



SABMiller Europe European Works Council

16 August 2006

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Signatures

A) Parties to this Agreement

Signed on behalf of SABMiller Europe Employees in:

Company Name	Name	Position	Date	Signature
Kompania Piwowarska s.a.				
Plzensky Prazdroj, a.s.				
Pivovar Šariš a.s.				
Dreher Sörgyarak Zrt.				
*Birra Peroni_S.p.A.				
Compañía Cervecera de Canarias				

Signed on behalf of SABMiller Europe Management:

Name	Position	Date	Signature
Richard Davies	HR Director SABME		
Dave Pieterse	HR Manager Europe		
Nick Mogilnicki	OD Manager Europe		

B) Other



Signed on behalf of EFFAT:

Name	Date	Signature
Simon Cox		



Abbreviations

SABME – SABMiller Europe

SABME EWC – SABMiller Europe European Works Council

SNB - Special Negotiating Body

Introduction

This Agreement is an application of the European Directive 94/45 EC of 22 September 1994, which institutes European-level information and consultation procedures. It is hereafter referred to as the 'Directive'.

SABMiller Plc is essentially a decentralized business comprising businesses in various countries. However, there are issues of commonality across the European Region. On such matters, the senior regional management in SABMiller Europe represent the relevant operations in the European Economic Area and are therefore the appropriate European central management within the meaning of the Directive. They will hereafter be referred to as SABME 'central management'.

The employees within the SABME Region have been represented for the purposes of negotiating this agreement by a Special Negotiating Body composed of employee representatives appointed by SABME employees in accordance with relevant national legislation in countries that have implemented the Directive. They were assisted by their European Federation, EFFAT.

SABME is active in the brewing industry; an extremely dynamic and rapidly changing industry requiring decisive management of its business and speed of execution of its decisions and actions and it is in this spirit that the parties have negotiated this agreement setting up a European Works Council.

1 Aim of Agreement and Guiding Principles

In order to grant the right of employees to information and consultation at European level, as envisaged by the Directive, a European Works Council shall be established. It shall be called the "SABMiller European Works Council" (SABME EWC).

The SABME EWC will be governed by the following guiding principles:

- The SABME EWC shall address itself to information sharing and consultation on specific matters as defined hereafter which concern SABMiller companies or groups of companies in at least two different Member States of the European Economic Area. According to the subsidiarity principles in the Annex of the Directive, the SABME EWC will not involve itself in matters which can be adequately addressed by national or local consultative bodies and/or which concern only one of the countries represented. The SABME EWC will therefore be complementary to and not replace national or local systems of information, communication or bargaining, nor will it infringe on matters which are the prerogative of, or which are exclusively dealt with in-country.
- The SABME EWC will be a consultative body only.



- The SABME EWC will serve employees from the SABME companies in the Member States of the European Economic Area
- The SABME EWC will be managed efficiently and all its activities will be optimized to achieve the objectives it was created for.
- The SABME EWC will take into account the language diversity of its employees in SABME businesses in the European Economic Area.
- Whilst good faith is assumed from all parties to the SABME EWC, this agreement will in no way affect management's prerogatives and power to take appropriate decisions at the time required by the business.

2 Coverage

This Agreement shall cover SABMiller Plc companies in all countries of the European Economic Area having implemented the Directive at the date of signature of this Agreement.

Countries implementing the Directive at a later date will be included, once their law for designating representatives is in place and their representative(s) have been designated accordingly.

A list of the companies which are covered by this Agreement is included in the Annex to this Agreement. Each year the select committee will be informed of changes to this list which may result from changes in the SABMiller Plc corporate structure in the European Economic Area. This list includes all companies controlled by SABME as follows from the laws applicable to such companies.

If an SABME company acquires control over any new business in one of the Member States of the European Economic Area in which it does not operate at the time of signing this agreement, the employees of such company will automatically be covered by this Agreement with the appropriate number of representatives as specified in Section 3 of this Agreement (Membership).

3 Membership

The SABME EWC is composed of the following members: the SABME central management representative(s) and the employee representatives.

SABME Central Management: The SABME EWC meetings will be chaired by the SABME Human Resources Director or by his/her appropriate representative. He/she may be assisted in the SABME EWC meetings by no more than 4 SABME staff members.

SABME Employee Representatives: For each country having implemented the Directive one employee representative may be designated if the law for designating EWC representatives has been enforced in that country. Furthermore, there will be additional SABME EWC members in proportion to the number of employees per country, employed by the SABME companies included in the Annex to this Agreement. These additional seats will be allocated as follows:

- **One additional** seat for all Member States where SABME companies employ **between 700 and 2000** employees
- **Two additional** seats for all Member States where SABME companies employ **between 2000 and 3000** employees



- **Three additional** seats for all Member States where SABME companies employ **above 3000** employees

A maximum of four seats will be allowed per Member State country regardless of the number of employees employed in the country by SABME companies.

Regardless of the reason, if SABME, in a country in which it already operates, and which is therefore already governed by this agreement, makes any changes in the number of employees during this Agreement period, as specified in Section 19 of this Agreement (Duration of Agreement), the corresponding number of representatives from that country will not be altered until the Agreement is re-negotiated. A specific exception to this clause will be made in the current case of Slovakia where the company is currently in the process of acquiring legal ownership of Topvar, a.s.. Within 3 months of the legal merger of Pivovar Šariš, a.s. and Topvar, a.s in Slovakia, the Slovakian representation on the SABME EWC will be amended to reflect the new total headcount of the merged entity.

For each employee representative, one alternate from the same country will be designated in accordance with the above mentioned rules. The alternate may only attend a regular or extraordinary SABME EWC meeting to replace the regular SABME EWC member if he/she is unable to attend. In that case, resources allocated to the regular SABME EWC member shall be shared with the alternate employee representative.

The process for electing or designating individual employee representatives to the SABME EWC as well as the timing and procedure for renewal of their mandates will be in accordance with national law and practice in each country. All employee representatives to the SABME EWC must be employees of companies listed in the annex to the Agreement other than where this requirement is in conflict with local legislation.

It is intended that the elections to the SABME EWC for all representatives will happen every four years.

In the event of the mandate of an employee representative terminating (examples of which are provided in Section 21) a new representative shall be appointed following the rules outlined above, unless the local legislation provides for an alternate to replace her or him.

4 Experts

The SABME EWC may be assisted by experts of its choice, in so far as this is necessary for the accomplishment of its tasks. An expert is defined as a natural person possessing professional qualification recognised by the EWC as appropriate to the mission for which he or she is being retained.

If the participation of an expert in a regular or extraordinary SABME EWC meeting is necessary to perform his or her mission, he or she can be invited to report on the specific item or items of the agenda for which he or she has been appointed. Experts will not take part in SABME EWC meetings on a permanent basis. Where an expert is invited, he or she must attend in person. No substitute will be admitted.

SABME will bear a cost of an expert for up to a maximum of 5,000 Euros per year.

5 Regular Meetings

There will be one regular meeting of the EWC per year. The date of this meeting will be announced by the Chairman with at least 3 months notice. In accordance with the SABME



reporting cycle, the regular meeting will normally be held in the first quarter of the financial year.

The purpose of the regular SABME EWC meeting will be for SABME central management to inform and consult with SABME EWC employee representatives.

For the purpose of a regular SABME EWC meeting a report will be prepared by SABME management in accordance with a standard regular meeting agenda which shall contain information referred to in Section 6. Any other items to be included on the agenda of a regular meeting shall be agreed in advance by SABME central management in consultation with the select committee.

6 Information

SABME central management will provide information to the employee representatives on questions which concern SABME as outlined in Section 1 of this agreement. Reasonable efforts will be made to ensure that this information is given in an appropriate form and in time to allow the employee representatives an opportunity to assess any possible impact on the employees they represent and, where appropriate, to prepare for consultation.

The information provided for the purpose of regular meetings by SABME central management will include information about the structure, economic and financial situation, the probable development of the business and of production and sales, the situation and probable trend of employment, investments, and substantial changes concerning organisation, introduction of new working methods or production processes, transfers of production, mergers, cut-backs or closures of undertakings, establishments or important parts thereof, and collective redundancies within SABME.

7 Consultation

Consultation will take place when a measure is envisaged by SABME management which would have a European transnational dimension and a significant effect on the interests of employees. Wherever possible such consultation will take place as part of regular SABME EWC meetings. The exceptions to this will be where the envisaged measures are extraordinary measures (see Section 8) within the meaning of this Agreement and urgency does not allow for proper consultation to take place at the next regular meeting.

Envisaged measures will have a European transnational dimension when they significantly involve more than one EEA or EU member state.

Envisaged measures will not have a European transnational dimension if they affect employees in only one country and the power to implement or not implement those measures rests with management in that country.

Consultation in accordance with this Agreement shall take place on the basis of information provided by SABME central management and will be carried out so as to give employee representatives the possibility to express an opinion on measures envisaged before any decision is finalized. However, such consultation processes will in no way effect management's prerogatives and power to take appropriate decisions at the time required by the business.

8 Extraordinary Measures



Measures that have a significant effect on the interests of employees in SABME and which have a European transnational dimension shall be classified as extraordinary measures for the purpose of this Agreement and the procedure described in this Section shall apply.

Where extraordinary measures are envisaged, SABME central management shall inform the select committee as soon as possible.

Such extraordinary measures in particular include:

- a) Relocation of businesses, branches or functionally important parts of breweries or plants;
- b) Reduction or termination of activities businesses, branches or functionally important parts of breweries or plants;
- c) Collective redundancies.

In such cases either all the employee representatives or the select committee will be entitled to meet with SABME central management or, if appropriate, another relevant level of SABME management in order to ensure proper information and consultation on those measures.

If the select committee participates on behalf of the employee representatives, those members of the SABME EWC that represent employees who may be directly affected by the measures shall also be invited to the meeting. Such meetings shall be held within the shortest time possible. They may or may not be part of previously scheduled meetings.

In the event that a genuine difference of opinion arises between employee representatives and SABME central management as to either of the following issues:

- whether an envisaged measure meets the criteria to be classified as an 'extraordinary measure';
- who is appropriate to attend an extraordinary meeting;

the matter will be discussed between SABME central management and the select committee as soon as possible. Both sides will then make every reasonable effort to come quickly to a common understanding. In such circumstances the original understanding of SABME central management will stand unless an alternative position is agreed.

9 Select Committee

The employee representatives on the SABME EWC will elect from their number a select committee which will be composed of four delegates one of whom will act as a Secretary.

All the elected members of the select committee will be granted a mandate to hold their posts for four years or for as long as they retain a mandate to serve on the EWC, whichever is the shorter. EWC members whose select committee mandate expires due to the four year limitation will be eligible for re-election.

The select committee will meet with SABME management whenever appropriate.

The select committee will be informed in advance of any change in the membership of the SABME EWC, giving the name, address and location of the company which members represent and how they were elected/appointed.

The tasks and responsibilities of the select committee shall be as follows:

- The preparation and performance of any matters pertaining to the meetings of the EWC and the relevant agendas and minutes;



- Deliberations with the company management for the preparation and performance of any matters pertaining to the meetings of the SABME EWC and the relevant agendas and minutes;
- Ensuring that all agreements are abided by;
- Representing the employee representatives for the purposes of meetings on extraordinary measures when appropriate.

10 Minutes

The Chairman of the SABME EWC shall be responsible for preparing the minutes of the regular and extraordinary SABME EWC meetings. The minutes will be jointly agreed by the Chairman and the EWC Secretary and distributed to the SABME EWC members within four weeks after the meeting.

11 Duration of Meetings

In principle, regular meetings will consist of the following elements:

- 1) Preparatory meeting of the EWC representatives without the presence of the SABME management
- 2) Meeting of all the EWC members including SABME management
- 3) Follow-up meeting of the EWC representatives without the presence of SABME management

Under normal circumstances it is agreed that regular meetings will take place over two working days taking the following structure:

- Arrival
- Day one morning: preparatory meeting (in separate caucuses)
- Day one afternoon: information and consultation session
- Day two morning: information and consultation session and follow up meeting (in separate caucuses)
- Day two afternoon: follow up meeting (in separate caucuses) and departure

12 Venue of Meetings

The SABME EWC meetings will take place in an appropriate facility determined by SABME management. It is understood that, in most cases, this will be in Budapest, Hungary.

13 Language

English will be the working language of the SABME EWC. All written material produced by SABME will be in English and will be translated into languages of the countries represented in the EWC.

Each year, an annual budget, sufficient to provide for the required simultaneous interpretation of regular and extraordinary meetings in the languages of the countries represented in the



EWC will be prepared by the SABME EWC Chairman and consulted with the SABME EWC Secretary. The budget will be sufficient to cover the duration of the regular and any extraordinary meetings during the year as well as maximum of 5 hours for any 'pre-meetings' (of the employee representatives without the presence of SABME management) for which employee representative require such translation.

The responsibility for organizing the simultaneous translation will rest with SABME management.

14 Time Allocation

The time spent by the employee representatives taking part in the meetings mentioned in this agreement, including the necessary travel time where applicable, will be considered as working time.

In addition, the employee representatives may spend the time they require to fulfil their SABME EWC responsibilities, which will not exceed 100 hours per year for the select committee members (including the Secretary) and 50 hours per year for the other SABME EWC representatives, unless more advantageous conditions are provided in relevant national laws or collective agreements.

Employee representatives must give their local management notice of their absence to fulfil their SABME EWC duties in due time.

15 Dissemination of Information

The employee representatives may communicate the information received as part of their function within the SABME EWC to their respective country representative bodies. If such information has been classified "Confidential" by SABME management, this classification must be maintained and also respected by the aforementioned country representative bodies and any experts who might be involved in the SABME EWC. In countries where there is no country representative body, the respective employee representative may, in accordance with local laws and practice and with the exception of confidential information, communicate information received directly to the employees of his/her country.

A communiqué, if necessary, will be prepared and agreed upon by the Chairman and the Secretary at the end of each meeting.

16 Infrastructure

To the extent necessary for the fulfilment of their SABME EWC responsibilities, the employee representatives may use SABME internal communication tools as available in their respective companies, in line with the SABME internal rules regarding the use of these tools, for communication between the SABME EWC participants and towards their substitutes and their country representative bodies.

17 Costs



SABME central management shall bear the costs for experts, regular meetings, extraordinary meetings, select committee meetings, interpretation and translation. SABME will allow representatives reasonable time off with pay to undertake training necessary for them to perform their roles as EWC representatives and will pay reasonable costs in relation to that training.

The travel and the accommodation costs will be borne by SABME management and will be in accordance to the internal practices of SABME as prescribed by SABME central management. These practices will form an annex to this agreement.

18 Confidentiality

SABME may provide the SABME EWC with information which it considers as confidential information. Since EWC is to operate in a spirit of openness enabling a free exchange of views to encourage candid discussion all representatives and experts attending EWC meetings agree not to misuse or divulge any information which is supplied on a confidential basis. This obligation continues after the conclusion, for whatever reason, of the employee representatives' terms of office or employment. The company will indicate in advance if, and for what period of time and towards whom certain information has to be kept confidential.

All SABME EWC participants shall be bound to respect the confidentiality of information and agree not to disclose confidential information at any time, including after the end of their mandate. Any involved expert or simultaneous translator shall sign a specific Agreement to respect confidentiality.

Information considered as confidential information will be business and trade secrets and any other information that is designated as confidential by SABME. SABME shall not unreasonably designate information as confidential.

SABME is not obliged to provide information as far as this would violate mandatory regulations (e.g. Stock-Exchange, defence, medical records) or substantially harm its legitimate interests (e.g. business secrets).

Any breach of confidentiality obligations by an SABME EWC participant will lead to legal and/or disciplinary action by SABME in accordance with the provisions of the respective national law.

19 Duration of Agreement

The duration of this Agreement shall be for a period of four years from the date of signature of this Agreement by the Special Negotiating Body, EFFAT and SABME management. The SABME EWC will be operational six months after this date. During that six month period, SABME will initiate the process of electing or designating individual employee representatives to the SABME EWC and convene the elected/designated employee representatives to the first regular meeting of the SABME EWC.

The Agreement can be considered renewed for four years if upon termination:

- 1) parties so decide
- 2) none of the parties give notice of at least six months prior to the expiry date

In the case that both parties agree to enter into a renegotiation of this Agreement after its expiry, the SABME EWC will continue to fulfil its duties under the conditions of the expired Agreement and it will serve as the body for the renegotiation. If no new Agreement is reached



within three years after the expiry of this Agreement, the subsidiary requirements of the Annex of the Directive will apply.

In the case that SABME management does not agree to enter into a renegotiation, the subsidiary requirements of the Annex to the European Economic Area Directive shall apply.

In the case that SABME employee representatives do not agree to enter into a renegotiation, the subsidiary requirements of the annex to the Directive shall not apply. Such decision can only be taken by at least two-thirds of the votes. A new request to convene the special negotiating body to set up a new procedure for information and consultation at European level may not then be made for two years after the above mentioned decision.

20 Dispute Resolution and Applicable Law

It is fundamental to the workings of the SABME EWC that relations between employee representatives and central management shall take place in good faith, following the spirit as well as the letter of this agreement.

However, if and when any genuine and significant disagreement arises as to interpretation of this agreement, the issue should, if possible, be referred to the Chairman and /or the select committee. Where it is practicable in such cases, the select committee and the Chairman or another appropriate representative of SABME management will arrange to discuss the issue with a view to reaching agreement. Any Agreement that is reached on such issues between the select committee and SABME management will be treated as final.

Where, for whatever reason, it is not possible to resolve disputes using the above method the employee representatives and SABME management will endeavour to explore any reasonable alternative, including arbitration procedures, before elevating the dispute to the courts.

The existence of the above mentioned procedure does not prejudice the rights of the SABME EWC members to take legal proceedings concerning this agreement. Equally it does not prejudice the legal rights of SABME (or any entity under SABME), nor SABME management's prerogatives and power to take appropriate decisions at the time required by the business.

This Agreement shall be governed by the law of the European country in which the SABME central management is based. If legal proceedings are pursued the competent court will be the court competent for the central management of SABME in Europe, which is currently in Hungary. If the seat of central management is moved to another European country, the competent court will change accordingly.

21 Protection of Employees

Employee representatives to the EWC will be entitled to any and all employment protection that is granted by law or Agreement to other SABME employee representatives in the country in which they are based. In addition to this, SABME guarantees that SABME EWC employee representatives will not suffer any detriment to their employment in the company, either during or subsequent to their mandate, because of any statements properly made or action properly taken in the course of carrying out their duties in accordance with this agreement.

The mandate of an SABME EWC employee representative shall terminate when:

- a) he/she resigns;
- b) the mandate of the European Works Council expires;
- c) the member's mandate in his/her country expires;



- d) he/she is recalled;
- e) he/she becomes a member of senior management in the company;
- f) the branch or subsidiaries he/she represents is terminated, or is no longer a part of SABME.
- g) he/she is found guilty of an act of gross misconduct meriting dismissal under national law or collective agreement

22 Form of Agreement

This Agreement shall be drawn up, and when applicable amended, in English. It shall be signed by the parties to this Agreement who are the Special Negotiating Body and SABME central management representative(s) present in the negotiations. It shall also be signed by EFFAT although EFFAT is not party to this Agreement and shall have no rights or obligations under it.

23 Amendments of the Agreement

In case of changes being adopted in the European Directive 94/45 of 22 September 1994 the Chairman and the Select Committee will review its implications for this agreement.

This Agreement may be amended by mutual written agreement between the parties (SABME employee representatives and SABME management), without either party being obliged to enter into renegotiations about proposed changes by the other party, during the duration of this agreement.

It is agreed that one year after the Agreement is signed the SABME EWC will take the opportunity to review its operation and acting together in good faith will consider the desirability of making further amendments.

24 Internal Regulation

The SABME EWC may draw up internal regulations regarding its functioning. No provision of that regulation will bind SABME without prior acceptance of the SABME EWC Chairman. Such regulations may not contain any provision which violates the terms and conditions of this Agreement.



Annex – SABME Companies in Member States

Company Name	Member State	Number of Employee*	Resultant Number of Representatives
Kompania Piwowarska	Poland	2703	3
Plzensky Prazdroj	Czech Republic	2575	3
Saris	Slovakia	540	1
Dreher	Hungary	720	2
Birra Peroni	Italy	822	2
Compania Cervecera de Canarias	Spain	530	1

*Based on SABME management reports as of March 2006