

Agreement on a European Works Council

within the Scandic Hotels Holding AB group

The following has been agreed between Scandic Hotels Holding AB and the European Federation of Trade Unions in the Food, Agriculture and Tourism Sectors within the International Union of Food workers (EFFAT-IUL), and the affiliated Swedish and European organisations active within Scandic, concerning information and consultation at a European level.

1 INTRODUCTION

The globalisation of business and changes in Europe, including within the European common market, will lead to changes in the way of viewing employees and structural changes within companies. This integration is vital for all parties. Economic and social considerations will lie at the heart of a future-oriented business strategy.

In this context, honest and trusting relations between central management, employees and their representatives is key. Transnational information and consultation will promote mutual understanding and a willingness to work together.

2 INTENTION

The aim of this agreement is to safeguard the right to information and consultation for employees and their representative(s) in accordance with Council Directive 94/45/EC and the Swedish Act on European Works Councils (1996:359). The purpose of introducing a works council is to strengthen the collaboration between employees and central management, motivating employees through constant exchange of information and consultation. The council is to be seen as a complement to existing national structures for representation and existing rights to information and co-determination.

3 FORMATION OF EUROPEAN WORKS COUNCILS

A works council is to be formed based on the directive and in line with the provisions of this agreement.

The works council will cover all operations within Scandic Hotels Holding AB in EU/EEA countries that are run under the Scandic brand.

The council will inform and consult on company- and group-wide issues concerning operations in at least two countries, including issues such as:

- company structure
- the economic and financial situation
- operational developments within the company, production and sales
- the employment situation and its projected development
- investments/structural policy, including any restructuring

- significant organisational changes
- the introduction of new working methods or production processes
- production relocation
- mergers
- cutbacks or closure of companies, operations or significant parts of these
- collective redundancies

The council is a shared transnational consultation and information forum. The council has the right to information and consultation with central group management with regard to the areas listed above and any other issues covered by Council Directive 94/45/EC. Consultation must be carried out before key decisions are taken that concern and affect employees.

4 COMPOSITION OF THE EUROPEAN WORKS COUNCIL

4.1 Representatives

Scandic Hotels Holding AB will be represented by its top group management team.

Employees' representatives will be appointed at national level by the union organisations affiliated with EFFAT-IUL which organise employees within Scandic, or in some other way that follows the national rules of each country.

4.2 Select committee

The employees' representatives can choose up to four representatives among themselves to make up a select committee.

These representatives will be chosen at the start of the period of validity of the agreement and will retain their posts until the agreement expires. If any representative on the select committee leaves the works council, for whatever reason, he or she will be replaced by another employees' representative from the country in question.

The four representatives will be drawn from the four countries with the largest number of employees. That currently means Sweden, Denmark, Norway and Finland.

4.3 Number of representatives

The works council comprises a maximum of 30 members, with a minimum of one employees' representative per country where Scandic Hotels Holding AB operates.

In addition to the countries' employees' representatives, there is a position on the council for a coordinator appointed by the works council's employees' representatives. The coordinator is appointed by the employees' representatives in the country that is the main signatory to the agreement.

Employees within Scandic in countries outside the EU/EEA, but within Europe, are also entitled to appoint one observer per country. These observers are entitled to give their views but not to put forward proposals or to vote.

The number of employees' representatives on the works council is as follows:

No. of employees in a country within the EU where Scandic operates	No. of representatives
1 to 500 employees	1
501 to 1,000	2
1,001 to 2,000	3
2,001 to 3,000	4
3,001 to 4,000	5
4,001 to 5,000	6

After consultation, central management and the select committee of the works council shall, during the first six months, agree on the number of employees' representatives on the works council for the following calendar year, based on the number of employees as at 1 March of that year.

Every other year, the works council shall check whether changes in the operations of the Community-scale undertaking or Community-scale group of undertakings mean that the works council must have its composition changed.

5 INDEPENDENT ADVISER

With majority approval, the employees' representatives may seek the assistance of an adviser of their own choice, who is independent of the company, in conjunction with the preparatory meeting before the meeting of the works council. The company will pay all necessary and reasonable travel and accommodation costs for the independent adviser. The function of the independent adviser is to provide independent and objective analysis to support the work of the employees' representatives in the areas governed by section 3 of this agreement.

If requested by the majority of the employees' representatives, and if the company agrees, the independent adviser may be present at the works council meeting at the specified points on the agenda where the technical or complicated nature requires his or her presence. The company will not withhold its consent unreasonably in the event of such a request. The independent adviser is not a member of the works council, but must sign the same declaration of confidentiality as the employees' representatives on the works council.

6 PRACTICAL DETAILS

6.1 Schedule of Works Council meetings

The works council will meet with central management at least once a year (normally for one day). The employees' representatives are entitled to convene on their own for a one-day preparatory meeting before and a one-day evaluation meeting after the meetings with central management.

6.2 Information to the select committee between ordinary meetings

Information from central management between the ordinary meetings can be given via physical meetings, or by telephone to the select committee of the works council. The

select committee in turn is responsible for passing the information on to the relevant employees' representatives on the works council.

Where special circumstances arise which, to a considerable extent, affect the interests of the employees, particularly in the case of restructuring, the closure of operations or companies or collective redundancies, the select committee of the works council is entitled to be informed. On request, the select committee shall be entitled to meet with central management or any other, more relevant, management level within the Community-scale undertaking or Community-scale group of undertakings which have decision-making authority, in order to receive information and to consult on measures affecting the interests of employees to a significant extent.

6.3 Procedure

Issues for the agenda are to be submitted at least six weeks before the meeting. Central management is to be supplied with the names of participating employees' representatives six weeks before the meeting. The meeting will take place in one of the countries where Scandic has operations.

The participants will receive the agenda and working documents at least four weeks before the meeting.

The council's meetings will be led by a representative of central management.

Minutes of the meetings are to be issued no later than four weeks after the meeting. Further information on key issues dealt with by the works council is to be submitted in line with the national rules of each country.

Interpretation and translation services are to be provided into every language for which there is a representative at the meetings, in order to give all participants the opportunity to take part on equal terms.

Costs linked to the meetings of the works council, including interpretation, translation, travel, accommodation, coordinators, observers, experts and so on, will be paid for by the company.

6.4 Protection for works council representatives

Members of the works council enjoy the same protection as national, regional and local employees' representatives, in accordance with prevailing legislation and collective agreements.

6.5 Confidentiality

The company will provide the employees' representatives with all the information that is necessary for the works council to function effectively. Each representative on the works council must keep all information that is marked confidential secret and must sign a declaration of confidentiality. This declaration of confidentiality remains binding even after the person has ceased to be a representative on the works council or an employee of the company.

Serious breaches of confidentiality will be dealt with in line with the company's disciplinary rules and/or the provisions of the relevant country's legislation.

No representative on the works council may communicate with the press under any circumstances. Information marked confidential must not be revealed to any external organisation without written consent from central management. This clause is not

intended to prevent legitimate and necessary reporting by employees' representatives to their colleagues. Any disputes that may arise due to this clause will be dealt with in accordance with the provisions of Swedish law.

7 VALIDITY OF THE AGREEMENT

This agreement enters into force on 1 January 2009 and is valid for three (3) years, unless notice of termination is given at least six (6) months before the end of the agreement. This agreement will be extended through renegotiation.

The parties may agree on changes to the agreement. Any changes are to be made in writing.

In the event of amendments to Council Directive 94/45/EC on European Works Councils, the parties agree to open negotiations on incorporating these within the current agreement.

In the event of a dispute regarding the application of this agreement, Swedish law applies, as does the Swedish-language version of the agreement.

Damages for breaches to this agreement are governed by section 39 of the Swedish Act on European Works Councils (1996:359) which concerns damages and refers to the Swedish Employment (Co-determination in the Workplace) Act (1976:580).

Legal proceedings relating to this agreement are governed by sections 40 and 41 of the Swedish Act on European Works Councils (1996:359).

This agreement has been drawn up in triplicate, with the group, the Swedish Hotel & Restaurant Workers Union (HRF) and EFFAT each retaining a copy.

Stockholm, 16/12/2008

Stockholm, 16/12/2008

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For Scandic Hotels Holding AB,

For EFFAT-IUL affiliated unions and other union organisations,

Roger Olofsson

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