

AGREEMENT FOR COMMUNICATION AND CONSULTATION
WITH EMPLOYEES OF HONDA IN EUROPE

(update: Feb. 2017)

Background and Introduction

Within its various business operations and locations within Europe, Honda has always accepted its responsibility for the development of the Company and the social obligations towards active collaboration with its Employees and its Representatives.

With this Agreement concerning Honda business operations in Europe, in 1994, the Management of Honda in Europe and its Employees across its business locations have agreed to establish an information and consultation structure which will develop a dialogue and exchange of views at European level. They together seek to make an active contribution to improving understanding at all levels of the Company operations across Europe.

The parties to this Agreement are agreed that a successful social development has to go together with international competitiveness which is achieved through the highest level of productivity and flexibility, making constantly increasing demands in respect of the quality and customer acceptability of our products.

To ensure the Agreement is relevant to the changing needs of the business and Employees, the amendment of the initial agreement is made between Honda Motor Company Limited (Hereinafter referred to as “The Company” and whose nominated European Representative is Honda Motor Europe Limited) and its Employees and/or their nominated/elected Representatives of their locations within its European operations.

1. Principles

1. The Company and the Representatives of their Employees at their various locations within the area agree to develop, over and above any local situation, arrangements to work together at European level in the spirit of constructive dialogue in order to continually develop communication and consultation over European business subjects and to jointly and constructively work together to resolve any difficulties which may arise.
2. The parties to this Agreement together have agreed to establish and maintain the Honda European Communication and Consultation Group. (HECCG)

3. The statutory rights and duties/responsibilities of current national and local arrangements/agreements and of Employee Representatives shall not be affected by this Agreement.

2. Procedures

- A) Timing and Structure

1. Once per annum (normally in the month of March), the following Meeting shall take place for the purpose of developing communication and consultation between the Company and the Employees at European level.

- Part 1 - This part shall be primarily for the purpose of communication and clarification and discussion of key issues.

The Statutory Board of Directors of HME
Product Directors for Europe
Financial Director for Europe
Human Resources Director for Europe

One Employee Representative from each location with more than 50 permanent employees.

One President/Senior Manager from each location with more than 50 permanent employees.

However, notwithstanding the above, arrangements shall be made that there shall be at least one Employee Representative from each European country where the Company has a majority-owned subsidiary/ies and a minimum of 15 permanent employees in that country.

- Part 2 - This part shall primarily be for the purpose of consultation on matters arising from Part 1 and to discuss items of common interest.

Employee Representatives, Statutory Board of Directors of HME, Product Directors for Europe, Finance Director for Europe and Human Resources Director for Europe (or their designated replacements).

The Employee Representatives shall get a reasonable time to prepare, in group, questions related to the information of Part 1. A dedicated and appropriate space will be put at their disposal.

- An Interim Meeting may be held at a convenient time for the purpose of:
 - Reviewing the first half of the current fiscal year.
 - Highlighting key issues for the remainder of the current fiscal year and

Should any important matter arise between such Interim Meetings and the Annual Meeting, the Co-ordinator may adjust the Agenda of the forthcoming Meeting.

- An Organising Committee (OC) will be established. The Committee is constituted of:
 - Six Employee Representatives elected by the total group of Employee Representatives. The OC Employee Representatives are elected for the duration of 2 years.
 - 2 Management Representatives: members of the Senior HR Management team of HME.
 - The HECCG Coordinator who acts as Chairman of the OC.
 - In specific exceptional cases, one or more members of the Statutory Board of Directors of HME can be called in.
- The role of the OC is to participate to the preparation of the HECCG meetings: proposing to the Senior Management items for the Agenda of each HECCG meeting, themes for the Working Group Session of the Annual meeting, coordinate the Q&A session. Subjects for the Agenda will be proposed at least 3 months in advance. The suggestions of the OC need to be agreed by the members of the Statutory Board of Directors of HME before becoming part of the Agenda. The OC can make proposals to improve the Agreement where needed, as long as the proposals are in line with the initial spirit of the HECCG Agreement. The OC will assure the follow-up of open items resulting from HECCG meetings.
- The OC will meet 4 times per year, once in preparation of each HECCG meeting, once in between meetings.
- Meetings of the OC will be held in the most effective way, whereby video conference is the preferable means.

- After each meeting of the OC, minutes will be provided within 3 working days.
2. The Company shall be responsible for appointing the Chairman of each Meeting and the Co-ordinator.
 3. During the course of each year and between Meetings, issues may arise which could affect business activities and the interests of employees in more than one country. At the request of the HECCG Representatives of any two locations and countries or a European Responsible Manager or on his own initiative, the Co-ordinator shall then establish a Special Group, called SHECCG, composed of the European Responsible Manager concerned plus Representatives of potentially affected locations to consult directly in good time regarding the situation or proposal. The members of the OC will be invited to join those meetings. Their role will only be to advise the other Employee Representatives, except if their location is also potentially affected by the change, in which case they will be fully part of the Consultation process. The other locations that are not directly concerned by the issue, subject of the SHECCG Meeting, will receive a summary of the information provided, this within 3 (three) working days after the related SHECCG meeting.
 4. Attendance at the HECCG Meetings places on all the obligation to observe strictest confidentiality in connection with all Company and business items which are commercially sensitive in conformity with national law applicable. This obligation shall apply in perpetuity.
 5. President/Senior Manager Representatives shall be nominated from within the Management of the Location concerned. Employee Representatives shall be elected according to local law and custom and practice but, as a general guideline, the Company would recommend that all levels of the organisation below Manager level should be included. Potential candidates for the position of Employee Representative at HECCG shall be employed permanent Employees of the location. Prospective representatives shall have a period of two weeks to register their nomination before the nomination list is closed. All Employees in employment with the Company and based at a particular location, whatever their nationality or term of assignment, shall be entitled to participate to the election process for the HECCG Employee Representative. In locations where such usage or practice exists, the Employee Representative and the substitute Representative can be assigned from amongst the members of a local consultation body, predicated by members of this body, having a mandate from all Employees of the location. In all other cases a proper election process will be established, in line with the above mentioned procedure. If for a

particular HECCG meeting, both primary and substitute Employee Representatives cannot attend, then these Representatives will be entitled to propose to the Management of the location, another member of the Employee group to participate to the HECCG meeting. The assigned Employee Representatives will always maintain a good relationship with the local consultation bodies. The newly assigned Employee Representatives will get an initiation in the European structure and activities of the Company and in the details of the HECCG agreement.

Notwithstanding the above, it is recognized that a representation for a period of 4 years is ideal to get maximum benefit in terms of active participation, however, as this is not always practical for locations, it is recommended that Representatives shall be appointed/elected for a period of not less than two years but subject to the duration of the mandate of the local consultation body, where appropriate.

6. It is expected that Management within the European organisation who are present will embrace sufficient operational expertise to address any reasonable requests from HECCG Representatives for:

- additional information or
- clarification relating to Agenda topics.

On the rare occasion that this cannot be achieved to the satisfaction of the Representatives concerned and with the support of a majority of location Representatives present, the Chairman will be required to assess the need for an external expert and that such a request is answered from the most effective source. In case the Chairman expresses the opinion that such a request should not be granted, an independent third party (eg. External Statutory Auditor) may be requested to provide a view on the need for appointment of an expert. The third party will be chosen in consensus between the Employee Representatives and the Company. The opinion of this third party will be binding. The process will not delay the change process with more than 15 working days. The Company shall be responsible for the cost of such provision with a maximum of 50.000 Euro (fifty thousand Euro) per annum. In cases where it's justified, the Company can decide to exceed that amount. The expert will not participate in any HECCG meeting, but will provide the advice and opinions in writing.

Each external party and each expert shall sign a non disclosure agreement as foreseen by the Company policies.

- B) Contents of the Meeting.
 1. Provision of Information.

- a) All HECCG Representatives shall therefore meet in session as earlier prescribed and the Company shall be entitled to nominate the location of the Meetings and be responsible for all expense for these Meetings.
 - b) All parties accept that the responsibility for communication and consultation for local(location and national) matters shall remain at local level and that, therefore, the topics to be discussed at these Meetings shall cover European matters only and shall relate primarily to the following areas:
 - European business activities for the current year
 - European business plans for the forthcoming year.
 - c) Discussion of these topics shall at the same time contribute to an exchange of information on trends and strategies and promote understanding to the benefit of all persons present.
 - d) During Part 1 of the Annual Meeting, an Outside Speaker may be invited to speak on a subject which has direct relevance to the business situation of the Company in Europe. Also, Representatives shall have the opportunity to discuss in small Working Groups an item which is currently challenging Honda in Europe.
 - e) It is expected that, over and above the formal part of this Agreement, all HECCG Representatives shall take every opportunity to meet and communicate informally at every meeting with colleagues from other locations and Divisions.
- 2) Consultation.
- a) The Employee representatives shall be consulted at these Meetings (Part 2) regarding any business plans or activities which might have a substantial effect on the interests of employees at European level bearing in mind that local plans shall always be discussed at local level. Consultation shall occur in the spirit of an open-minded and constructive dialogue, between the company and the Employee Representatives, at such time that they are able to express, within a reasonable time, an opinion on the basis of the information provided.
 - b) The information given in Part 1 of this process shall be as informative as possible for all Representatives and any clarification required shall be made at that time. The final Part shall consist of a Question and Answer session and open discussion of all attendees which shall be taken into

consideration within the Company decision-making process. It is accepted that all Parties to this Agreement that Management have the full responsibility for managing Company affairs and activities. As English is the common language for Honda business activities at European level, it is important that all attendees have a reasonable knowledge of English in order to maximise understanding and participation. Should any Representative have particular language difficulty, the Company will offer English language training support upon request to the Co-ordinator. It is expected that such Representatives will avail themselves of this training. If this still leaves a particular difficulty, special translation support may be provided at the Meeting subject to individual need and to enable reasonable understanding of the key proceedings. The Co-ordinator shall be responsible for the method of such support.

- c) Prior to HECCG Meetings, each Representative shall receive pre-Meeting information and Product Division material in order to prepare for Agenda items.
At the Meetings, each Representative shall receive the full text of the Keynote Speech and copies of all presentation material in an appropriately European language.
Following the Meetings, each location shall receive a summary of discussions at the Meeting in addition to Minutes in order to assist in communication with all local Employees
Any adjustments to these arrangements may be made with the agreement of a majority of all Representatives.
- d) Following these HECCG Meetings, both Management and Employee Representatives of each location shall report back together to all employees at that location. Such feedback shall take place within six weeks of the HECCG Meeting. This feedback shall take place within Company time and therefore it is anticipated that all Company employees shall attend in order to support maximum understanding and comment.
- e) Those European locations not directly represented at HECCG shall receive communication before and after each Meeting via the Representatives of the nearest convenient Honda location.

3) Costs

The Company undertakes to be responsible for the costs of all Attendees to the Meetings including travel, accommodation, meals and reasonable general expenses.

4) Development of the Agreement

All Members of the HECCG Agreement agree that they will positively work together to constantly try to improve the operation and effectiveness of this Agreement.

Any Member may recommend ways to achieve this objective and such ways shall be utilised if they have the support of a majority of all Employee Representatives. If such innovations prove successful, they may be then considered under Item 5 below – Changes to the Agreement.

5) Period of Agreement / Amendments.

This Agreement shall continue until such time as Representatives have discussed and approved alternative arrangements or a new Agreement. Thereafter, at an Annual Meeting, the Representatives of two or more Locations or the Organising Committee or the Chairman or Coordinator may propose amendments to this Agreement. Such proposals shall be presented to the HECCG Meeting following due notice and then voted upon by all Location Representatives.

If approved by a simple majority of all such Location Employee Representatives, such an amendment or modification shall become effective from the next HECCG Meeting.

6) Scope of the Agreement.

The scope of the Agreement shall apply to all locations for which the Company has a majority shareholding within the Company's European area of business operations.

7) This Agreement accords with the requirements of Article 14.1a of the European Community Directive 2009/38/EC.

8) This Agreement shall be governed and construed in accordance with the laws of England.

Attachments:

Chairman

Appointed by the Company, he/she shall be responsible for directing the Meeting within the prescribed Agenda and within the terms and conditions of this Agreement. In the event of any question or clarification during the Meeting, his/her position shall be responsible for guiding the Meeting.

Coordinator

Appointed by the Company, he/she shall be responsible together with the Organising Committee for planning and coordinating all arrangements required within this Agreement including preparation of Agenda, required Meeting arrangements and other specified tasks. He/she shall be responsible for taking all necessary Minutes and circulation to all Attendees; if no amendments are requested within two weeks of receipt, such Minutes shall be considered as approved.

Organising Committee

Together with the Coordinator and the Company's team, the members of the OC shall be responsible for the practical organisation of the HECCG meetings. The Employee Representatives may propose subjects for the Agenda and themes for the Working Groups. It will make the follow-up of open items that arose during HECCG meetings. It can make proposals for the continuous improvement of the HECCG Agreement, as long as they are in line with the initial spirit of the Agreement.

Locations within HECCG Agreement.

| | |
|---------|--|
| UK | HME HME – UK HFE HUM HMEL – UK HRE – UK |
| GERMANY | HME-DE HRE – G HBG |

| | |
|------------------|---|
| ITALY | HII HME-IT |
| | HRE-I |
| BELGIUM | HMEL-Ghent HMEL-Aalst HAC-E HME-BN |
| SPAIN | HME-IB MH |
| FRANCE | HFM HME-FR |
| NETHERLANDS | HME-BN |
| AUSTRIA | HME-CE |
| SWEDEN | HME-NR |
| SWITZERLAND | HME-CH |
| CZECH / SLOVAKIA | HME-CE |
| POLAND | HME-PL |

COMMUNICATION WITH LOCATIONS NOT DIRECT REPRESENTED
HECCG MEMBERS

| | |
|--------|--------------------|
| HME-NR | HME-Nor HME-Den |
|--------|--------------------|

HMEL-Ghent HMEL – IT (together with Reps from HME-IT)
 HMEL– ES (together with Reps from HME-IB)
 HMEL – AU (together with Reps from HME-CE)
 HMEL-SE (together with Reps from HME-NR)

HMEL-Aalst HME-A

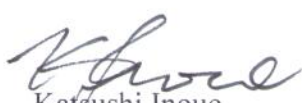
HME-ES HFE-Spain
 HME-IB (PT)

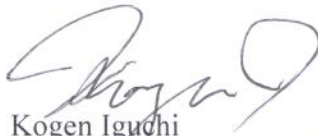
HME-CE HME-HU

HRE-G HRI-EU


Agreed at Brussels, 28 februari 2017

Management


Katsushi Inoue
COO and President HME


Kogen Iguchi
Senior Vice President HME


Ian Howells
Senior Vice President HME


Philip Ross
Senior Vice President HME

Employee Representatives

Ales Indra
HME-CE



Patrick Renard
HMEL-G


PATRICK
RENARD



Samantha Stiles
HMEL-UK



Jan Van Den Meersch
HMEL-A



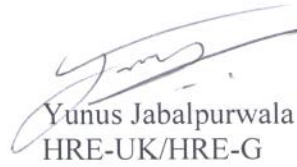
Jean-Luc Vaussy
HME-FR



Xavier Dubois
HFM



Sven Gross
HME-DE



Yunus Jabalpurwala
HRE-UK/HRE-G



Dario Landi
HRE-I



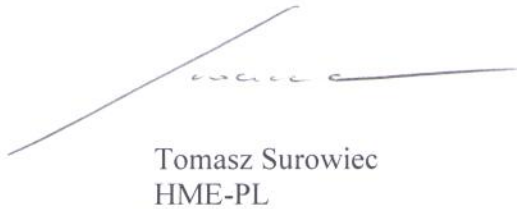
Francesco Flaminio
HII



Paolo D'amico
HME-IT



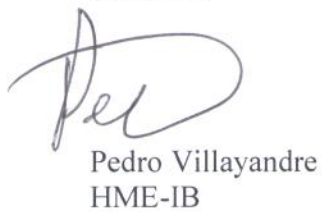
Vincent Graafmans
HME-BN



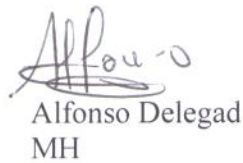
Tomasz Surowiec
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Pedro Almeida
HME-IB(PT)



Pedro Villayandre
HME-IB



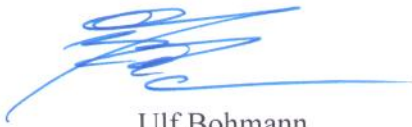
Alfonso Delegad
MH



Marten Linden
HME-NR



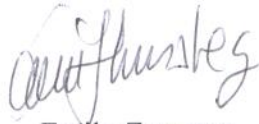
Kiran Tember
HME-UK



Ulf Bohmann
HBG



Monika Ditton
HFE



Emily Zumsteg
HME-CH



Sofie Victor
HAC-E



Antony Horgan
HUM



Rahul Kumar
HME