

British Steel European Works Council

Draft agreement submitted as joint recommendation 27 November 2017

Preamble

This agreement has been concluded in order to provide a jointly managed and comprehensive process for informing and consulting the employee representatives of British Steel. Furthermore, this agreement has been concluded to ensure this process is in line with European Directive 2008/38/EC (the EWC 'recast' Directive), which provides the framework for the transnational information and consultation of employees.

British Steel is committed to informing and consulting its employees and their representatives, through the EWC, at the European level, to provide employee reps with a better understanding of the company and its operating environment; the financial and industrial situation of the company; current and recent trends in the industry to support the anticipation of change, both in the sector, and within British Steel.

British Steel and its employee representatives are committed to working together in the spirit of cooperation, openness and partnership. The parties agree that the success of the EWC, its potential for making a positive contribution to the business and the ability of employee representatives to properly represent the collective interests of the company's European workforce, will only be possible if this commitment is maintained.

1. Scope and coverage

The British Steel EWC will cover all of the company's legal undertakings within the EEA and it is the intention of the parties that this Agreement covers all employees of such undertakings in these countries.

The jurisdiction of the EWC is limited to matters that affect more than one legal undertaking in two member states. However, in line with the recast Directive, matters of significance for the business, in terms of their potential impact, will fall within the scope of the EWC, regardless of the number of EU member states involved.

Accordingly, matters which are of purely national or local relevance, and therefore subject to relevant local or national forums, will not be discussed at EWC meetings.

The employee representatives shall appoint a Chairman of Employee Representatives, a Vice Chairman and a Secretary. The Secretary will be chosen from the National Trade Union Officials.

A Select Committee will be created, comprising of the EWC Secretary and four EWC employee representatives, including the Chairman. The company will provide senior representatives of management to meet with the Select Committee appropriate to the agreed agenda.

The employee representatives will be appointed exclusively from among the employees of British Steel and will normally be nominated or elected in a manner consistent with national law and/or industry practices in the country in which they are employed. Membership of the EWC will end when the employee is no longer employed by the company. Membership of the EWC also ends when the employee ceases to be an employee representative.

Employee representatives, will represent all employees of British Steel undertakings in their home country, regardless of their specific employment and national setting.

If it is not reasonably practicable for one or more EWC representative(s) from the country concerned to attend an EWC meeting, a Deputy may act as a substitute. Deputies will be appointed at the same time as representatives.

Employee representatives are entitled to the same protection and guarantees provided for employee representatives by the national legislation or agreements within their country of employment.

2. Membership

Membership of the EWC will be distributed on the basis of a minimum one seat for each British Steel undertaking employing more than 50 people. Thereafter, additional seats will be allocated using the principle of one seat for every 300 employees as a guideline.

Should British Steel expand, any new undertakings in EU member states in which British Steel operates, employing more than 50 employees, will be entitled to one seat.

At the date on which this agreement was signed, seats on the EWC will be allocated as follows:

Country	Union	No. of seats
France:	CFDT	2
UK:	Community	7
	Unite (inc. SIMA)/GMB	7
Total:		16

The number of seats on the EWC should not exceed 25 in total. However, if, based on the formula for seat allocation above, in the event of growth in the business, acquisitions or merger, the number of seats reaches the maximum then both parties agree to review this provision of the agreement.

The term of office for all EWC positions is four years.

In addition, a National Officer of each of Unite the union, Community, GMB and CFDT will be entitled to attend as observers.

The EWC meeting will be jointly chaired by the CEO and the EWC Chairperson.

2.1 Elected / appointed posts

For the EWC to fulfil its obligations, both under law and on behalf of the European workforce of British Steel, a number of additional, specific, roles are required and these are set out below.

Role	Allocation
Trade union co-ordinator	Community
EWC Secretary	Community National Officer
Chairperson	Employee rep
Vice Chairperson	Employee rep

Trade Union Coordinator

The role of the trade union coordinator will be to provide support to the EWC and Select Committee and to provide feedback to the European trade union federation for the sector, IndustriAll. The Co-ordinator has the right to participate in EWC meetings.

Chairperson

The EWC Chairperson will jointly chair the EWC Plenary with the company's CEO and jointly chair all Select Committee meetings, with the relevant management representative. They will Chair preparatory meetings and post-Plenary meetings (on the first and second day of the main EWC meeting). They will also act as a spokesperson on behalf of the EWC and Select Committee in discussions with management.

Vice-Chairperson

This person will support the work of the Chairperson and fulfil the role of the Chair, should they be unable to themselves.

Secretary

The role of Secretary is to provide organisational support to the EWC and Select Committee and to support the EWC in discussions with management. The Secretary will be jointly responsible for setting the agenda for EWC meetings.

Resignation of EWC members

If during an employee representative's period of membership he or she is not willing and/or unable to continue to carry out their responsibilities then a replacement representative may be nominated, in accordance with normal procedure, for the remainder of the term of the original representative. However, should an existing Deputy wish to become a full member of the EWC and replace the member resigning, they will be appointed by the EWC, without the need for an election.

2.2 Management representatives

The following will attend all main EWC plenary meetings.

- a) Chief Executive Officer
- b) Deputy Chief Executive Officer (responsible for Human Resources)
- c) Chief Financial Officer
- d) Chief Operations Officer
- e) Other senior executives, as and when deemed necessary and relevant to specific agenda items and when agreed by management

Given the importance of the work of the EWC for the business and workforce, the Chair of British Steel will also be invited to attend all EWC Plenary sessions. However, their attendance will be purely voluntary.

2.3 Select Committee

Meetings of the Select Committee will be held quarterly, to carry out the following tasks:

- a) Review the agenda for the EWC Plenary
- b) Act as the main conduit for communication between management and the EWC
- c) To be informed and consult with management in extraordinary circumstances
- d) To agree information only or information and consultation on specific topics on the agenda
- e) To co-ordinate external expertise and EWC member training
- f) To resolve any conflicts with management in respect to this agreement

3 Meetings and administrative arrangements

Full EWC meetings will take place every six months (two per year), typically in June / December in line with yearly and half year company results. EWC meetings will alternate with the BSCC so as to avoid any overlap and overly complex consultative arrangements. Three of every four meetings are to be held in the UK.

3.1 Structure of EWC meetings (two days)

a) Employee reps only

Half a day will be dedicated to in-house training by the company on issues raised by the EWC members. This could include training on the financial aspects of the company; information on the company's markets; etc.

The second half of this day will be dedicated to an employee only preparatory meeting in which the EWC can discuss the information provided by the employer. In the case where external experts have been engaged, the EWC may receive a presentation of a report by their chosen experts.

b) EWC Plenary for information or Information and Consultation

The employer will make available appropriate members of management to ensure a proper and detailed discussion on any information provided or, if appropriate, to engage actively in consultation over its proposals with the EWC and their experts, if appropriate.

c) Employee reps only

The final part of the Plenary will be to allow the EWC reps to debrief, talk with the chosen experts or to formulate an Opinion.

3.2 National meetings

National meetings will take place prior to the main EWC Plenary meetings and the purpose of these is to allow EWC members to discuss information provided by the employer (see Information and Consultation). The timing of these meetings should allow sufficient time for the EWC members to review information provided by the company, to discuss the information and to request additional relevant information in such time to allow a proper and informed discussion among EWC members at EWC meetings.

3.3 Agenda for the EWC Plenary

Agenda will be jointly prepared by the EWC Chair and Secretary in consultation with appropriate management representatives.

3.4 Extraordinary meetings

Additional meetings of the full EWC will be held in exceptional circumstances and will be triggered by any of the following:

- a) Restructuring in which the company proposes a reduction of at least 10% of its European workforce.
- b) Any proposed changes to the business that affects one or more legal entities and is deemed to have a significant impact on the workforce.
- c) Proposed sale or divestment of any British Steel legal undertaking

3.5 Resources

Independent support

Once the employer has transmitted the information to the EWC reps, there will be an opportunity for the EWC reps to engage an external expert of their choice to undertake a detailed analysis of the employer's proposed measures. The employer will not unreasonably refuse such a request and will finance reasonable costs for such support.

Facilities

Facilities, including interpretation and translation, will be provided for the Employee Representatives and National Trade Union Officials to meet together, without management, on the afternoon of the day before the meeting and immediately following the EWC on the day of the meeting.

Costs of meetings

The company will be responsible for the costs of the EWC meeting, the Employee Representatives' pre- and post-meetings and training, in terms of the venue, meeting rooms, interpretation and translation services, and also reasonable travel and accommodation costs of Employee Representatives. The travel and accommodation expenses of the National Trade Union officers will be the responsibility of the relevant Trade Union.

Employee representatives will be given time off with pay to attend the training, preparatory and post meeting sessions referred to above and the EWC itself together with appropriate travelling time. All requirements for time off and travel must be arranged in advance by employee representatives with local management.

3.6 Training

All parties to this agreement are committed to training EWC representatives and their deputies, where appropriate, to ensure that they are well equipped for their roles. Individual EWC members will also have the opportunity to develop skills and competences that will enhance their capability to undertake their role on the EWC, e.g. language training.

New members and deputies to the EWC will receive appropriate induction training prior to commencing their EWC responsibilities. As an example, depending on the individual's experience, half a day could be dedicated to ensuring that the new EWC member fully understands their legal rights and obligations; the internal functioning of the EWC and its subsidiary bodies; communication between EWC members, subsidiary bodies, management and the wider British Steel workforce.

The EWC will be entitled as a collective, to training on a subject of its own choosing for an average of two days per year. Newly appointed EWC reps will be provided training in addition to these days.

4. Information and Consultation

The definitions of Information and Consultation are provided in the European recast Directive 2008. For the sake of doubt, both parties are committed to fulfilling their legal obligations under this legislation beyond the UK's exit from the European Union.

The purpose of the transmission of information from the company to the EWC, or Select Committee, is to ensure the representatives of the British Steel workforce are able to fully understand the potential impact of proposed changes to the business by the employer.

4.1 Process of Information

The EWC will generally receive information on the company's economic and financial situation, broad strategic issues, future business prospects, product market situations, investment decisions, annual report, headcount and employment issues, business reorganisations and matters such as corporate values, health, safety and the environment, technology and research, where these have a transnational dimension.

Information will be transmitted by the employer to members of the EWC at the earliest opportunity, typically this would be expected to be at least four weeks prior to the EWC Plenary meeting to enable EWC members to undertake a proper and detailed assessment of the information.

If the information falls within the scope of Consultation, as set out in the recast Directive, then EWC members will have the opportunity to engage external experts. Regardless of the use of external experts, the EWC will have the right to request further information or clarification from the company prior to the EWC Plenary. The company commits to acting reasonably in respect of such requests and undertakes to provide such additional information in sufficient time prior to the EWC Plenary to enable the EWC to fully assess such information.

4.2 Process of Consultation

Consultation, where necessary, will be conducted positively by both parties, and will only conclude once the EWC has provided an Opinion. As per the recast Directive, the employer will respond to the EWC's Opinion within a reasonable time. Once the employer has done so, and not before, the consultation process can be considered to be concluded.

The most significant part of the consultation process is the discussion between management and the EWC at the EWC Plenary meeting (Day 2). At this meeting, management will engage positively with the EWC and respond to the comments of the EWC or the experts appointed by the EWC.

If management is unable to respond to the points raised by the EWC, or the discussions are inconclusive as a result of a lack of information provided by the employer, then the consultation process remains open until such time as management responds.

In accordance with the EWC's jurisdiction and competencies, outlined previously in this document, matters for which consultation is considered to be necessary, include, but will not be limited to:

- Proposed acquisitions, mergers, divestments;
- Restructuring across the business
- Transfer of work
- Introduction of significant changes to the organisation of work

4.3 Specific use of external expert

If it so decides, the EWC will be entitled to the support of external expert in order to fulfil its obligations on behalf of the British Steel European workforce. The EWC shall select its expert through a simple majority vote of all EWC employee representatives.

The company cannot veto the EWC's choice of expert and agrees to meet the reasonable costs of the EWC engaging such expert.

The expert will be permitted to attend the employee-side preparatory meeting and, if jointly agreed between the EWC and management, the expert can attend the full EWC Plenary meeting.

The costs for the EWC's choice of expert will not usually exceed 8 consultant days a year.

However, in specific circumstances, the use of expert will relate to proposed changes by the employer. In such circumstances, the expert will provide a written proposal for the work requested by the EWC and will engage positively with the employer with a view to reaching agreement on the scope and costs of such an exercise. For its part, the employer will work in the spirit of cooperation with the expert and provide relevant information and data as required for this work.

5. Adaptation

Where a business is acquired which falls within the scope of the European recast legislation for EWCs, which has no EWC then additional seats will be apportioned to employee representatives of the newly acquired entity.

However, where the acquired business has an existing EWC, the EWC of the acquired business will be terminated and this agreement will stand for the entire legal entity.

In the event of a merger the British Steel EWC and management will work positively towards extending this EWC agreement to cover the entire newly merged organisation.

In the event of the acquisition by British Steel of a British company, this agreement will be the prevailing authority for future EWC arrangements and its provisions will be extended to include the workforce of the business(es) acquired.

6. Duration of agreement

This agreement and its application will be reviewed annually. If either party wishes to terminate this agreement, they can do so by providing six months' written notice to the other party.

7. Miscellaneous provisions

7.1 Brexit

This agreement will be unaffected by the UK's exit from the European Union and British employee representatives shall continue to serve on the EWC and will not suffer any detriment as a result. Their current rights and responsibilities under European law will be unaffected.

In addition, the application of this agreement will continue regardless of the UK leaving the European Union.

7.2 Sale of British Steel

In the event of the sale of British Steel, whether through a share transfer or straight purchase agreement, the EWC will be entitled to appoint external experts of its choosing to provide an in-depth analysis of the proposed transaction and British Steel management will cooperate fully with such a request. Part of the in-depth analysis will require the chosen external experts to have access to the potential buyer and its business plan.

8. Confidentiality

All signatories to this agreement agree that confidentiality, in relation to commercially sensitive information, must be upheld. Prior to taking up their role on the EWC, each

member of the EWC is expected to sign a non-disclosure agreement (NDA). The purpose of the NDA is to provide assurance to the company that members will not divulge commercially sensitive information, that has been provided to them by management specifically for their role on the EWC, beyond the membership of the EWC.

However, a distinction must be made between information that is publicly available, either freely or purchased, and information of such sensitivity that the company would suffer detriment as a result of the information being divulged beyond the EWC.

In order to make the transfer of information from the company to members of the EWC as transparent as possible, information that management genuinely considers to be commercially sensitive must be identified as such at the time it is transmitted to individual EWC members. Under the UK legislation, EWC members are permitted to consult with the Central Arbitration Committee to ascertain whether specific information is legitimately confidential. To avoid any such referrals, and in such instances of doubt, the EWC Secretary and a nominated representative of management will be formally and jointly tasked with investigating any such issues that may arise throughout the life of this agreement.

9. Communication

In line with the relevant UK and European legislation, the British Steel EWC has the right to communicate the discussions and work of the EWC, subject to the previous provisions in this agreement on confidentiality. Furthermore, EWC members will have the opportunity to meet with members of the workforce who could potentially be affected by any proposals made by the employer to elicit their views on the matter.

Minutes will be taken for all EWC meetings and will be jointly agreed between the nominated management representative and the EWC Secretary. The minutes will be circulated to the EWC membership and relevant management.

10. Health and Safety Committee

Health and safety is a critical issue for British Steel and the trade unions and is the subject of specific discussions between management and union reps at site / national level (whichever is correct). However, the company and trade unions consider that a small and specific body, that operates within the context of European information and consultation, would be beneficial to both the business and its workforce.

The purpose, organisation and work of this body, which will consist of a small group of union representatives elected/appointed from the EWC membership and who possess the relevant health and safety competences, are set out in the Annex to this agreement.

11. Signatures

ANNEX

EWC Health and Safety sub-group - Purpose, organisation and work

The purpose of this body is to provide a forum for information and consultation on health and safety matters at the European level of British Steel. Its work should not duplicate that of existing joint site/national level Health and Safety bodies.

The membership of the sub-group shall consist of four EWC members with H&S accreditation and who also perform the role of workplace H&S representative. The sub-group shall appoint a chair from amongst their number.

The EWC H&S sub-group will meet twice a year and will undertake the following tasks:

- Carrying out inspections on specific H&S matters, to be determined jointly by management and sub-group members.
- Investigate specific concerns raised by the EWC
- Report the findings/outcomes of its work at the EWC Plenary meetings.
- Be the forum to which management reports European H&S issues
- Be informed and consulted by management on European H&S matters, as and when appropriate

For the sake of doubt, all relevant provisions contained in the EWC agreement (above) will apply to the members of the EWC H&S sub-group.