority of the chairperson and the select committee. The rules of procedure and any modifications thereof shall be communicated to the central management without delay.
4. The venue of the European Works Council shall be Vienna.

4. Duration and term of office

1. The European Works Council is appointed for a four-year term commencing on the date of constitution. The term ends prematurely if the European Works Council resolves to withdraw by a majority of two thirds of its members. After expiry of the term of the European Works Council the provisions in Articles 2 and 3 hereof shall be applied mutatis mutandis, and a new European Works Council shall be established.

2. The membership in the European Works Council commences on the date of promulgation of the appointment, delegation or election.
3. The membership in the European Works Council ends when a) the European Works Council's duration expires; b) the member resigns from office; c) the member is removed from office in accordance with the national regulations or practices; d) the establishment and/or the company to which the member belongs leaves FINANCE GROUP; e) the court has declared the delegation resolution void.

5. Information and consultation

1. The European Works Council shall have the right according to §198 para 1 ArbVG to be informed and consulted about economic, social, health and cultural matters which are of interest to the employees of at least two establishments or companies belonging to FINANCE GROUP located in different states in which this Agreement is valid. This applies particularly to the subject areas set forth in Article 5.4.
2. For the purposes of information and consultation the European Works Council needs continuous and comprehensive information which enables it to participate in decisions that need to be made. Therefore the European Works Council shall be informed and consulted on time to ensure that the viewpoints worked out by the European Works Councils can be integrated into the decision-making process of the governing bodies.
3. Particularly in the case of extraordinary circumstances which have a considerable impact on employee interests, especially in the case of relocation or shutdown of companies or establishments and mass dismissal, the European Works Council shall be granted a reasonable period of time for delivering its opinion and/or consulting the central management before the decision becomes effective.
4. The basis for the information and hearing shall be a report on the development of the business situation and the outlooks of FINANCE GROUP submitted by the central management. The said report shall refer particularly to the following subjects:
   - the group's structure and the economic and financial situation,
   - the anticipated development of the business, production and sales situation,
   - the employment situation and its anticipated development,
   - the investment and production programs,
   - basic changes in the organization,
   - the introduction of new working and production methods
   - relocation of the production,
   - relocation of companies, establishments or major parts of establishments,
   - combination (mergers) or splitting of companies or establishments,
   - planned mass dismissals,
   - limitation or shutdown of companies, establishments or major parts of establishments
   - status and tendencies of the qualification of employees and their educational and advanced vocational training activities,
   - security and employee, data and environmental protection issues,

- other issues which may be of economic, social, health or cultural interest to the employees of at least two establishments belonging to FINANCE GROUP.

6. Meetings of the European Works Council

1. In addition to regular mutual information and consultation the European Works Council shall hold an ordinary meeting with the central management of FINANCE GROUP for the purpose of information and hearing twice annually. If necessary, additional meetings may be convened in agreement with the central management.
2. Any meeting of the European Works Councils at which the central management performs its information and consultation duties shall be scheduled in such a way that the members of the European Works Council have sufficient time for preparatory discussion and post-meeting discussion without the central management (internal meetings of the employees' representatives).
3. If a member is prevented from attending a meeting, his/her alternate shall attend.
4. The European Works Council shall constitute a quorum if at least half of the members are present. Unless otherwise specified in any rules of procedures decisions of the European Works Council shall be adopted by a simple majority of the votes cast.
5. The European Works Council may call in experts at its option for support at its meetings. This applies particularly also to the information and consultation procedures with the central management. The European Works Council shall cooperate with all representative trade unions which are represented in the establishments of each State. A representative of the competent European federation of trade unions UNI Finance shall have the right to participate in all meetings of the European Works Council without vote.
6. All meetings of the European Works Council – including internal preparatory and post-meeting discussions – will be simultaneously interpreted, if necessary. All documents presented for information and hearing purposes, including the agenda and the minutes, will be translated into the necessary languages on time.

6. Functions of the Select Committee

1. The Select Committee shall manage the affairs of the European Works Council between the plenary meetings and hold additional occasion-oriented sessions within the framework of these plenary meetings at the request of the EWC.
2. When the meetings of the European Works Council are convened, the agenda shall be disclosed in time by the Select Committee of the European Works Council. The date and place of the meeting shall be fixed in agreement with the central management. The central management shall be informed about any additional meeting of the Select Committee in time.
3. The Select Committee shall draw up the invitation and the agenda for the plenary debates jointly with the central management. The date of the meeting time should be fixed at least six weeks in advance.
4. The members of the Chair shall have free access to all companies and establishments in which this Agreement is valid to establish the contacts that are necessary for performing their duties. This applies also to experts called in by the European Works Council.

7. Extraordinary circumstances

1. In the event of extraordinary circumstances with considerable effects on employee interests the Chair of the European Works Council shall be informed thereof immediately and have authority to schedule a meeting of the European Works Council for the purpose of being informed and consulted with regard to these measures by the central management.
2. This applies particularly in the case of intended relocation or shutdown of companies and/ or establishments and /or mass dismissal. In such case also employees' representatives of the company affected who are not members of the European Works Council can be called in to the consultations with the central management.
3. The Agreement specifies inter alia that the point of view shall be heard and taken into account so that it can be integrated into the decision of the central corporate management. To this end the European Works Council shall be granted a reasonable period of time to review any information received and deliver its opinion. Subsequently the European Works Council and the central management shall meet in order to reach an agreement.

8. Confidentiality

1. The members and alternate members of the European Works Councils are obligated under the national regulations and practices to maintain secrecy with regard to any and all trade and business secrets that became known to them in the performance of their duties. This applies also after their withdrawal from the European Works Council. Experts called in by the European Works Council are likewise obligated to maintain secrecy.
2. The obligation of secrecy does not apply within the European Works Council and vis-à-vis employees' representatives who, according to the respective national regulations, are themselves obligated to maintain secrecy and vis-à-vis employee-elected representatives on the supervisory board, before conciliation committees and in conciliation proceedings.
3. This confidentiality arrangement shall be subject to the requirement of commensurability and does not release the members of the European Works Councils from appropriately informing the FINANCE GROUP employees and their representatives in their home countries of the body's activities in accordance with their responsibility.

9. Means and Costs

1. The European Works Council as a whole and each of its members shall be provided with the means that are necessary for their transnational work so that they can perform their functions in accordance with their mandate. If necessary, the European Works Council may resort to external experts and commission expert opinions if necessary for performance of its duties.
2. The European Works Council's expenses which are necessary for performance of the duties as required, including, but not limited to, expenses incurred for organization and management of the meetings, including the cost of the Select Committee's work, shall be borne by the central management. These expenses include, but are not limited to, interpretation expenses, necessary translation expenses, travelling and subsistence expenses for the participants in the meetings, and expenses for experts.

3. Participation in the meetings of the European Works Council shall be deemed to be work time and will be reimbursed as official trip according to the respective national regulations and practices.

10. Rights and protection of the members of the European Works Council

1. The members of the European Works Councils shall not be restricted in their activities in which they engage in implementation of their mandate. They shall neither be placed at a disadvantage nor favoured on account of their functions in the European Works Council.
2. Each member of the European Works Council shall be granted leave from work for the period in which he/she implements his/her mandate while receiving continued payment of wages.
3. The respective national regulations as to prohibition of restriction and discrimination as well as regulations as to protection against notice to quit and/or dismissal must be observed. The European Works Council shall be informed and heard before one of its members gives notice or is dismissed.

11. Training of the members of the European Works Council

1. The members of the European Works Councils are entitled to qualifications as far as such qualifications are required for educational and advanced training measures within the framework of their function, particularly in the area of foreign languages and other subject matters relevant to the work for the European Works Council.
2. If possible, such qualification measures shall take place in close coordination with the meetings of the European Works Council in terms of time and place.
3. If necessary this right shall, in agreement with the management, be expanded beyond the scope of the national possibilities for educational leave. The cost of the qualification measures shall be borne by the central management.

12. Final provisions

1. The European Works Council shall supplement the bodies of the employees' representatives existing in each State. This Agreement affects neither the right to information and being heard granted to employees and their representatives under the national law nor any other rights of the employees and/or their representatives, unless they would be improved by this Agreement.
2. The parties hereto agree and warrant that any issues arising in the performance and implementation of this Agreement shall be solved by mutual agreement in the spirit of cooperation. Should no agreement be reached through dialog between the parties hereto, the appropriate regulations under the Austrian Labour Law shall be applied.
3. In the event of essential changes in the structure of the company or the number of enterprises and/or companies, this Agreement shall be amended accordingly to ensure that practicable information and hearing of all employees of the group is guaranteed. Relevant negotiations shall be conducted by the European Works Council and the central management of FINANCE GROUP.

4. In the event of changes in the legal environment in the Austrian Labour Constitution Act or in Directive 94/45/EC mentioned above in the preamble this Agreement shall be reviewed and amended accordingly, if necessary.
5. Without prejudice to the aforementioned regulations the parties to the Agreement shall consider, on the basis of practical experience, whether and how the Agreement can be further developed. Individual items of this Agreement can be modified by mutual agreement of the parties hereto at any time without termination. Such amendment shall be added in writing to the text of this Agreement in the form of an addendum.

13. Duration

1. This Agreement shall enter into force at the date of signing and is of unlimited duration; it may be terminated at 12 months' notice after a minimum duration of four years.
2. In the event of termination the European Works Council and the central management shall immediately take up negotiations to reach a new agreement within one year. During such negotiations the existing Agreement shall remain in force. Should no new agreement be reached within one year of termination, the provisions on the European Works Council shall enter into force mutatis mutandis for FINANCE GROUP by operation of law according to §191-203 ArbVG.

Vienna, on 2008

For the central management:	For the special negotiating body:
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