

METRO

11-10-1999



AGREEMENT ON THE ESTABLISHMENT OF A EURO FORUM AS AN INFORMATION AND CONSULTATION BODY OF EMPLOYEES' REPRESENTATIVES OF METRO AG'S EUROPEAN COMPANIES

Between the Executive Board of METRO AG, Ivo-Beucker-Str. 43, D-40237 Duesseldorf
And the Special Negotiating Body comprising of employees representatives of the METRO-AG Group within the European Union (EU)

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 AG, 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 hereto declare that the Euro Forum complies with the law for European Works Councils (Gesetz über Europäische Betriebsräte, dated October 28, 1996- EBRG) in EU member states and that it shall have the functions of a European Works Council.

2. SCOPE

The scope of this Agreement shall be extended to any companies of METRO AG registered in Europe (including Turkey), in which METRO AG is a majority shareholder (or which are managed by METRO AG) and their employees. An inclusion of further countries shall be mutually agreed.

3. COMPOSITION

2.1 The Euro Forum shall comprise the following members:

A. Employer's representatives:

One or several members of the Executive Board of METRO AG and/or representatives directly nominated and appropriately authorised by the Executive Board of METRO AG, supplemented by a company representative acting as the Euro Forum Coordinator.

B. Employees' representatives in Europe:

The number of employees' representatives (delegates) will be designated from countries subject to the scope of this Agreement, see Schedule 1. This Schedule 1 shall be an integral part of this Agreement and may be updated every two years. Delegates shall only be employees whose employment has not been terminated and who are employed in one of the companies as 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.

The Parties hereto reserve the right to mutually agree on a new provision for the total number and composition of the Euro Forum as well as of the Steering Committee, should the portfolio of countries be subject to considerable amendments. Limits stipulated in the EBRG shall be the maximum ceiling. The number of Members in the Euro Forum as well as in the Steering Committee should appropriately reflect the headcount distribution per country.

Employees' representatives shall elect from their number seven delegates for a Steering Committee, four delegates from Germany, three others from other different countries. The Steering Committee shall be the contact to the Euro Forum Coordinator nominated by the employer, in particular between annual meetings. The Steering Committee shall be informed and consulted without delay and as soon as possible should extraordinary circumstances occur, having considerable effects on employees' interests and provided that a minimum of two countries are affected, who are subject to this Agreement. In addition, the Steering Committee shall be involved in the following subjects:

- Administrative matters, procedural rules
- Organisation of Annual Meetings including minutes taking
- Preparation and distribution of a communiqué about Annual Meetings

3.2 The Nomination of employees' representatives shall be subject to existing national legal regulations, agreements and procedures or any arrangements between local managements and local employees' representatives in the countries concerned. Euro-FIET may be consulted during the nomination process.

Should a delegate leave the Company during the term of this Agreement, his membership shall be transferred to a national substitute. The same shall apply in case of a delegate's resignation.

3.3 Delegates may not be disadvantaged in their companies due to 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 Euro-FIET.

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

5. ORGANISATION OF THE EURO FORUM

5.1. The Euro Forum shall meet annually. The venue and the date of the Annual Meeting shall be specified and appointed by METRO AG. The Annual Meeting will be for one day. In the case of extraordinary circumstances, affecting several countries, the Parties hereto shall be entitled to convene additional meetings by mutual agreement. These meetings will 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 on the day prior to the Annual Meeting.

5.3. Meetings shall be conducted in English and German.

- 5.4. METRO AG shall pay the cost for the Annual Meeting, for the pre-meeting of employees' representatives, for their travel and accommodation as well as for interpreting services.
- 5.5. For Annual Meetings, a period of two days shall not be exceeded, including any pre-meetings and post-meetings.
- 5.6. Employees' representatives shall be appropriately released from work.
- 5.7. 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. Solely national subjects shall be reserved for social dialogue between appropriate local companies/countries.
- 6.2. The Euro Forum shall be informed and consulted annually about the development of business conditions and the perspectives of the Group or internationally involved companies of the Group. There shall be no obligation to provide information about 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 detrimental influence.

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.

The 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 or shut-down of companies/major parts of companies subject to transnational effects
- 6.3. An agenda shall be defined by the Euro Forum Coordinator in agreement with the Chairman of the Steering Committee and distributed to the delegates at least two weeks prior to an Annual Meeting.
 - 6.4. Following the Annual Meeting, the Euro Forum Coordinator and the Steering Committee shall issue a joint report, to be translated into the national languages of the countries subject to this Agreement. This report shall be published within a period of two weeks in compliance with national laws and local customs. The Parties hereto agree that no information from an Annual Meeting shall be disclosed prior to publication of a report.

7. PARTNERSHIP OF TRUST/CONFIDENTIALITY

Employer's representatives, employees' representatives and experts agree to work in a partnership of trust within the Euro Forum for the benefit of the employees, of the Group and the companies of the Group in a transnational context.

Delegates 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. PERIOD OF NOTICE

8.1. This Agreement shall be in force until December 31, 2004. After expiry of this term, this Agreement may be terminated subject to a period of notice of six months to the end of the year. Termination by employees' representatives shall be subject to a two-third 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 in writing.

The Parties hereto shall be entitled to amend the term of this Agreement in mutual agreement.

8.2. Should this Agreement be terminated, the Parties hereto agree to commence negotiations without delay in order to provide a new Agreement.

9. FINAL PROVISIONS

9.1. Should a provision of this Agreement be or become ineffective, the remaining provisions of the Agreement shall remain in effect. The Parties hereto agree to amend this Agreement accordingly.

9.2. 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.

9.3. This Agreement has been translated into English and has been signed by the Parties hereto. In case of doubt the German version shall apply.

9.4. The attached Schedule 1 comprising the distribution key for delegates shall be an integral part of this Agreement.

9.5. This Agreement shall be governed by German law.

9.6. This Agreement shall be subject to the jurisdiction of the Courts of Justice of Duesseldorf (Germany).

Duesseldorf, .October 11, 1999

Signatures of Metro AG
Dr. Hans-Joachim Körber

Dr. Wolf-Dietrich Loose
ppa. Rainer Marschhaus

On behalf of the Special Negotiating Body

Peter Stieger
Chairman

Euro-FIET has been involved in the development of this Agreement and expressly welcomes the establishment of a Euro Forum for providing an important contribution to the promotion of the social dialogue between employees and employers at European level.

Geneva, 1999

Philipp Jennings

Jan Furstenborg

Enclosure

Schedule 1 - Number of Employees' Representatives

<u>Country</u>	<u>Employees' Representatives</u>
EU States:	
Austria	1
Belgium	1
Denmark	1
France	2
Germany	8
Greece	1
Italy	2
Luxembourg	1
Netherlands	1
Portugal	1
Spain	1
UK	2
Other European States:	
Bulgaria	1
Czech Republic	1
Hungary	1
Poland	2
Rumania	1
Switzerland	1
Turkey	1
Total Division	30

Distribution key:

- per participating state: 1 member
- .> 5,000 employees: 2 members
- .> 20,000 employees: 3 members
- per additional 20,000 employees: one additional member

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

Addendum Number 1

The Parties agree that initially -prior to the formation of a Service Union by DAG and HBV and other unions -the total number of experts may be extended to three. Paragraph 4 of the Agreement relating to the setting-up of a Euro Forum shall apply accordingly.

After the formation of a Service Union, the number of experts shall be reduced to two, as agreed.

Duesseldorf, October 11, 1999

Addendum Number 2

Paragraph 5.3 of the above Agreement states that due to increasing internationalisation, common languages will be indispensable for efficient communication. Consequently, the future languages of the Group shall be English and German.

In order to account for initial difficulties, METRO AG shall make available suitable interpreting facilities for the first and second Annual Meeting for English, German, French, Italian and Polish. In parallel, delegates not having any languages skills shall be appropriately trained by their companies in English and/or German. The cost for this education shall be paid by the Company. Half of any time spent for language education shall be considered to be working time. After a period of two years, the parties hereto shall resume negotiations about a new arrangement on the background of their experience.

Duesseldorf, October 11, 1999

Addendum Number 3

In order to facilitate proper communication between delegates, delegates may use existing communication facilities (such as e-mail) of their national company. The national company agrees to provide the necessary confidentiality.

Duesseldorf, October 11, 1999