

## **Works Council Arrangement for Mecom Europe**

### **1. Objective**

The objectives of the cooperation between the management and employees of Mecom are to promote development, motivation and efficiency amongst all personnel. Moreover the cooperation will seek to promote an atmosphere characterised by mutual trust, credibility and joint responsibility.

The ways in which this will be achieved will include active cooperation between management and union representatives at all levels and by a spirit of openness in providing information about and discussing the position and development of the business.

A situation will be created in which union representatives are able to perform their tasks and serve as intermediaries between management and employees.

As well as purposeful and efficient arrangements for cooperation the works council model will be such that it can readily be adapted to any future changes in commercial structure.

### **2. Local cooperation**

Codetermination involves a decentralised corporate democracy in which the cooperation between the management and the union representatives of the individual company makes up the foundation of the works council arrangement.

### **3. National cooperation**

National cooperation arrangements will be put in place to meet the needs for information and dialogue between elected representatives and management at national level. Agreements on these arrangements will be concluded between managements and union representatives at national level.

### **4. European cooperation**

#### **4.1 European Works Council (EWC)**

Mecom Europe will have a European Works Council comprising the management of Mecom Europe and union representatives from those countries that have a right of representation under the European Works Council Directive. As at 1 August 2006 these countries are: Norway, Denmark, Sweden, Poland and the Netherlands.

The EWC will normally convene once a year in November/December, primarily for two-day meetings. The first part will be for employee representatives only.

The number of participants at the EWC meeting will be restricted to approx. 30 employee representatives, including the Group Employee Council (GEC) for Mecom Europe. The representation arrangement will be decided by the members of the GEC. In addition, observers may be convened subject to consultation with the management.

The EWC meeting will elect a Head of the Group Employee Council and one or two deputies, who will comprise the executive group of the GEC. The deputy or deputies will be elected from amongst the ranks of the GEC members. Unless otherwise agreed the term of office will be two years.

Wage costs and travel expenses in connection with meetings of the Mecom Europe EWC will be covered by the individual employee's company. Mecom Europe will cover other meetings-related expenses.

#### **4.2 The Group Employee Council (GEC)**

The Group Employee Council of Mecom Europe comprises the five employee representatives/observers on the Board of Mecom Europe and the Head of GEC. In addition, the GEC may be augmented by up to a further four members with a view to achieving an expedient distribution between countries, organisations and sectors. The distribution will be determined by the GEC. The additional members will be elected by the national organisations.

The Head of GEC will receive Board documentation and financial reports for the company.

The term of office for the GEC is two years.

The primary functions of the GEC are to:

- raise issues of general and common interest to Mecom Europe and safeguard the interests of the employees in respect of management in such matters;
- act as a consultative body in major issues of concern to the employees of Mecom Europe;
- act as a contact and cooperation body for the management;
- plan and implement EWC meetings together with management;
- perform a coordinating function towards the national cooperation arrangements.

NOK 250,000 will be allocated in Mecom Europe's budget for the GEC for company visits and contact with personnel, over and above the fixed regular meetings (see below), to cover other Mecom Europe-related meetings for the GEC, and to cover travel expenses and other expenses for the executive group. Costs will be reimbursed on the basis of travel expense accounts submitted to the representative's employer, which amount will then be invoiced to Mecom Europe. The Head of GEC will maintain oversight over and control the use of the above amount.

In addition, NOK 20,000 will be allocated for each member of the executive group and NOK 10,000 for each of the other members of the GEC to cover expenses in connection with their duties.

#### Regular meetings

The GEC will meet the management of Mecom Europe three times each year for mutual exchanges of information and discussions, and to plan the EWC meeting.

In addition, the GEC may convene three meetings of its own. Further meetings may be mutually agreed by the GEC and the management of Mecom Europe.

Travel expenses for the six regular meetings will be defrayed by the individual company.

#### 4.3 Head of the Group Employee Council

Mecom Europe will have a special scheme for the Head of GEC. Unless otherwise agreed the person in question will be released on a 90% basis but will remain fully employed by his or her own employer company and remunerated the equivalent of a full salary with a supplement of NOK 80,000. The company releasing the Head of GEC will invoice Mecom Europe for wage costs.

Mecom Europe will provide office space and office equipment for the Head of GEC and will, if necessary, assist with an apartment.

#### 5. Clearing of meetings

All meetings/company visits under the works council scheme will be cleared well in advance with employers at local level.

#### 6. Duration

The works council arrangement is based on the business structure as it exists at present and may be subject to discussions once every year if requested by one of the parties. Moreover the parties may terminate the agreement at any time subject to three month's notice.

*Oslo, 1 October 2006*

*Kjetil Haanes, for the union representatives*

*Bjørn Wiggen, for the management of Mecom Europe*