

AGREEMENT ON THE ESTABLISHMENT OF THE SANOFI-AVENTIS EUROPEAN WORKS COUNCIL

□ **Introduction**

Within the framework and in application of the European Directive of 22 September 1994, the central management and employee representatives of the sanofi-aventis group declare their joint commitment to continuing and strengthening at European level the social dialogue developed in the European bodies of the Sanofi-Synthélabo and Aventis groups before they merged.

The purpose of this agreement is to establish a new European body within the sanofi-aventis group, called the European Works Council, and define its working procedures.

The sanofi-aventis European Works Council is a forum for social dialogue. Its role is to foster the exchange of experience between employee representatives from the different European countries covered by the present agreement. This employee representative body is additional to and distinct from other company or country representative bodies. The European Works Council is therefore not intended to replace those bodies, which retain all their prerogatives.

It is the signatories' intention that the European Works Council should be a genuine forum for social dialogue and exchanges of views at the Group's European level so that consideration can be given to comments and proposals made by employee representatives on the European Works Council in the decision-taking process.

In the same spirit, the parties affirm their commitment to freedom of expression, respectful of people and their experiences, which will guarantee the quality and effectiveness of discussions within the European Works Council.

To that end, Management pledges to facilitate organisation of the work of employee representatives on the European Works Council so that they can fully participate in its work. It shall also ensure that they are not the victim of discrimination because of their office.

The signatory parties agree that the working procedures of the European Works Council may be modified under the conditions set forth in this agreement.

□ **Article 1 – Scope**

This agreement applies to all employees of companies located in Member States of the European Union or the European Economic Area of which sanofi-aventis directly or indirectly owns more than 50% of the capital.

These countries are:

- Germany
- Austria
- Belgium
- Cyprus
- Denmark
- Spain
- Estonia
- Finland
- France
- Greece
- Hungary
- Ireland
- Iceland
- Italy
- Latvia
- Liechtenstein
- Lithuania
- Luxembourg
- Malta
- Norway
- Netherlands
- Poland
- Portugal
- Czech Republic
- United Kingdom
- Slovakia
- Slovenia
- Sweden

The scope of the European Works Council is extended to the following countries, as set forth in Article 3.1, since they will shortly become members of the European Union:

- Bulgaria
- Croatia
- Romania

- Turkey, four years before its probable accession to the European Union

□ **Article 2 – Mission and competence of the European Works Council**

The mission of the sanofi-aventis European Works Council is to ensure that employees in the European countries covered by this agreement are informed and consulted in good time. It provides a forum for information about the Group's strategic options, for social dialogue and for discussions of economic, social and financial issues and prospects which require treatment at this level because of their importance, their global nature and their transnational impact.

Such exchanges shall be organised as early as possible so that the remarks or proposals of the European Works Council can be included in the decision-taking process.

The Council's mission also includes encouraging exchanges of experience between the representatives of the European countries within the scope of this agreement.

In particular, such information, exchanges of views and dialogue shall concern:

- major developments within the Group,
- the economic and financial situation of the Group and its business activities,
- significant changes in the Group's structure,
- guidelines for the Group's social policy (employment, training, health and safety, working conditions, the environment, etc.).

The sanofi-aventis European Works Council has competence for matters that concern either the Group as a whole on a Community scale, or at least two Group companies or establishments located in different Member States, or a Group company or establishment in one Member State when there are repercussions in one or more other Member States.

As a forum for social dialogue, the European Works Council has a role complementary to and distinct from that of the specific representative bodies for each company or country. It is not intended to replace such bodies, which retain all their duties and powers.

□ **Article 3 – Membership of the European Works Council**

The Council consists of:

- the CEO of sanofi-aventis or his representative, who shall chair the Council; he may be assisted by members of General Management;
- members and observers or their respective substitutes, appointed for a four-year term which shall run from the first plenary European Works Council meeting after such appointment.

3.1 - Allocation of seats

In order to ensure the best possible representation on the European Works Council of all countries where sanofi-aventis employees are present and the constructive and efficient operation of the Council, the total number of employee representatives (members and observers) sitting on the Council shall be 40.

Seats shall be allocated according to the proportion of employees in each country, as follows:

< 0.3%:	0
> 0.3% to 2%:	+ 1
> 2% to 4%:	+ 1
> 4% to 7%:	+ 1
> 7% to 11%:	+ 1
> 11% to 16%:	+ 1
> 16% to 22%:	+ 1
> 22% to 29%:	+ 1
> 29% to 37%:	+ 1
> 37% to 46%:	+ 1
> 46% to 50%:	+ 1
> 50%:	x up to 40.

In view of the countries where the Group is located and its European headcount at 31 December 2004, seats are allocated as follows:

	COUNTRY	HEADCOUNT AT 31/12/04	MEMBERS	SUBSTITUTES	BREAKDOWN IN %
1	Germany	10 106	6	6	18.91%
2	Austria	272	1	1	0.51%
3	Belgium	486	1	1	0.91%
4	Cyprus	10	0	0	0.02%
5	Denmark	95	0	0	0.18%
6	Spain	1953	2	2	3.65%
7	Estonia	149	0	0	0.28%
8	Finland	130	0	0	0.24%
9	France	27 663	13	13	51.76%
10	Greece	458	1	1	0.86%
11	Hungary	2 277	3	3	4.26%
12	Ireland	264	1	1	0.49%
13	Iceland	0	0	0	0.00%
14	Italy	3 380	3	3	6.32%
15	Latvia	48	0	0	0.09%
16	Liechtenstein	0	0	0	0.00%
17	Lithuania	68	0	0	0.13%
18	Luxembourg	0	0	0	0.00%
19	Malta	0	0	0	0.00%
20	Norway	77	0	0	0.14%
21	Netherlands	321	1	1	0.60%
22	Poland	757	1	1	1.42%
23	Portugal	617	1	1	1.15%
24	Czech Republic	298	1	1	0.56%
25	United Kingdom	3 080	3	3	5.76%
26	Slovakia	429	1	1	0.80%
27	Slovenia	40	0	0	0.07%
28	Sweden	208	1	1	0.39%
			OBSERVERS		
29	Bulgaria	80	0	0	0.15%
30	Croatia	32	0	0	0.06%
31	Romania	146	0	0	0.27%
	TOTAL	53 444	40		100.00%

The countries represented by observers (Bulgaria, Croatia, Romania and, at a later date, Turkey) shall become members of the European Works Council when they join the European Union.

If there is any substantive change to the scope of this agreement, the Select Committee (defined at Article 5 below) shall meet to consider the options for a redistribution of seats, which will take effect when terms of office are renewed, while remaining within the overall maximum of 40.

3.2 - Appointment

Each country shall appoint its representative(s) according to the laws and regulations or practices relating to such appointments. If there are no such laws and regulations or practices, the Human Resources Department of the country concerned shall propose an appointment procedure.

Employee representatives appointed to the European Works Council must be employees of a Group company within the scope of this agreement as defined at Article 1 above and hold an elective or trade union office.

Named substitutes shall be appointed under the same rules that apply to members and observers. They shall attend meetings, whether preparatory or plenary, only if members or observers are absent.

Employee representatives who lose their elective or trade union office shall also cease to be members of the European Works Council. In such a case, a new representative shall be appointed for the remaining term of office in accordance with the rules set forth above.

□ Article 4 – Operation of the European Works Council

4.1 - Meetings of the European Works Council

In principle, plenary meetings of the European Works Council shall be held at the Group's headquarters twice a year and shall be called by the Chairman:

- one meeting in the first quarter, to examine the accounts for the previous year and budgets for the current year;
- one meeting in the third quarter, devoted to the Group's business activities, especially research, and prospects.

A review of the Group's operations shall be presented at each meeting.

A notice of meeting shall be sent to each member of the European Works Council and to each observer at least 20 days before the date of meeting. As far as possible, all documents needed to prepare plenary meetings shall be sent in French and English within the same period, so that they can be translated into the language of the country of the representative concerned if necessary.

The day before the plenary meeting, the employee representatives (members and observers or their substitutes) shall have one day to attend a preparatory meeting. A representative of each European trade union organisation (EMCEF, FECCIA) may attend this meeting in an expert capacity.

After the plenary meeting, European Works Council members and observers who attended the meeting may hold a winding-up meeting.

4.2 - Participation in discussions

All members and observers may take part in discussions at plenary meetings of the European Works Council. Only members or their substitutes may vote on matters put to a vote of the Council.

4.3 - Organisation of meetings

Simultaneous translation shall be provided for all preparatory, plenary and winding-up meetings according to the language needs identified.

The proceedings of the European Works Council shall be recorded by stenography. The full stenographed report in French shall be sent to all Select Committee members.

The Secretary and Deputy Secretaries shall draft minutes in French and English on the basis of this stenographed record.

After approval by the Select Committee, the minutes shall be circulated to all members of the European Works Council and observers (and their substitutes) and to the management of subsidiaries, which shall arrange to have the minutes translated for transmission to their respective employee representative bodies.

□ Article 5 – Select Committee

At its first meeting, the European Works Council shall appoint a nine-member Select Committee, comprising:

- a Secretary and two Deputy Secretaries (representing different countries), elected from the Council by a majority of members present;
- six representatives elected from the Council by a majority of members present.

The members of the Select Committee shall be from at least four different countries.

The Select Committee is the collective representative of the European Works Council. It ensures permanent contact with Management for all matters concerning operation of the European Works Council, including setting the dates of meetings, organising them and transmitting information to Council members.

The Select Committee also ensures coordination with employee representatives on the European Works Council and cannot replace the Council. It provides information to the representatives on the European Works Council.

The Select Committee sets the date and agenda of plenary meetings of the European Works Council in consultation with Management. The Select Committee and Management representatives shall meet at the latest one month before plenary meetings of the European Works Council in order to prepare the items on the agenda.

After consultation of the European Works Council's members, the Select Committee shall approve, with Management, the minutes of the previous plenary meeting at the latest two months after the date of the meeting.

In exceptional circumstances which have a significant effect on the Group's operations, organisation or structures and directly concern several countries within the scope of the European Works Council, the Select Committee or a majority of European Works Council members may ask Management to call an extraordinary meeting of the European Works Council under the conditions relating to its working procedures.

After informing their management and the Group Social Relations Department, members of the Select Committee may make three one-day trips per year to countries within the scope of this agreement. Accommodation expenses in connection with such trips shall be paid as set forth at Article 6.1 of this agreement.

The Select Committee may, on its own initiative, meet twice a year. The Select Committee shall draw up proposals for collective training in consultation with the representatives on the European Works Council.

□ **Article 6 – Resources allocated to the European Works Council**

6.1 - Operating expenses

The companies that employ European Works Council members and observers shall pay their travel and accommodation expenses in connection with meetings of the European Works Council and Select Committee according to a scale prepared by the Group Social Relations Department. European Works Council members may use the services of the company that employs them to organise their travel.

Management shall ensure that the fact that affiliates assume these expenses does not present an obstacle to members' performance of their duties.

6.2 - Travel other than for European Works Council meetings

All European Works Council members and observers (and their substitutes) may make one trip a year in order to attend a meeting of the European body of which their trade union is a member.

6.3 - Time allowance

Other than time spent at meetings, European Works Council members and observers shall have 12 days per year.

Members of the Select Committee shall have an individual time allowance of:

- 50 days per year for the Secretary and Deputy Secretaries,
- 25 days per year for the other Select Committee members.

In exceptional circumstances and after discussion with Management, Select Committee members may be allowed additional time off.

6.4 - Country preparatory and winding-up meetings

In each country, the Country Manager or his representative shall organise a meeting of the country's European Works Council members and qualified representatives of the main companies or groups of companies (e.g. secretary of statutory body, trade union representatives, etc.).

The purpose of the meeting is to enable the country's European Works Council members to review items within the Council's remit that could be included on its agenda. They should be forwarded to the Select Committee.

A winding-up meeting may be organised under the same conditions as the preparatory meeting.

6.5 - Expert assistance

The European Works Council may seek the assistance of one or more experts on specific subjects on the agenda. The role of the expert(s) is to give the Council a better understanding of the subjects raised.

The European Works Committee shall appoint such expert(s) on a proposal from the Select Committee.

Expert reports shall be presented to the European Works Council at preparatory meetings.

When the agenda of the European Works Council is drawn up, a decision may be taken to present the expert report(s) at the plenary meeting.

Management shall bear the cost of such expert assignments within a limit of €76,000 per year.

6.6 - Training

Management and the Select Committee shall examine the needs for collective training expressed by the European Works Council for its members, observers and their respective substitutes, within a limit of six days per member, observer or substitute during the first two years of their term of office.

Within the framework of the training budget, local managements should financially and organisationally facilitate requests for language training (English/French) made by European Works Council members, observers and their respective substitutes who wish to make a personal commitment to such training. The training should be adapted to the language level of the Council members, observers and their respective substitutes.

The European Works Council shall be allocated a budget for buying the documentation it considers relevant, within a limit of €150 per year per member, observer or substitute.

6.7 - Communication resources

In all the countries within the scope of this agreement, procedures and means for circulating information between European Works Council members, observers and substitutes, and

between them and employees, shall be determined in accordance with the prevailing local procedures.

In order to encourage exchanges between members of the European Works Council, observers and substitutes and to facilitate the preparation of plenary meetings, Management shall as soon as possible provide a computer, printer, fax, international telephone line and access to the internal messaging system and internet, under proper conditions of use, to all those who do not have access to such facilities in the course of their regular work.

Subsidiaries' management shall pay postage costs within locally defined limits.

6.8 - Premises

An office containing a telephone equipped with voicemail connected to an international line, a fax, a PC equipped with up-to-date basic software connected to the company's internal network with internet access, and a printer shall be made available to the European Works Council secretariat in one of the headquarters establishments in Paris.

6.9 - Performance of duties

The sanofi-aventis group shall help European Works Council members to perform their duties in compliance with local legislation. Management in the countries concerned undertake to facilitate organisation of the work of employee representatives on the European Works Council so that they can participate fully in its work.

In this spirit, the Group Social Relations Department shall ensure that European Works Council members are recognised as such by the management of the company or site to which they belong so that they can perform their duties under the best conditions.

The Group Social Relations Department shall ensure that exercise of the freedom of expression, in a spirit of mutual respect, does not have adverse consequences for representatives on the European Works Council, who benefit from the same protection as other employee representatives. It shall also ensure that they are not the victim of discrimination because of their office.

Time spent in meetings and travel shall be considered working time and paid as such.

□ Article 7 - Election of employee representatives to the sanofi-aventis Board of Directors

At its first meeting, the representatives on the European Works Council shall elect five employee representatives from among its members who will sit on the sanofi-aventis Board of Directors in an advisory capacity for a four-year term. These employee representatives shall come from at least three different countries in which the Group simultaneously carries on several activities. They must belong to a trade union organisation that is a member of EMCEF or FECCIA. These federations must confirm the appointments.

The working languages at Board of Directors meetings, at the present time, shall be French, English and German.

□ **Article 8 - Confidentiality**

European Works Council members, observers and substitutes and experts must keep confidential all information identified as such by Management until the information is in the public domain.

They are bound by a general obligation of discretion in their dealings with persons or bodies outside the sanofi-aventis group.

This obligation shall continue to apply even after their term of office expires.

□ **Article 9 – Duration - Revision - Termination**

9.1- Duration

This agreement is concluded for an unlimited period as of the execution date hereof.

9.2- Revision

However, if Management and a majority of European Works Council members consider it necessary to amend one or more articles of this agreement during its term, the European Works Council shall appoint representatives from among its members to negotiate any such amendments.

9.3- Termination

This agreement may be terminated by a majority of European Works Council members or by Management by registered letter with acknowledgment of receipt giving six months' notice. In such a case, Management shall convene a new Special Negotiating Body within **6 months** of the date when notice of termination was sent in order to negotiate a new agreement.

□ **Article 10 – Governing law and jurisdiction**

Since sanofi-aventis has its registered office in France, this agreement shall be governed by French law.

Any dispute arising from construction or performance of this agreement shall be referred to the competent French and European courts. In the event of any difference of interpretation, the French text of this agreement shall prevail.

Versions of this agreement shall be prepared in the languages of the countries concerned.

□ **Article 11 – Notification**

This agreement shall be filed with the *Direction Départementale du Travail, de l'Emploi et de la Formation Professionnelle* (Departmental Department of Labour, Employment and Vocational Training) and the *Secrétariat-Greffe du Conseil des Prud'hommes* (Employment

Tribunal Registrar) of the place where sanofi-aventis has its registered office and with the European Commission in Brussels.

Done at Paris on February 24, 2005

**FOR SANOFI-AVENTIS
THE CHAIRMAN**

**MEMBERS OF THE SPECIAL
NEGOTIATING BODY**

Jean-François DEHECQ

**GERMANY: Annette BUNGERT
IGBCE**

**Friedhelm CONRADI
IGBCE**

**Michael KIPPEL
IGBCE**

**Inge EUTER-MEYER
IGBCE**

AUSTRIA: Hans-Peter WEILER

**BELGIUM: Stefan DE TOLLENAERE
SETCa (FGTB)**

**SPAIN: Rosa ESPINOS
CC.OO**

Manel RUBIO
U.G.T

FRANCE:

Alain DORBAIS
CFDT

Françoise PIERRE
CFDT

Rémi BARTHES
CFE-CGC

Daniel THEBAULT
CFE-CGC

Christian BILLEBAULT
CFTC

Alain AMANS
CFTC

Annie VALAIS
CGT-FO

Jean-Claude REVY

CGT-FO

**Gilles HELLIER
CGT**

**Patrick MILLEREUX
CGT**

GREECE: Dimitris LOCHAITIS

**HUNGARY: Miklósné BÁNHEGYI
VDSz**

**Mariann ECSERYNÉ-PUSKÁS
VDSz**

**IRELAND: Carmel O'SULLIVAN
SIPTU**

**ITALY: Franco CAPOVANI
CGIL**

**Massimo CERZA
UIL**

**Enrico DAVI
CISL**

NETHERLANDS: Bert DE MEULDER

**POLAND: Tadeusz PEROŃCZYK
Solidarność**

**PORTUGAL: Margarida ALCOBIA DUARTE
SINQUIFA**

**UK: Pat BARON
USDAW**

Martyn VERGE

SWEDEN: Sirkka-Liisa WESTERHOLM

**SLOVAKIA: Josef ŠVARC
OZ Chemie Slowakei**

**CZECH
REPUBLIC: Zdenka TUMOVA**

European trade union organisations:

**EMCEF: Reinhard REIBSCH
General Secretary**

**FECCIA: François Vincent
President**