

LADBROKES

02-09-2004



JOINT AGREEMENT ON THE EUROPEAN CONSULTATIVE FORUMS IN HILTON GROUP PLC.

1. PURPOSE AND SCOPE OF THE AGREEMENT

This agreement renews the company's existing Article 13 Agreement made in June 1997, as amended in accordance with the changes set out in the company's memo of 25th October 1999 and establishing two European Consultative Forums, which are known as:

- The Hilton International European Consultative Forum; and
- The Betting and Gaming European Consultative Forum.

The agreement defines the scope, purpose, membership and operation of the European Consultative Forum in Hilton International. A separate document defines the scope, purpose, membership and operation of the Betting and Gaming European Consultative Forum.

This agreement together with the Betting and Gaming European Consultative Forum fulfils Hilton Group's obligations under the terms of the EU Council Directive 94/95 on *The Establishment of a European Works Council in Community-Scale undertakings for the Purposes of Informing and Consulting Employees* ("the Directive").

2. ROLE OF THE ECF

- a) The ECF is an annual meeting of management and employee representatives who meet to engage in a consultation and dialogue on business performance and prospects of Hilton. The ECF will be chaired by a member of Hilton senior management "the Chair".
- b) The ECF is not an arrangement for collective bargaining and the pay and terms and conditions of employment of the workforce are not discussed at the meetings.
- c) The ECF is not intended to replace, duplicate or supersede any existing procedures for informing, consulting and involving employees (or their representatives) at national or other levels in the company.
- d) In its meetings the ECF will concentrate on:
 - I. The economic performance of Hilton in Europe.
 - II. The company's general strategic direction.
 - III. The company's financial and commercial situation.
 - IV. The level of investment and changes in the structure of the company.
 - V. Transnational changes in the employment situation and likely developments.
 - VI. Significant transnational redundancy programmes, acquisitions, transfers or disposals.
 - VII. Transnational training and employee development programmes.
 - VIII. Transnational environmental issues.

3. ECF MEMBERSHIP

- a) The Hilton International ECF will be chaired by an executive director of the controlling undertaking.
- b) The number of employee representatives who are members of the ECF is as below:

Number of full time equivalent employees in one country among the E.U. countries where Hilton operates	Number of Representatives
1 to 250 employees	1
251 to 500	2
501 to 1000	3
1001 to 2000	4
2001 to 3000	5
3001 to 4000	6
4001 to 5000	7
5000 to 6000	8
6000+	9

- c) The Joint Steering Committee, at its September meeting will agree the ECF membership for the subsequent calendar year based on headcount as of 1 September in that year.
- d) The maximum number of employee representatives on the ECF will at no stage exceed 60. If as a result of growth or acquisitions the total number of employees increase to the extent that the above formula would result in more than 60 representatives then the formula will be adjusted as follows:

Number of full time equivalent employees in one country among the E.U. countries where Hilton operates	Number of Representatives
1 to 250 employees	1
251 to 500	2
501 to 1000	3
1001 to 2000	4
2001 to 5000	5
5000 to 10000	6
10000 to 15000	7
15000 to 20000	8
20000+	9

- e) The maximum number of representatives allocated to any one EU/EEA country will be the same as the total number of hotels in the country.
- f) No country will have more than 9 employee representatives in the Hilton International ECF.
- g) Delegates to the Hilton International ECF will be appointed in accordance with local practice. It will be for local management and the employee representatives in each country to determine how this is to be done.

Where there are no national-level employee representation mechanisms in place in a country, then the hotel with the greatest number of full time equivalent employees will nominate the delegate to the ECF, with second and subsequent delegates (and substitutes) coming from the next largest hotel in terms of employee numbers.

- h) The above representation constitution will be established from the date of signature of the present agreement to March 2012. The only changes that will be made prior to this review will be to allocate one representative to any new European Union Member State.
- i) Substitutes will be selected on the same numerical basis and will deputise in the event of a representative(s) not being able to attend an ECF meeting. In the event of a representative(s) leaving the company, the substitute will take over for the remainder of the term of office.

- j) Newly acquired companies with operations in EU and EEA Member States where there is already a pre-existing Hilton presence and representation on the ECF shall be represented by the pre-existing ECF employee representative until the completion of that representative's term of office. For newly acquired companies with operations in EU and EEA countries without a pre-existing Hilton presence and employee representation on the ECF, Hilton will undertake efforts to ensure that employee representatives will be appointed according to the above rules. These representatives will take their seats on the ECF as of the date of their appointment.

5. TERMS OF OFFICE FOR EMPLOYEE REPRESENTATIVES

Employee representatives in the ECF will normally be appointed for a two-year period. They may be re-appointed for subsequent periods. Only permanent employees may be members of the ECF. A representative who leaves the company will cease membership of the ECF on their last day of active service with the company.

6. ECF MEETINGS

- a) There will be one meeting of the ECF each year, which will normally coincide with the Hilton Group Annual Results Announcement. Only those members defined in 3 a) and b) above will attend the meeting.
- b) Meetings of the ECF will be organised as follows:
- Day 1 morning: Steering Committee pre-meeting
Employee representatives arrive
 - Day 1 afternoon: Employee representatives pre-meeting
 - Day 2 morning: ECF meeting
 - Day 2 afternoon: Employee representatives post-meeting
- c) From time to time the Joint Steering Committee may agree to extend the timing of the meeting to accommodate specific activities and/or training.
- d) The company will meet all reasonable and necessary costs of travel, accommodation and interpretation.
- e) Employee representatives will not suffer financial loss as a result of attending agreed meetings of the ECF.

The meeting will be conducted in English. Simultaneous translation facilities will be provided where reasonable and necessary during the meeting and during the pre and post-meeting.

7. INDEPENDENT ADVISER

- a) Provided a majority so agree, employee representatives may be assisted by an adviser, independent of the company, of their choice at the pre-ECF meetings. The company will pay all necessary and reasonably incurred travelling and accommodation expenses for the independent adviser. The role that he/she will perform is to provide independent and objective analysis to support the employee representatives in their work.
- b) If a majority of employee representatives request, and the company so agrees, the independent adviser may attend meetings of the ECF for specified items of the agenda where the technical nature or complexity makes his/her presence appropriate. The company will not unreasonably withhold its consent to such requests. The independent adviser will not be a member of the ECF but will be required to sign the same Confidentiality Statement as the employee representative members of the ECF.

8. STEERING COMMITTEE

- a) Employee representatives may elect up to four of their number to represent their colleagues in the Steering Committee.
- b) These representatives will be elected at the start of the life of the agreement and will stay in office until the conclusion of the agreement. Should any member of the committee leave the ECF for whatever reason they will be replaced by another employee representative from their region.
- c) The four representatives will be drawn from four pools of existing employee representatives:
 - UK & Ireland
 - Northern Europe (Denmark, Finland, Norway, Sweden, Estonia)
 - Central Europe (France, Germany, Belgium, Netherlands, Luxembourg,)
 - Southern and Eastern Europe (Spain, Italy, Greece, Cyprus, Malta, Austria, Hungary, Czech Republic)

9. JOINT STEERING COMMITTEE

- a) The employee representatives chosen as per point 8, will meet with management and form the ECF's Joint Steering Committee. This committee will plan to meet twice a year outside of the normal ECF meeting. These meetings will normally be held in September and January.
- b) The Joint Steering Committee will be responsible for:
 - I. Ensuring the spirit of this agreement is upheld in all ECF meetings and communication.
 - II. Discussing relevant transnational issues that arise between annual meetings.
 - III. Providing logistical support for the organisation of the annual ECF meeting (including suggesting agenda items, relevant joint communication, and reviewing minutes of meetings).
 - IV. Supporting new ECF representatives to ensure they feel part of the ECF and are able to contribute fully.
 - V. Agreeing such training as is required for members of the Forum to undertake their roles effectively.
- c) Simultaneous translation, where necessary, will be provided for any such meetings of the Joint Steering Committee.
- d) Written minutes arising from the work of the ECF and/or the Joint Steering Committee will be jointly reviewed in advance by both employee and management representatives of the Joint Steering Committee.
- e) After each meeting of the ECF and /or the Joint Steering Committee a one-page memo will be prepared for issue immediately after the conclusion of the meeting detailing the issues that had been discussed and any actions agreed.
- f) Subject to the confidentiality provisions outlined in paragraph 11, an employee member of the Joint Steering Committee will be responsible for keeping the relevant European trade union organisation, EFFAT, informed as appropriate.
- g) The company will provide an intranet site for the ECF on 'hiway'. The site will include an historical record of the work of the ECF, the agreement, notes of meetings and joint communications. Documents on the site will be written in English. The site will be the official ECF site, and the Joint Steering Committee will review the content.

The Chair of the ECF will appoint a content manager, who will be solely responsible for inputting the content and ensuring it reflects the look and feel of the company and the spirit of the ECF.
- h) Management will produce a 6 monthly newsletter to provide helpful information and promote awareness of initiatives that fall under the scope of the ECF.

10. EXCEPTIONAL CIRCUMSTANCES

If there are exceptional circumstances or events affecting employees' interests to a considerable extent, representations may be made to the company that an additional meeting of the ECF is necessary. Such a request should be made via a Joint Steering Committee member, as per point 8. The decision on whether an additional meeting is held will be taken by the company after consultation with the Steering Committee.

11. CONFIDENTIALITY

- a) The company will provide employee representatives with the information necessary for the efficient running of the ECF. Each member of the ECF will maintain the security of all information marked confidential and will be required to sign a statement of confidentiality. Confidentiality remains binding even after such times as an individual ceases to be a member of the ECF or employed by the company.
- b) Any breach in confidentiality will result in immediate removal from the ECF of the person responsible. Additionally, serious breaches of confidentiality will be dealt with through the company's disciplinary procedures and/or regulations set down in national law.
- c) Under no circumstances will any member of the ECF communicate with the Press. Information marked as confidential must not be disclosed to any external organisation without the written agreement of "the Chair". The operation of this clause is not intended to impede the legitimate and necessary reporting back by employee representatives to their constituencies/workforce. Any dispute which may arise from the operation of the clause will be determined in accordance with the provisions of the United Kingdom legislation.

12. PROTECTION OF MEMBERS OF THE ECF

Employee representatives exercising their function shall enjoy the same protection and guarantees provided for employee representatives by the national legislation and/or practice in force in their country of employment.

13. DURATION OF THE AGREEMENT

The agreement, as revised and updated in 2005, will last for seven years from the date of signature. During the seventh year, the parties will meet to discuss its renewal and/or extension.

14. LEGAL BASIS OF THE AGREEMENT

- a) This Agreement is intended by the parties to be legally binding.
- b) This Agreement will be governed by and construed in accordance with the laws of the United Kingdom and any disputes arising in relation to the ECF will be dealt with in accordance with the procedures set out in the 'Transnational Information and Consultation of Employees Regulations 1999'.
- c) All the parties agree that this Agreement complies in full with all the requirements of Article 13 of the Directive. The English language version of the Agreement is deemed to be the definitive version.
- d) All renewals/changes to this Agreement must be endorsed by a majority of ECF members at the meeting at which the renewal/changes are discussed.

Signed on behalf of:

Management

Employee Representatives

Witnessed by

