

Elior
01-07-2005



[translated from French]

ELIOR

AGREEMENT

ON THE ESTABLISHMENT OF A EUROPEAN WORKS COUNCIL (EWC)

WITHIN THE ELIOR GROUP

Between

The company ELIOR SCA
with its registered office at
60/69, Rue de Bercy, F-75012 Paris
Represented by Ms. Catherine Chouard, Group HR Director

And

The members of the Special Negotiating Body
In coordination with the European Federation of Food, Agriculture & Tourism (EFFAT),
represented by Ms. Kerstin Howald

INTRODUCTION

Given the growth in the Group's operations and workforce within the European Union, and the Group's HR strategic priority of developing social dialogue, Elior senior management and the members of the Social Negotiating Body, with the coordinating support of EFFAT, started negotiations aimed at setting up a European Works Council as an information and consultation body, in response to the provisions of the European Directive of 22 September 1994, transposed into French legislation by the law of 12 November 1996.

This agreement marks Elior's willingness to see its growth accompanied by the creation of a European employee representative body, on the one hand providing a forum for social dialogue and the exchange of views on a European scale, and on the other hand, helping employees become better informed.

ARTICLE 1 - SCOPE

In accordance with Article L.439.1 of the French Employment Code, the following are covered by this agreement: the parent company Elior SCA, its French subsidiaries and the subsidiaries in countries belonging to the European Union (EU) and the European Economic Area (EEA).

Within this geographic scope, companies are included in which Elior SCA has a dominant influence, i.e. companies in which Elior, either directly or indirectly:

- holds the majority of paid-up shares;
- holds a share of the company's capital giving it the majority of voting rights;
- may appoint more than half of the members of the Board of Directors, the Board of Management or the Supervisory Board.

The list of countries covered, together with their respective headcounts, are contained in the annexe to this agreement. This list shall be modified to reflect Group developments, either at mid-term in order to take into account developments within the Group that have taken place up to then and to proceed with the necessary adjustments, both in the number of seats and of countries, or in the case of any change in workforce strength exceeding 25% of the workforce covered by this agreement.

ARTICLE 2 - FUNCTIONS

The European Works Council (EWC) is body for information and consultation of employee representatives with regard to the strategic directions taken by the ELIOR Group in economic, financial and social fields at a European level.

Consultation is defined as the organisation of an exchange of views and the establishment of transnational dialogue between Group senior management and employee representatives, but without any obligation for such dialogue to precede any decision-taking.

The general scope of EWC activities focuses solely on issues of a transnational nature involving the Group as a whole or at a minimum two Group companies situated in two different EU/EEA Member States. The transnational information communicated will focus on:

- The Group's structure
- Its strategic vision
- Its economic, financial and social situation
- The probable development of activities as a whole
- The employment situation and its probable development
- Investments, and substantial organisational changes, 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
- Developments in European legislation involving health and safety at work.

The EWC does not replace but complements the representation bodies belonging to each enterprise and existing in each country. These retain their respective functions. This applies in particular to the French Group Works Council (Comité de Groupe) whose scope remains limited to France.

ARTICLE 3 - COMPOSITION

3.1. Employee representation

The employee representation should reflect as much as possible a balance between men and women.

3.1.1 Titular members

Titular members of the EWC shall be appointed from among the employees working in enterprises within the scope of this agreement. They shall have been employed within the Group for at least 12 months. When an employee representative body exists, members need to hold a mandate as an elected or union-appointed employee representative in such.

The EWC shall consist of at least one member per EU/EEA country in which Elior has a subsidiary employing at least 250 employees, with an additional member when the workforce is between 6,000 and 25,000 strong. Representation of a Member State with a subsidiary employing less than 250 employees takes place via another country providing a member. Any subsidiary with more than 25,000 employees has a fixed representation of 5 seats.

Given the territorial breakdown of companies belonging to the Elior Group in the Member States and the respective headcount figures on 31.12.2004, the EWC consists of 12 titular members. EWC seats are divided up as follows:

- Italy 1 seat

- The Netherlands 1 seat
- Portugal 1 seat
- Spain 2 seats
- United Kingdom 2 seats
- France 5 seats

Members shall be appointed in accordance with the existing rules in force in each country. As regards France, appointments are based on the results of the last elections, held on 31.12.2004. However, at the joint, express request of all French trade unions, each union representing Elior employees in France shall be allocated one seat.

3.1.2 Deputy members

When any titular member is temporarily unavailable to take part in an EWC meeting, or when a member has permanently lost his mandate, he/she shall be replaced by his/her deputy. Deputies are appointed under the same conditions and at the same time as titular members, in accordance with the legislation of the Member States in which he/she works.

When deputising, the deputy has the same rights and obligations as the titular member.

3.1.3 Term of Office

EWC members are appointed for a 5-year term of office, commencing at the first plenary meeting of the EWC.

A member's mandate is automatically terminated when:

- The company in which he/she works ceases to belong to the Elior Group
- The member ceases to work for a company belonging to the Elior Group
- The member loses his/her elected or union-appointed mandate.

In accordance with the foreseen conditions, the outgoing member is replaced by a deputy member. Should a titular or deputy member lose his/her mandate, a new representative shall be appointed, without waiting for the entire EWC to be re-elected, by the same organisation holding the titular / deputy seat or by the method used for the appointment of the previous member.

3.1.4 Protection of employee representatives

EWC members shall enjoy, when exercising their functions, the same protection and guarantees as those provided to employees' representatives by the legislation in force in their country of employment.

3.2. Employer representation

The EWC is chaired by the President of the Elior Group or his representative;

- Assisted by the Group's HR Director
- And one or two representatives of Senior Management

Experts from the enterprise, called upon by the President (or his representative), may take part in EWC meetings, speaking on specific agenda items.

3.3. External expert

A permanent invitation is extended to a representative of the European Federation of Food, Agriculture, and Tourism (EFFAT), which is the European trade union federation for the food, agriculture and tourist sectors. This representative shall serve as an external expert within the meaning of Article L439.16 of the French Employment Code, without this assistance requiring the company to bear the related expenses.

ARTICLE 4 – ORGANISATION

4.1. Convening notice and agenda

Meeting agendas are compiled jointly by the President (or his representative) and the EWC Secretary and sent out, together with any preparatory documents, to EWC members one month before the meeting is due to take place.

Should there be no agreement on the contents of the agenda, this will be set by the President (or his

representative).

4.2. Meetings

The EWC comes together once a year for its plenary meeting. The date is set by the President (or his representative).

EWC members may come together for a preparatory meeting on the day before the plenary meeting, without Group Senior Management being present.

The plenary meeting will be for half a day to a whole day, dependent on the agenda items. Directly following the meeting (i.e. on the same day), members will have the opportunity to meet to evaluate the outcome.

Dependent on representatives' language skills, the discussions will be simultaneously translated. All EWC members shall have the opportunity to take part in the discussions as best as possible. To better organise translation facilities, the EWC Secretary shall provide Elior senior management with a list of those definitely taking part in the plenary session one month in advance.

Minutes will be compiled of the EWC meeting, under the responsibility of the EWC Secretary. These will be sent out after approval by the President (or his representative).

EWC members may inform the employee representation bodies of the enterprises or establishments on the contents and results of EWC activities, in accordance with the practices of each country.

4.3. Secretariat – Office (Bureau)

The Office consists of 4 representatives, including the Secretary and his deputy. To help establish the EWC, outside assistance (for a period limited to mid-term) for the Office by a member representing EFFAT is foreseen, at which stage the situation will be reviewed. The appointment of Office members should allow for employees from four Member States to be represented.

Office members are chosen by and from among the titular members of the EWC, by majority vote. Should the candidates for Secretary and Deputy Secretary receive the same number of votes, the position will be given to the older of the two.

The Secretary represents the EWC in all functions and deeds involving the EWC as a legal body.

The Office acts as a liaison body between the Group Senior Management and EWC members with a view to ensuring operating continuity.

The Office is an expression of the EWC's role of representing employees. It meets at least once a year at the initiative of Senior Management. In this capacity it is responsible for taking all measures likely to improve the functioning of the EWC. These include the drafting of internal procedures together with the Elior Senior Management, that will be submitted for approval to EWC members.

In the case of exceptional circumstances substantially affecting employee interests and with a common economic justification, in particular the closure of enterprises or mass redundancies, the Office has the right to be informed. The Office is also entitled to meet, at its request, with Group Senior Management, or with any other manager at a more appropriate level within the Group empowered to take decisions, to be informed and to proceed with an exchange of views and a dialogue on the measures substantially affecting employees' interests. The EWC members elected or appointed by the establishments or enterprises directly affected by the measures in question are also entitled to attend the meeting of the Office. Such a meeting is to take place as soon as possible on the basis of a report drawn up by Senior Management, on which an opinion may be formed and communicated within a reasonable timeframe. Any such meeting has no bearing on the prerogatives of Group Senior Management.

In exceptional circumstances and with the prior approval of Group Senior Management, the Office can avail of the services of an external expert to help it properly fulfil its mission.

4.4. Non-Disclosure Obligation

EWC members and their external expert are bound not to disclose any business secrets or information they have received confidentially. This obligation remains in force for two years after EWC membership has expired.

Within the bounds of national legislation, the Enterprise reserves the potential right not to disclose certain information, the communication or disclosure of which could seriously affect Group operations

or have a negative influence on the Group or its shareholders or would not comply with stock market legislation.

ARTICLE 5 – RESOURCES

Group Senior Management shall make available the necessary resources and facilities to the members of the EWC for holding its meetings.

Time spent at meetings (Office, plenary and preparatory meetings) and on travel to and from them is considered to be working time and paid as part of normal wages.

Each member of the Office is given a credit of 120 hours a year for Office work.

Expenses incurred in holding meetings (Office, plenary and preparatory meetings), cost of translators and interpreters, together with travel and subsistence expenses (for one night or, when exceptional circumstances require and with prior approval of Group Senior Management, a second night) of the members of the EWC and the Office, are carried by the Group.

Travel and subsistence expenses shall be reimbursed in application of the procedures and customs in effect in the respective subsidiary and in accordance with legislation of the country. The dominant company underwrites this arrangement.

Upon establishment of the EWC, the Group shall organise and bear the cost of one day's training, to take place on the day preceding the preparatory meeting. This will be for those EWC members who so desire and is aimed at increasing their awareness of the role and the missions of the EWC and of the European economic, social and cultural environment. The body conducting the training session shall be selected jointly by the members of the EWC and Group Senior Management. The day of training will be the subject of a training agreement concluded between the body selected and Group Senior Management.

ARTICLE 6 – PERIOD OF VALIDITY

This agreement is concluded for a fixed period of 5 years commencing on the date it is signed.

On expiry, it shall be renewed by tacit agreement, unless terminated by either party. Should either side wish to terminate the agreement, it must give written notice of such, sent by registered letter with acknowledgment of receipt, 5 months in advance.

New negotiations would then need to commence between Senior Management and EWC members. The terms of office of EWC members would be extended for the duration of such negotiations, up to a maximum period of 10 months following the expiry of this agreement.

The agreement can be revised at any time and at the request of Senior Management or the majority of EWC members, in particular when events arise, such as developments in the regulatory framework. The revised agreement must be signed by the President (or his representative) and the majority of EWC members representing employees.

This agreement shall be translated for each member into the language of the country he/she represents. However, the French version is the definitive version.

This agreement is governed by French legislation.

This agreement shall be deposited by the Senior Management of the mother company at the Departmental Agency for Work and Employment (Direction Départementale du Travail et Emploi) and with the registrar of the Paris Industrial Tribunal (Conseil de Prud'hommes).

Drawn up and signed in septuplicate
Paris, 1 July 2005

There follow the signatures of the Elior Group's HR director, the delegates of the Special Negotiating Body and the EFFAT delegate

For Elior: Catherine Chouard, Director of the Human Resources Unit

For EFFAT: Kerstin Howald

For the Spanish delegation: FBCOHT-CC.OO Carmen Ramos Garcia

For the French delegation:

For the CFDT, Valter Surian

For the CFTC, Jacky Hautin

For the CGC, Patrick Sotin Brobst

For the CGT, Jean-François Bensignor

For FO, Bernard Labi

For the Italian delegation: FILCAMS-CGIL, Gabriela Guglielmi

For the Dutch delegation: FNV-Horecabond, Dick Koerselman

For the Portuguese delegation: FESAHT, Joaquim Pereira Pires

For the British delegation: TGWU, Lorraine Smith

ANNEX

Breakdown of country headcounts As of 31.12.2004

Spain	6 392
France	26 574
Italy	3 745
The Netherlands	1 916
Portugal	295
United Kingdom	8 809

n.b. Luxembourg 45 (not as yet consolidated in the Group's scope)