



*AGREEMENT*

on

the Euro Forum as an information and consultation body of employees' representatives in those companies of METRO AG, which are located in the

European Economic Area between

METRO AG, represented by the Executive Vice President Human Resources and the Head of Division Corporate Human Resources, Schlueterstrasse 1, D - 40235 Duesseldorf

and

the Steering Committee as proxy for the Euro Forum

## **1. OBJECTIVES**

It is the wish of the Parties hereto to promote a transnational social dialogue with employees' representatives in view of the increasing internationalisation of METRO Group, and the high importance of constructive labour relations is emphasised.

The Parties hereto acknowledge that the Euro Forum will be an addition to any existing national and/or local employees' representations, collective bargaining systems and labour relations. This Agreement shall not affect any rights, duties and authorities of national and/or local systems.

The Parties further declare that the Euro Forum fulfils the function of a European Works Council in the member states of the European Union according to the provisions of the law for European Works Councils (Gesetz über Europäische Betriebsräte / EBRG).

## **2. SCOPE**

The scope of this Agreement shall be extended to any companies of METRO AG registered within the European Economic Area (EEA), in which METRO AG is a majority shareholder (or which are managed by METRO AG), as well as to their employees.

## **3. COMPOSITION**

3.1 The Euro Forum shall comprise of the following members:

A. Employer's representatives:

One or several members of the Executive Board of METRO AG, supplemented by a company representative acting as the Euro Forum Coordinator.

Further employer's representatives to represent different countries and/or sales divisions, shall take part in consultations with the Steering Committee.

B. Employees' representatives in Europe:

For the number of employees' representatives (delegates) designated from countries within the scope of this Agreement, see the attached Appendix. This Appendix shall be an integral part of this Agreement and may be updated every two years.

Delegates shall exclusively be employees, whose employment has not been terminated and who are employed in one of the companies specified in paragraph 2 of this Agreement, subject to a minimum period of employment of 12 months.

The total number of delegates shall initially be limited to 30.

During the term of this Agreement, the Parties hereto reserve the right to mutually adjust the total number of delegates as well as the distribution key (see Appendix) in agreement with each other, including the number and composition of Members of the Steering Committee.

The number of Members in the Euro Forum as well as in the Steering Committee should appropriately reflect the headcount distribution per country.

A substitute shall be nominated for each Member of the Euro Forum, to act as a proxy for a delegate in his/her absence.

C. Observers

Observers may be invited to Annual Meetings subject to reciprocal agreement between the Steering Committee and METRO AG. Observers shall exclusively be employees' representatives from additional countries, democratically nominated in compliance with ILO Conventions. Additional countries shall include any European countries (including Turkey), in which the METRO Group is represented and which are not (yet) members of the EEA. UNI Europa Commerce may act as a consultant for the nomination procedure.

### 3.2 Composition of Steering Committee

At its first Annual Meeting following the election of delegates for a new mandate period, the Euro Forum elects a President and a Vice President. Their mandate period will last until the Euro Forum meets for the first time after the next elections. The Vice President will take over the duties of the President in case a vacancy arises during the mandate period. If so, a new President is going to be elected for the remaining period during the next Annual Meeting. The President and Vice President have to be members of the Euro Forum.

Employees' representatives shall nominate from their midst seven delegates, including President and Vice President, to a Steering Committee, thereof two delegates from Germany and another five from other countries.

Between Annual Meetings, the Steering Committee shall represent the rights of the Euro Forum.

The Steering Committee shall in particular be informed and consulted directly and as soon as possible should extraordinary circumstances occur, having considerable effects on employees' interests and affecting a minimum of two states within the scope of this Agreement.

In specific cases and in joint agreement with METRO AG, the Steering Committee shall be entitled to invite delegates from countries affected by those circumstances or call an extraordinary meeting of the entire Euro Forum.

In addition, the Steering Committee shall be involved in the following duties:

- Administrative matters, Business Rules,
- Organisation of Annual Meetings, including agenda and minutes taking
- Preparation and distribution of a report

### 3.3 Nomination of employees' representatives

The nomination of employees' representatives shall be subject to the respective national transposition law of the European Works Council Directive (EWC). Should no transposition law exist at national level, delegates shall be nominated by existing local employees' representative's bodies. The same rule shall apply to the nomination of substitutes. UNI Europa Commerce may be consulted during the nomination process.

Delegates' terms of office shall be four years. Delegates may be re-elected. Initial constitution according to this Agreement shall take place in 2006 and every four years thereafter.

Should a delegate leave his/her Company, his/her membership shall be transferred to his/her national substitute. The same shall apply in case of a delegate's resignation.

### 3.4 Delegates shall not be subject to any disadvantages or benefits because of their involvement in the Euro Forum.

## 4. EXPERTS

The Steering Committee shall be entitled to invite a maximum of two experts to Annual Meetings and to employees' representatives' pre-meetings. Names shall be notified to the Euro Forum Coordinator and approved by him at least two weeks prior to an Annual Meeting. Approval shall be waived if an expert is a representative of UNI Europa Commerce.

Travel and accommodation expenses for experts shall be paid by the union concerned, provided that these are full-time union officials.

The Steering Committee and/or the Euro Forum shall be entitled to consult more experts, as and when required for the correct fulfilment of its functions, subject to detailed agreement with the Coordinator.

## 5. ORGANISATION OF THE EURO FORUM

5.1 The Euro Forum shall meet annually. The venue and date of the Annual Meeting shall be specified and appointed by METRO AG. The Annual Meeting shall be limited to one and a half days. In the case of extraordinary circumstances affecting several countries, the Parties hereto shall be entitled to convene additional meetings by mutual agreement. These meetings shall be planned in cooperation with the Steering Committee in due course.

5.2 Employees' representatives may hold a pre-meeting without the employer's representatives. The pre-meeting shall be held in the morning of the first day of the Annual Meeting. Consequently, a period of two days will not be exceeded for the Annual Meeting, including any pre-meetings and post-meetings.

5.3 The parties agree that a mutual language will be required, due to increasing internationalisation, for efficient communication.

The parties strive for English to become the mutual language of meetings in the future. Delegates are therefore recommended to do their utmost in perfecting their fluency of the English language. Delegates not yet having adequate English skills shall be trained by their respective companies. After prior agreement, the cost of English

language courses will be paid for by METRO AG. The time spent for language education shall not be considered to be working time.

To ensure that all delegates are able to participate actively in the meetings of the Euro Forum and the Steering Committee, METRO AG will provide for conference interpreters for those delegates not being sufficiently fluent in English. Interpretation might be both active and passive, or just passive in case the delegates concerned are able to follow the proceedings in English or in any other of the active languages provided. The need for interpretation will be determined in consultation between Management and Steering Committee.

- 5.4 METRO AG agrees to pay the cost for staging the Annual Meeting, for the pre-meeting of employees' representatives, including cost for delegates' accommodation and meals. In addition, interpreting services shall be paid for. Associated companies shall pay for delegates' return tickets, including any meal allowances, according to the Travel Guidelines of each of the companies.
- 5.5 Employees' representatives shall be appropriately released from work.
- 5.6 The Euro Forum may define its procedural rules.

## 6. CONTENTS OF ANNUAL MEETINGS

- 6.1 The Annual Meeting shall deal exclusively with transnational subjects affecting at least two countries. Purely national subjects shall be reserved for social dialogues in the respective local companies/countries.
- 6.2 The Euro Forum shall be informed and consulted annually about the business development and the perspectives of the Group or internationally involved companies of the Group.

There shall be no obligation to provide information of any business transactions, should transfer of such information be directly or indirectly detrimental to the company as such and its operations or subject to any other negative effects. The same shall apply should the provision of information infringe applicable laws and acknowledged rules for the prevention of abuse in trading with registered shares.

Topics to be dealt with shall include:

- The Groups' structure, economic and financial status
- Future business development
- Employment and future development
- Investments
- Fundamental organisational and/or structural changes
- Transnational relocation of companies or major parts of companies
- Transnational mergers or divestments of companies/major parts of companies
- Reductions in or shut-downs of companies/major parts of companies subject to transnational effects

it is recommended that the delegates of the Euro Forum inform themselves on developments of the METRO Group in terms of above subjects and to make use of available sources, such as the annual report, the sustainability report and quarterly reports.

- 6.3 An agenda shall be defined by the Coordinator in agreement with the President of the Steering Committee and distributed to delegates at least two weeks prior to an Annual Meeting.

- 6.4 Minutes shall be taken for each Annual Meeting of the Euro Forum. That chapter of the minutes referring to the mutual part of the meeting, shall be prepared in reciprocal agreement and signed by the President of the Euro Forum and the Coordinator of METRO AG prior to being sent to delegates.

Preparation and distribution in compliance with national laws and local customs shall be effected without delay within a period of 6 weeks after termination of an Annual Meeting. Minutes shall be translated into national languages of any state being subject to this Agreement. The Parties hereto agree that distribution of mutual arrangements/agreements resulting from a meeting may not be disclosed prior to publication of the minutes.

7. Partnership of Trust/Confidentiality

Group Management, employees' representatives and experts agree to work in a partnership of trust within the Euro Forum for the benefit of employees, the Group as well as the individual companies of the Group operating internationally.

Participants of the Euro Forum, including interpreters and experts, agree not to disclose or use any operating or business secrets coming to their attention due to being members of the Euro Forum, provided that these were expressly declared by the management of the Group to be subject to secrecy. This shall also include any period after resignation from the Euro Forum.

8. Communication between Euro Forum delegates

To enable an efficient communication between delegates of the Euro Forum as well as to provide a tool for language trainings according to paragraph 5.3, METRO AG ensures that for each delegate there will be a personal computer, having internet access, at his/her disposal. Costs for using the computer are to be borne by the company.

9. Period of Notice

- 9.1 This Agreement shall have an unlimited term. It may be terminated subject to a period of notice of six months to the end of a year, but at the earliest as of December 31, 2009. Termination by employees' representatives shall be subject to a two-thirds majority of delegates to the Executive Board of METRO AG. The Company shall notify termination to the Steering Committee. In order to be effective, terminations shall be made in writing.

The Parties hereto shall be entitled to amend this Agreement at any time during its term in mutual agreement.

- 9.2 Should this Agreement be terminated, the Parties hereto agree to commence negotiations without delay in order to provide a new Agreement. This Agreement shall remain effective.

## 10. FINAL PROVISIONS

- 10.1 Should any provisions of this Agreement be or become ineffective, the remaining provisions of this Agreement shall remain in effect. The Parties hereto agree to modify and amend this Agreement accordingly.
- 10.2 The Parties agree on that single regulations of this Agreement could be re-negotiated and eventually modified in case the Directive 94/45/EC on the establishment of a European works council will undergo major changes.
- 10.3 The Parties hereto agree that the Euro Forum shall be the only transnational information and consultation body in Europe within the METRO Group, thus ruling out the formation of comparable bodies at divisional level.

- 10.4 This Agreement will be translated into all languages of the countries to which it applies and shall be signed as a German and an English version. In case of doubt, the German version shall prevail.
- 10.5 The attached Appendix, comprising the distribution key for delegates, shall be an integral part of this Agreement.
- 10.6 This Agreement shall be governed by German law.
- 10.7 This Agreement shall be subject to the jurisdiction of the Courts of Justice of Duesseldorf (Germany).
- 10.8 This Agreement enters into force as from 1st of January 2006.

Kaarst, 10th of May 2005

Signatures METRO AG

Zygmunt Mierdorf ppa. Dr. Jürgen Pfister  
(Executive Vice President Human Resources) (Head of Division Corporate Human Resources)

As proxy for the Steering Committee

Marianne Meister  
(President)

UNI Europa Commerce and ver.di have been involved in the development of this Agreement and expressly welcome the advancement of the METRO Group Euro Forum based on the Agreement. The Euro Forum provides an important contribution to the promotion of social dialogue between employees and employers at European level.

Jan Furstenborg Ulrich Dalibor  
(UNI Europa Commerce) (ver.di)

## Appendix

Country	No. Employees' Representatives	Headcount per 31/03/2005
Belgium	2	5.593
Denmark	1	725
Germany	4	144.262
France	2	9.845
Greece	1	2.496
Great Britain	2	6.521
Italy	2	9.189
Luxembourg	1	296
Netherlands	2	6.867
Austria	1	4.890
Portugal	1	2.137
Spain	2	5.882
Poland	3	18.092
Slovakia	1	1.277
Czech Republic	1	3.627
Hungary	2	5.700
Total	28	

### Distribution Key:

- Per participating state: 1 member
- > 5,000 employees: 2 members
- > 15,000 employees: 3 members
- > 50,000 employees: 4 members

Numbers shall be determined by headcount in compliance with paragraph 4 EBRG.