

Agreement concerning the European Works Council for Arla Foods amba





Presentation

Part I

General information

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Part II

Information EWC / Select Committee

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The overall objectives of the present agreement are:

- to strengthen transnational cooperation within the area of application of the directive;
- to engage in an open and constructive dialogue at European level with a view to installing a positive attitude to wholeness and synergy;
- to boost the international competitiveness of Arla Foods amba and growth;
- to create and preserve good and stable working conditions and conditions of employment;
- to strengthen the employees' identity as a part of the Arla Foods amba organization;



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- to increase the employees' understanding of the situation of Arla Foods amba with regard to its operations, financial standing and competitiveness;
 - to strengthen the knowledge and qualifications of employees;
 - to strengthen the employee's right to information and consultation.



Election of members and guidelines for European Works Council

The composition of the European Works Council shall be determined in accordance with the following guidelines:

- a) Eligible to the European Works Council shall be only employees' representatives who have been freely elected at Arla Foods amba undertakings. Employees with managerial responsibilities shall not be eligible.
- b) In connection with the holding of ordinary elections, it should be ensured, if possible, that members representing all large occupational groups at Arla Foods amba shall be elected to the European Works Council. Thus, a composition of the European Works Council should be sought which ensures that the number of seats allocated to the major occupational groups reflects the size of their membership.



c) The European Works Council shall be composed in accordance with the following guidelines:

1 representative of employees in countries where the Group has 150 employees or more.

2 representatives of employees in countries where the Group has 1,000 employees or more.

3 representatives of employees in countries where the Group has 2,000 employees or more.

4 representatives of employees in countries where the Group has 4,000 employees or more.

5 representatives of employees in countries where the Group has 6,000 employees or more.

6 representatives of employees in countries where the Group has 8,000 employees or more.



Number of employee representatives in the European Works Council

Denmark	5
Sweden	4
Finland	1
United Kingdom	3
Germany	2
Poland	1
The Netherlands	1



The national employees' representations shall elect the members of the European Works Council. Elections shall be held in accordance with national legislation and/or practices on the labor market. As regards the employees' representatives in Denmark, these shall, however, be elected by and from among the members of the Cooperation's Board. The election period shall be 3 years. Members may be re-elected.

Deputy members for the employees' representatives on the European Works Council may be elected. The deputy members shall take their seat on the European Works Council in the event of the lawful absence of the ordinary member.



The European Works Council shall be entitled to call in, as necessary and at its own discretion, internal as well as external specialists (experts), advisors, etc. for the purpose of carrying out its task. Both groups may assist the European Works Council in connection with preliminary meetings.

In addition to the above external specialists (experts), advisors, etc., a representative of each of the involved unions and the ECF (European Committee of Food, Catering and Allied Workers' Unions within the IUF) shall be entitled to attend the meetings of the European Works Council as observers.

Financing hereof shall be subject to the provisions contained in Clause 12, Subclause 3.



5. Meeting frequency, etc.

1. Unless otherwise agreed, the European Works Council shall hold ordinary meetings with the Arla Foods amba central management in March, June and September. Prior to the meetings, the central management shall prepare a report, which shall form the basis of the meetings. The object of the meetings is to inform and consult the European Works Council concerning the development in Foods' activities and prospects. The local boards of management shall be informed of the report.



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2. Where there are exceptional circumstances affecting the interests of the employees to a considerable extent, e.g. in the event of relocations to another country, the closure of production facilities or collective redundancies, the European Works Council shall be informed. Following such information, the European Works Council shall be entitled to meet with the central management, depending on the circumstances. In connection with such meetings, the European Works Council may be enlarged to include representatives from the production facilities directly concerned, provided that no employees' representatives have been elected from the production facilities concerned.
 3. Furthermore, the European Works Council shall always be informed and consulted in writing of any transnational events occurring between the ordinary meetings.

6. Competence of the European Works Council

The competence of the European Works Council shall be limited to information and consultation on issues of a transnational nature, which concern the undertakings in the Group.

7. Holding of meetings

1. The annual ordinary meetings shall be held over two days.
2. At the meetings in March and September, the central management shall be represented at least by the managing director or a representative appointed by the managing director and by the human resource manager responsible for personnel both in Denmark and at Group level. The secretary shall be appointed from the personnel department in Denmark. Employees shall be represented by the European Works Council. The meetings shall be chaired by the managing director of Arla Foods amba or by his representative.
3. The meetings in March and September shall be held in the following phases:
 - a) Day 1. The European Works Council shall hold a preliminary meeting with a view to preparing for the meeting. If necessary, this is followed by a meeting of the select committee appointed under Clause 9.
 - b) Day 2. The European Works Council and the central management shall hold a meeting in accordance with the agenda, cf. Clause 8.
4. The secretary shall take the minutes of the meetings between the European Works Council and the central management.
5. Based on the minutes, a written report shall be prepared, setting out the issues discussed at the meetings. The report shall be prepared and signed by the members of the select committee, cf. Clause 8



8. Agenda

1. The agenda for the annual meetings shall include information and consultation on issues, which concern Arla Foods amba within the scope of the present agreement. The agenda for the ordinary meetings in accordance with Clause 7 shall contain at least the following items:
 - a) The financial situation and prospects of Arla Foods amba, including the order and market situation and information about production.
 - b) Investment plans.
 - c) Developments in the structure of the Group, including production transfers and mergers, relocations and closures.
 - d) The present and future development in production capacity and employment, including major changes and reorganisation of production and administration due to, e.g., the introduction of new technology.
 - e) Staff matters in general, including personnel policy and the development of the employees.
 - f) Group policies.
 - g) Environmental matters.



8. Agenda – continued

- h) The European Works Council shall inform the central management of matters affecting cooperation, well-being and job satisfaction.
 - i) The number of employees and their location in the different countries.
 - j) Any other business.
2. Incoming proposals for items to be included on the agenda shall be sent to the select committee at least six weeks before the meeting.



9. Select committee

1. The European Works Council and the central management shall appoint a select committee. The European Works Council shall be represented by one employees' representative from each of the countries where the Group has 2,000 employees or more, while the central management shall be represented by a specially appointed representative.
2. The European Works Council and the Arla Foods amba central management shall jointly adopt the rules of procedure of the select committee.
3. The rules of procedure shall include rules governing the preparation of agendas for the ordinary meetings, notices of ordinary meetings, which information should be sent to the members of the European Works Council as well as how the report shall be distributed to the members of the European Works Council.
4. The select committee shall be in charge of the organization of meeting activities.

In this connection, the select committee shall ensure that the necessary information is translated and sent out in good time before the holding of the meetings.



9. Select committee - continued

5. The select committee is furthermore charged with ensuring that the report is translated and sent out as soon as possible after the holding of ordinary and extraordinary meetings.
6. The select committee shall be entitled to meet, at its request, with the central management or any other more appropriate level of management in Arla Foods amba provided that the management at any such level is competent to make independent decisions with a view to being informed and consulted on measures, which significantly affect the transnational interests of the workforce.
7. Those members of the European Works Council who have been appointed by the production facilities directly affected by the planned measures shall also be entitled to attend the European Works Council's meeting with the central management.



10. Information, consultation, confidential information or sanctions

1. For the cooperation to be efficient and good, the European Works Council must be kept well-informed of the circumstances, structure and development of Arla Foods amba. Consequently, the European Works Council shall, well in advance, be informed of and consulted on planned decisions, which may lead to significant changes in the planning of the work and in the contracts of employment, including any other decision, which may significantly affect the interests of the employees. Knowledge and insights for both parties are prerequisites for the European Works Council functioning as intended. It is a condition for the implementation of the present agreement that the European Works Council is allowed the time necessary for it to carry out its task in an appropriate manner.
2. In consequence hereof, the Arla Foods amba central management shall be obliged to keep the European Works Council informed at all times and as quickly as possible of matters which affect the cooperation between the parties.



10. Information, consultation, confidential information or sanctions - continued

3. In connection with the holding of ordinary meetings in the European Works Council, the parties shall be obliged, two weeks prior to the meeting, to send out material/information in writing concerning the items, which have been included on the agenda. Information shall be understood to mean information in any form and of any kind concerning the items on the agenda.
4. Any planned transnational project may be subjected to consultation. Consultation shall be understood to mean an exchange of views and the establishment of a meaningful dialogue between the members of the European Works Council and the management representatives of the Arla Foods amba central management. The consultation shall be initiated by the Arla Foods amba central management, the objective being for the views and comments of the European Works Council to be considered by the Arla Foods amba central management in connection with its decision-making. The consultation shall take place well in advance of the implementation of the planned transnational project.



10. Information, consultation, confidential information or sanctions - continued

5. The members of the European Works Council and the select committee may in special cases be pledged to secrecy. Members are obliged not to reveal any information, which has expressly been provided to them in confidence. This obligation shall continue to apply after the expiry of the term of office of the members. Details shall be given of the nature and duration of the confidentiality.
6. Any information, which has expressly been provided to the members of the select committee in confidence, can be passed on to all members of the European Works Council and the employee representatives in Arla Foods' Supervisory Board. In specific cases it will be possible to limit the provisions of confidentiality if agreed by the members of the select committee.
7. Any person disclosing information conveyed as confidential, cf. Clause 10, Subclause 5 and 6, shall be excluded from participating in all future meetings and may be prosecuted in accordance with legislation in force from time to time and/or practice in the country where such persons are employed.



10. Information, consultation, confidential information or sanctions - continued

8. The Arla Foods amba central management shall at its discretion be entitled to withhold information from the members of the European Works Council and the select committee if this is deemed necessary in view of the interests of the Group where the disclosure of such information would be to the detriment of the Group or would be in violation of current legislation.
9. The European Works Council shall send to the employees' representatives, cf. Clause 9, Subclause 5, information about the contents and results of the information and consultation procedure, which has been implemented.



11. Interpreting and translation services

1. In connection with the holding of meetings under the present agreement, the assistance of interpreters shall be provided as necessary.
2. Notices, agendas, relevant information, reports, cf. Clause 5, Subclause 1 and Clause 7, Subclause 5, shall, to the necessary extent, be translated into the languages relevant under this agreement. The costs incidental thereto shall be paid for by Arla Foods amba.



12. Financial means, etc.

1. The Arla Foods amba central management shall make the necessary means available for members of the European Works Council to be able to carry out their task in an appropriate manner.
2. The central management shall ensure that the members of the European Works Council and the select committee do not suffer a loss of earnings as a result of their participation in the work of the council.
3. Any expenses relating to the organizing of meetings in accordance with Clause 7, including any interpreting services required, accommodation and travelling expenses for the members of the European Works Council and the select committee as well as the cost of one external specialist (expert) shall, unless otherwise agreed, be borne by the central management.



13. The revision, term, renegotiation and termination of the agreement

1. The present agreement shall be revised in connection with any changes to its scope.
2. Either party shall be entitled to terminate the present agreement by giving 12 months' notice, though no earlier than from 15 December 2000.
3. In connection with the termination of the agreement, the agreement shall be renegotiated. The renegotiations shall commence no later than six months before the expiry of the above notice period.
4. In connection with the renegotiations, either party shall be entitled to propose changes to the agreement. Proposals for changes to the agreement shall be received by the other party no later than two months before the renegotiations. The renegotiations shall include a review of how the existing guidelines have worked in practice.
5. In the event that an agreement cannot be reached in connection with the renegotiations, the present agreement shall remain in force, though only for periods of one year at a time. The present agreement shall lapse at the signing of a new agreement.
6. Renegotiations may take place prematurely, provided that the parties agree to this.



14. Status

The parties are in agreement that the present agreement fulfils the provisions contained in Council Directive 94/45/EC of 22 September 1994. Consequently, the implementation and interpretation of the present agreement shall not be at variance with this directive.

The present Agreement concerning the establishment of a European Works Council for Arla Foods amba replaces “Agreement concerning the establishment of a European Works Council for MD Foods” made on 12 October 1999 and adjusted on 7 March 2001.

In the event of disagreement as to the construction and application of the agreement, the Danish text shall be binding.



15. Signatures

The present agreement is made between the central management and the members of the European Works Council.

24 September 2008

For the central management

For the European Works Council



Thank you for your attention

Poul Erik Faarkrog, Mikael Larsson, Dion Andersen