

INVENSYS EUROPEAN EMPLOYEES' FORUM (EEF) AGREEMENT

1. PARTIES TO THE AGREEMENT

This Agreement is made 28th June 2000 between Invensys plc and its subsidiary companies operating in the Member Countries of the EU and the EEA as shown in Schedule 1 and the members of the Special Negotiating Body (SNB) listed in Schedule 2 who are the representatives of Invensys Employees.

This Agreement covers all Employees in those countries shown in Schedule 1.

2. DEFINITIONS

In this Agreement (unless the context requires otherwise) the following expressions shall have the following meanings: -

"Administrator" means the Administrator of the EEF as shall be appointed by the Chairman

"Central Management" means the Chief Executive of Invensys plc and any members of the management of Invensys as may be nominated at any time by the Chief Executive;

"Central Management Representative" means any member of the EEF as may be nominated by the Chief Executive to represent Central Management at any time;

"Chairman" means the chairman of the EEF and shall be the Chief Executive of Invensys plc or anyone nominated by him at any time to act in that capacity;

"Consultation" means the exchange of views and the establishment of dialogue;

"EEFCC" means the EEF Consultative Committee established pursuant to Clause 6.1

"EEFSC" means the EEF Select Committee established pursuant to Clause 6.1.1./6.1.2.

"Employee Representative" means employee members of the EEF elected by and representing the Employees;

"Employees" means those individuals who have entered into, or work under, a contract of employment with Invensys;

"Invensys"/"the Company" means Invensys plc and all its subsidiary companies.

"Transnational" means affecting to a significant extent 100 or more employees of Invensys Companies in two or more countries of the EU/EEA.

3. **STATEMENT OF INTENT**

- 3.1 The parties to the Agreement will undertake to act in the best interests of Invensys and its employees.
- 3.2 The objectives of Clause 3.1 can be best achieved by having a well-informed EEF through which dialogue and consultation between employees' representatives and central management takes place. It is the intent of this Agreement that such dialogue and consultation shall be carried out in a spirit of co-operation and within a climate of mutual trust and confidence.
- 3.3 Given the diverse nature of Invensys operations, the overall business philosophy is one of decentralisation. In particular, consultation and communication systems are focused at business unit level, with well-established local systems already in existence to facilitate this. Nothing in this Agreement is intended to replace or dilute this principle. Therefore, local consultation and communications according to the laws, agreements and customs applicable in each of the countries in which each Invensys company operates will continue to take precedence.
- 3.4 However, it is the intention of the parties to this Agreement to improve existing consultation and communication arrangements by the development of a procedure in which information on transnational matters affecting Invensys companies in 2 or more countries of the EU/EEA can be discussed. The scope of transnational matters covered by this Agreement is defined in Clause 4.3.

The Company undertakes to inform the EEFSC representatives at a time, which will enable them to comment before decisions are made. Refer to Clause 6.1.3.(iii).

4. **TERMS OF REFERENCE OF EEF**

- 4.1 The EEF is established to achieve the objectives set out in the Statement of Intent.
- 4.2 The Invensys EEF, being a purely consultative body for the exchange of views and the establishment of dialogue, has no competence to involve itself in negotiations or collective bargaining.
- 4.3 Pursuant to Clause 3.4 the subjects of information and consultation covered by the EEF shall include matters of a significant nature affecting the interests of employees such as:

- economic and financial situation

- business performance including competitiveness
- major investments
- organisational and structural changes
- employment trends
- introduction of new working methods and production procedures
- relocation of production and product lines
- workforce increase or reduction, transfer of activity, plant closures and collective redundancies
- education and training
- health and safety

The decision as to whether a particular topic should be discussed and whether it is within the scope of the EEF or EEFCC requires the agreement of both the EEF Administrator (or other officer appointed by the Company) and a majority of the EEFSC

4.4 Members of the EEF are committed to acting in good faith in the best interests of Invensys and all employees and are not appointed to represent a particular company or interest group.

4.5 In order to set the Statement of Intent and Terms of Reference in context, the parties envisage that central management will inform the EEF about its current global strategy and Invensys' world-wide business performance. In doing so, central management recognises and values the broad international perspective which employee representatives will bring to the EEF and, where appropriate, will wish to use this experience as a sounding board for specific ideas and proposals.

5. **MEMBERSHIP OF THE EEF**

5.1 **Central Management Representatives**

Full meetings of the EEF will be chaired by the Chief Executive of Invensys plc or his nominee, who will always be at least of Invensys plc Executive Committee status. Other Central Management Representatives will comprise:

- EEF Administrator as appointed by the Chairman
- Senior VP & HR Director, Invensys plc
- Other members of management nominated at any time by Invensys plc

The Chairman may invite other persons to attend specific meetings where this facilitates the conduct of the business.

5.2 **Employee Representatives**

5.2.1 Employee Representatives and their Deputies will be elected from amongst employees according to national laws and practice in the countries covered by this Agreement.

- 5.2.2. Following the signing of this Agreement, employee representatives will be appointed to the EEF through an election/selection procedure carried out in accordance with Clauses 5.2.5 and 5.2.7 below.
- 5.2.3. The normal period of office for EEF employee representatives is 4 years, subject to retaining a National mandate, after which a new election/selection procedure will be carried out in accordance with Clauses 5.2.5 and 5.2.7 below. Existing EEF representatives may offer themselves for re-election/appointment.
- 5.2.4. Employees are eligible for election to the EEF from their date of commencement with an Invensys company.
- 5.2.5. The process of nominating and electing employee representatives will be open to all employees covered by this Agreement, subject to the qualifying criteria set out in clause 5.2.4 above. Selection of representatives will be according to the laws and customs of the respective countries covered by this Agreement. Where no procedure exists, representatives will be chosen by direct secret ballot initiated by the Company, and covering all employees in the particular country.

The election/selection process will provide for deputies to be elected/selected in order to attend EEF meetings in the absence of the elected/selected representative. Deputies will act in the representatives' capacity should the elected representative leave the EEF for whatever reason prior to the expiry of his/her term of office.

- 5.2.6. Seats on the EEF will be allocated according to the following formula:

There will be a minimum of one employee representative for each EU/EEA country in which Invensys has employees (see Schedule 1). Once a country reaches a threshold of 3,000 employees there will be an entitlement to additional representatives based on the following formula:

One representative per 3,000 employees or part 3,000 employees

Examples:	2990 employees = one seat;
	3500 employees = 3 seats (1 + 2)
	7000 employees = 4 seats (1 + 3)

It is intended that the EEF should have a maximum of 30 employee representatives. Where changes in the structure of the Company result in this number being exceeded, the EEFCC will consider a revision of the formula.

Where there are significant changes in employee numbers within a country, a revision of the seat allocation will be considered at the next planned EEFCC meeting.

Any proposals for change will be subject to ratification at the next full meeting of the EEF.

The allocation of seats as at the date of this Agreement is listed in Schedule 3.

- 5.2.7 Where a country has more than one representative, then representation should as far as possible reflect the profile of the work force in that country, for example, the balance between operations and administration and between male and female employees. The employee representatives will be drawn from as wide a base of employees as possible.
- 5.2.8 An employee representative who ceases to be employed by Invensys in the constituency for which he/she was elected/appointed will cease to be a member of the EEF. In such cases, the representative will be replaced in accordance with the procedures outlined in Clause 5.2.5.
- 5.2.9 Employee representatives shall be afforded such reasonable means of communication with each other and time off as will enable them to carry out their functions as employee representatives promptly and efficiently. Local management will provide these facilities.

The EEF Administrator will monitor this Clause in liaison with the EEFSC to ensure consistency and fairness.

- 5.2.10 In addition, it is Invensys plc policy that no employee shall suffer discrimination, victimisation or other disadvantage as a result of carrying out legitimate duties as a representative. Employee representatives will, in the exercise of their functions, enjoy the same legal protection as they enjoy in the exercise of their representative functions under their respective national legislation.

6. FUNCTIONING AND OPERATION OF THE INVENSYS EEF

- 6.1 The establishment of an EEF Co-ordinating Committee (EEFCC)
 - 6.1.1 In order to facilitate the administration of the EEF, and deal with matters which arise under Clause 4.3, a Co-ordinating Committee, to be called the EEFCC will be formed comprising an Employee Select Committee, the EEF Administrator and other central management representatives as appropriate.
 - 6.1.2 All EEF employee representatives will be responsible for electing the Employee Select Committee comprising three EEF employee representatives, and also for appointing a Chair from the three elected.
 - 6.1.3 The EEFSC carries the delegated authority of all EEF employee representatives to act in the following areas:
 - (i) to consult on and agree with the Administrator, the items for the EEF Agenda.

- (ii) to agree notes and other communications as prepared by the Administrator

- (iii) To participate in exceptional meetings for the purpose of being informed of significant transnational issues, occurring at times where there are no scheduled meetings of the EEF. EEF employee representative members of affected countries may also be present at such meetings of the EEFCC.

Where EEFCC determines that an issue is of such significance, it may decide to refer it to a full meeting of the EEF.

In exceptional circumstances the Employee Select Committee may also request an extraordinary EEF meeting through the Administrator.

- (iv) in the event of significant changes in the structure of Invensys operations, to consider amendments to the representational arrangements to reflect those changes.

6.2 Frequency of Meetings

The EEF will meet annually at a venue and time determined by the Company and will normally follow the publication of Invensys plc annual results. The date will be notified to employee representatives and their local company management at least 3 months in advance.

The Company undertakes to call extraordinary meetings of the full EEF (or special meetings of the EEFCC) where necessary in order to fulfil the terms of this Agreement

It is the intention of the parties that subject to the constraints of price sensitivity and confidentiality, there should be a timely exchange of views on major issues which come within the scope of this Agreement.

The EEFCC will meet quarterly inclusive of meetings directly connected with EEF business.

6.3 Organisation of Meetings

The Administrator will make the necessary administrative arrangements for meetings and be responsible for notifying attendees of the meeting date, venue and final agenda. Such detail will be given at least one month prior to the EEF meeting.

Meetings will be held in a cost-effective way, taking the form of a plenary session with appropriate preparatory meetings for Representatives. It is intended that EEF meetings will normally occupy a maximum of 3 days inclusive of travel and side meetings.

6.4 **Attendance of Experts**

An external expert of their choice may advise employee representatives to the EEF/EEFCC at preparatory meetings.

The chosen expert may attend meetings of the EEF and EEFCC at the request of a simple majority of representatives.

The name of the chosen expert will be notified to the Administrator at least one month before each EEF meeting or one week before each EEFCC meeting, as appropriate.

The expenses of the chosen expert must be submitted on a reasonable basis approved in advance by the EEF Administrator.

6.5 **Training**

Appropriate training will be provided for employee representatives to ensure they have the necessary skills to carry out their EEF responsibilities.

A training plan will be devised by the EEFCC within 6 months of signing the Invensys EEF Agreement. Thereafter, the training plan will be jointly reviewed annually.

All individual training outside the scope of the EEF process is a matter for the local Invensys company.

7. **ADMINISTRATION**

7.1 **Language**

All meetings will be conducted in English, the official language of the Company. Appropriate translation/interpretation facilities will be provided by the Company to enable representatives to undertake their EEF responsibilities.

The method of interpretation will be:

EEF Meetings – Simultaneous

EEFCC/EEFSC Meetings – to be jointly determined by the Administrator and EEFCC

7.2 **Agenda**

Employee representatives may submit agenda items to the EEF Administrator in writing, at least 8 weeks before the relevant EEF meeting.

The Administrator shall prepare a draft agenda in consultation and agreement with the EEFSC for approval by the Chairman prior to each meeting of the EEF.

7.3 **Costs**

Invensys plc will bear all reasonable costs and expenses in respect of EEF/EEFCC meetings excepting employee representatives travel expenses, which will be borne by the representatives' own company. In addition, local company management must approve representatives' arrangements for time off and travel in the normal way.

7.4 **Administration in General**

The Administrator will be responsible for all aspects of EEF administration

8. **COMMUNICATIONS**

8.1 The Administrator will be responsible for drafting and finalising all notes and communications arising from EEF/EEFCC meetings.

8.2 The Administrator will be solely responsible for distributing EEF/EEFCC communications. Local Managing Directors and heads of site are held responsible for ensuring appropriate circulation within their areas of authority.

8.3 Nothing in this Agreement shall prevent the Company from communicating directly with employees. However, it is not intended that this should contravene the spirit and intent of this Agreement.

EEF representatives may report back to their fellow Works Council and/or Trade Union colleagues at country level concerning matters within the scope of this Agreement, according to the laws and customs of the country.

It is also accepted that members of the EEFSC may wish to communicate with each other in the interval between formal meetings of the EEF or EEFCC. This will be by means of telephone, fax, letter and e-mail.

9. **CONFIDENTIALITY**

9.1 The Company may classify specific written or verbal information supplied to EEF members and experts as confidential. Such information may not be divulged to a third party, including other employees. The obligation regarding confidentiality shall apply indefinitely or until such time as that information comes properly into the public domain.

9.2 It is understood that Invensys plc may be subject to regulations, which have a bearing on confidentiality of information, including, but not limited to London Stock Exchange Rules, US Federal and State Securities Laws and Rules of the New York Stock Exchange. Invensys shall be under no obligation to provide information which might be in breach of such

regulations or such information which may prejudice the commercial or financial position of the company.

- 9.3 Confidentiality constraints also apply to EEF Representatives and experts upon cessation of EEF membership or employment within Invensys without limit in time, or until the information classified as confidential comes properly into the public domain, and not through a breach of such constraint of confidentiality.
- 9.4 Disputes regarding the withholding of information deemed by Invensys to be confidential will be dealt with in accordance within the procedures set out in the transnational information and consultation laws in each of the EU/EEA countries.
- 9.5 In the case of a proven breach of confidentiality, the Chairman may suspend from the EEF the person(s) responsible pending further investigation. In such cases the Company reserve the right to withdraw EEF credentials from the person(s) concerned and to take appropriate disciplinary action and/or civil action under the rules of misconduct in the country of employment.

10. **STATUS OF AGREEMENT**

- 10.1 This Agreement shall come into effect on the date of signature. At that date the task of the SNB will be completed and it will therefore cease to exist.
- 10.2 This Agreement will continue indefinitely unless terminated either by Invensys plc or by a 2/3rds-majority vote of the employee members of the EEF, giving the other not less than 12 months written notice. The EEF will continue to operate normally during a period of notice, during which period, the parties shall negotiate to conclude a new Agreement unless a majority of more than 50% of employee representatives votes against opening such negotiations. Except in cases of breach of agreement, no termination of the Agreement may be served to expire within 3 years of its commencement.

Should there be no agreement following the end of the 12 month notice period, the notice period may be extended by a further 6 months by mutual agreement. Should there be a failure to agree after the 12 month or further 6 month period, the provisions of the Schedule defining the subsidiary requirements of Regulation 18 of the UK Transnational Information and Consultation of Employees Regulations 1999 shall apply.

The operation of the Agreement will be reviewed after a four year term at the next scheduled EEF meeting.

- 10.3 The Agreement may be amended by agreement between the Chairman and a 2/3rds. majority of employee representatives.

10.4 This Agreement shall be interpreted and construed in all respects in accordance with this English language text, which shall constitute the binding and definitive version.

11. MISCELLANEOUS

11.1 EEF members employed by companies, which cease to be part of the Invensys Group, will not be eligible to continue to serve on the EEF.

11.2 Where a country becomes over-represented, those EEF members will retain their seats until the next scheduled elections.

11.3 Where a country becomes under-represented, the Administrator will initiate the appropriate election procedures as under clause 5.2.5

11.4 Where vacancies exist, employees in acquired companies may offer themselves for election/selection at the first opportunity, providing they fulfil the eligibility criteria

11.5 Companies in which Invensys plc does not have a controlling interest as defined in Regulation 3 of the UK Transnational Information and Consultation of Employees Regulations 1999 will not come within the scope of the EEF.

11.6 In the event that Invensys acquires a company, which has an agreement, which is subject to Directive 94/45/EC, this Invensys Agreement (as may be amended under Clause 10.3) shall take precedence over other such agreements.

12. LAW

This Agreement is intended to satisfy Article 6 of Council Directive 94/45/EC and is to be governed and construed according to the UK Transnational Information and Consultation of Employees Regulations 1999.

13. SIGNATURES

13.1 The signatories are fully committed to both the spirit and intent of the Agreement.

13.2 The signatories acknowledge a responsibility for considering the interests of all employees and the interests of the Company as a whole.

13.3 The signatories are authorised to conclude this Agreement.

Date of Agreement:

28th June 2000

Place of Agreement:

**Elewijt Center, Elewijt-Zemst,
Brussels, Belgium**

Signed

.....
REGINA HITCHERY
Senior VP & Director HR

.....
JOHN SHAW
Chairman, Invensys SNB

.....
JOACHIM-F HOPPE
Personnel Director
Hawker GmbH

.....
GEORGES ROOBAERT
Managing Director
Hansen Transmissions Int. N.V.

.....
NICK TRIPP
Human Resources Director
APV
On behalf of Invensys plc.

Signed

.....
RAMREZ CANO
Dimetronic Signds

.....
LUCIA GIANNETTO
Ranco Italian Controls Inc.

.....
JAN GOLT ERMANN
APV Homogenisers

.....
RAGNAR JOHNSEN
Brook Hansen AS

.....
OVE LINDSTROM
NAF AB

.....
DANIEL MCGUINNESS
APV Ireland

.....
ALLEN OGDEN
Hawker Chloride

.....
GUNTHER PAYER
Schmidt Armaturen

.....
MARK PHELPS
Satchwell Controls Systems Ltd

.....
VICTOR RODRIGUEZ
Parvex S.A.

.....
JAN VAN DER STRAAT E
Invensys Flow Control Benelux

.....
OLLI UOLA
NAVAL OY

.....
PETER VAN HERCK
Hansen Transmissions Int. N.V.

.....
WERNER VOSSELER
Hawker GmbH

On behalf of the Invensys
SNB Employee Representatives

14. SCHEDULES

Schedule 1 - EU/EEA countries covered by the EWCDirective.

Austria	Italy
Belgium	Liechtenstein
Denmark	Luxembourg
Finland	Netherlands
France	Norway
Germany	Portugal
Greece	Spain
Iceland	Sweden
Ireland	UK

Schedule 2 - Members of the Invensys Special Negotiating Body (SNB)

Employee Representatives	Representing
Gunther PAYER	Austria
Peter VAN HERCK	Belgium
Jan GOLT ERMANN	Denmark
Olli UOLA	Finland
Victor RODRIGUEZ	France
Werner VOSSELER	Germany
Daniel MCGUINNES	Ireland
Lucia GIANNETTO	Italy
Jan van der	Netherlands

STRAATE	
Ragnar JOHNSEN	Norway
Ramirez CANO	Spain
Ove LINDSTROM	Sweden
Allen OGDEN	UK
Mark PHELPS	UK
Central Management Representatives	Representing
John SHAW (CHAIRMAN)	Invensys plc
Joachim-Friedrich HOPPE	Invensys plc
Georges ROOBAERT	Invensys plc
Nick TRIPP	Invensys plc

The employee signatories to this agreement are representatives of all employees of Invensys plc who have been elected/appointed to the Special Negotiating Body formed specifically for the purpose of negotiating this Agreement.

The management signatories to this Agreement have been appointed as representatives of the Central Management of Invensys plc.

Schedule 3 - Allocation of EEF seats for employee representatives

Country	Employees	% of Total	EEF Reps.
Austria	241	0.9	1
Belgium	756	2.72	1
Denmark	1087	3.9	1
Finland	418	1.56	1
France	3556	12.83	3
Germany	5651	20.28	4
Ireland	25	0.09	1
Italy	2243	8.09	1
Netherlands	1448	5.24	1
Norway	53	0.19	1
Spain	729	2.60	1
Sweden	332	1.21	1
UK	11203	40.39	5
Total	27742	100	22

1. Invensys EU/EEA employee data quoted as at July 2001.
2. The formula for selection of employee representatives is given in clause 5.2.6

Representatives are selected according to the laws or customs of each country
Schedule 4 - Members of the Invensys European Employees' Forum (EEF)

To be entered as an Annex to the Agreement following completion of each election/selection process.