



Employment Management Agreement European Social Charter

July 10th, 2012



BNP PARIBAS

Group Human Resources



**AGREEMENT
EUROPEAN SOCIAL CHARTER
EMPLOYMENT MANAGEMENT**

It is hereby agreed, by and between:

Frédéric Lavenir, Head of Group Human Resources, on behalf of the BNP Paribas Executive Committee,

ON THE ONE HAND,

And:

Jean-Marc GUEGUEN, on behalf of the European Federation of Credit Establishment Managerial Staff
(FECEC)

Sébastien BUSIRIS, on behalf of the European Trade Union Federation for Services and Communication (UNI
Europa)

Ana ANDRADE, BNP Paribas European Works Council Secretary

Luc BROOS, BNP Paribas European Works Council Assistant Secretary

Gabriel Di LETIZIA, BNP Paribas European Works Council Assistant Secretary

Wilfried COOLS, BNP Paribas European Works Council Office Member

Marco CALERI, BNP Paribas European Works Council Office Member

on behalf of the BNP Paribas European Works Council

ON THE OTHER HAND,

THAT:

PREAMBLE

BNP Paribas Group's European operations have been subject to continuous expansion in recent years, boosted in particular by the mergers with Banca Nazionale del Lavoro (BNL) in 2007 and Fortis in 2009.

This has created a European dimension to the business, in the shape of four domestic markets (Belgium, France, Italy and Luxembourg), and a substantial presence in the majority of European countries. A written amendment to the agreement of 10 July 1996 enabled the Executive Committee and the trade unions to acknowledge this new dimension by updating the composition, function and operation of the European Works Council in June 2010.

It was also deemed appropriate to initiate Europe-wide social dialogue on a number of cross-functional issues, and Works Council working parties were set up accordingly.

Employment and the social management of change were treated as high priority, becoming the first topics for European-level negotiation with the two European Federations, FECEC and UNI.

The present agreement is a result of those negotiations. It sets out the rules and processes to be observed by BNP Paribas Group companies in Europe with regard to:

- the procedures and mechanisms for anticipating change, preparing employees for future changes and enabling solutions to be devised to meet the specific needs of individual employees;
- social support for company-wide transformation programmes, where such programmes have workforce implications.

The present agreement applies to all BNP Paribas-controlled branches and fully-integrated subsidiaries within the geographical remit of the European Works Council.

It establishes an overall framework, and is not intended to supersede or replace national legislation and/or any national and/or company collective agreements currently in force or which may be concluded in future, where the provisions of such agreements are more advantageous.

SECTION 1 – ANTICIPATING CHANGE

The financial performance of BNPP Group's European companies is determined principally by their ability to adapt to changes in their economic, regulatory and competitive environment, to technological developments and customer satisfaction. Accordingly, it is also the main driver for developing and safeguarding their employees' jobs.

As far as possible, this adaptation should be planned in order to ensure that staff and skills are deployed to best effect when making structural and organisational adjustments.

Employee representatives must receive regular updates on these developments within the frameworks and forums specified by local legislation and business agreements or contracts. It is the signatories' express wish that, in countries where no specific legislation exists, or where employee representation is not provided for in law, a discussion forum be established for management and employee consultation on matters affecting the workforce. The European Works Council is just such a key forum, enabling representatives from different European countries to understand changes from a strategic and global perspective and to discuss their impacts.

BNPP Group companies and their employees also have a strong mutual interest in job retention for all, through promoting skills development, providing enriching professional experiences, and increasing the degree of transparency in respect of job and career prospects.

BNPP Group companies in Europe are therefore implementing policies and procedures which will achieve this aim.

Employees can take specific responsibility for their professional development by seeking to enhance their skills through training and transfer opportunities, if they so wish, and using those skills to meet the future needs of the businesses within the Group.

1.1. Through social dialogue

1.1.1. With the European Works Council

The June 2010 agreement pertaining to installation of the European Works Council, provides explicitly for matters of strategy and workforce forecasting to feature systematically on the agendas of two plenary meetings:

a/ The particular focus of the first plenary meeting, held during the first six months of each year, is a presentation by the CEO on the Group's results and strategy which also explains the impacts of structural changes and any divestments or acquisitions.

Presentation and discussion of the European social audit report for the previous year also features on the agenda for this meeting. The report sets out the current status and recent trends in respect of staff numbers, staff distribution by age and length of service, new hires and departures, levels of absenteeism and working hours, along with data pertaining to diversity and training, within the geographical scope of the European Works Council and in individual countries.

b/ The second annual plenary meeting, held during the second half of the year, focuses more specifically on the activities of individual business units, countries and/or European companies within the geographical scope of the European Works Council.

Under the present agreement, it is decided that:

- supporting commentary on trends in staff numbers will be provided at the first plenary session, and actual or possible impacts on member countries will be explained. The impact may be global, or it may affect the division of headcount between the group's businesses in a particular country or the business functions in which employees there are active.
- supplementary data and information will be added to the European social audit report, to allow for evaluation of actions taken in respect of training or professional mobility and measurement of their success.

1.1.2. With local staff

Each local senior management team must act in compliance with applicable legal or regulatory requirements. They are also encouraged to take advantage of the forums or other opportunities that exist locally, to provide regular updates to employee representatives or, where there are no employee representatives, to the staff themselves:

- about Group strategy and its impact on national or company strategy
- about changes required in response to their local operating environment
- about the possible and foreseeable effects on staff in the local area.

Management will take this opportunity to inform staff of the organisational and human resource management measures it intends to implement to manage these changes.

Local human resources managers are also encouraged to make use of existing forums to engage in regular dialogue with employee representatives on the content of training plans and their implementation.

1.2. Through management of skills and career paths

1.2.1. Employee appraisal and career development interviews

The employee appraisal interview provides an opportunity for manager and employee to discuss the employee's performance, the extent to which he/she is meeting his/her objectives, his/her strengths and areas for development. It may be held annually or every six months.

In addition to focussing on performance management, the interview must allow for discussion on how to provide evidence of the required skills and how those skills will be developed (for example, via specific training or development of the employee's general versatility).

The following should be observed:

- both manager and employee should prepare for the interview.
- the date of the meeting should be scheduled and communicated to the employee, and sufficient time should be set aside for a productive discussion.
- training requirements should be subject to regular review, and the employee should be able to put forward suggestions.
- a formal record of the meeting should be set down in writing.

The aim of the career development interview is to enable a forward-looking discussion between the employee and their manager or a Human Resources manager. It may be held on a multi-annual basis (every 5 years, for example), or in connection with a particular event in an employee's career. The meeting will address the following:

- the employee's strengths, in terms of his/her skills and experience
- the employee's career aims and how they fit with his/her experience and the forecast needs of the business
- training to be undertaken or career progression required to fulfil these aims
- the employee's aspirations in respect of functional or geographical transfer.

BNPP Group European companies which do not already have such arrangements in place are encouraged to implement them.

1.2.2. Professional mobility

Voluntary transfer to a different business function or geographical location can provide an employee with an opportunity to extend his/her professional experience:

- through exposure to and acquisition of new professional expertise
- through doing their job in a different professional environment.

It supports progress towards career aims, increases flexibility and enables the staffing needs of individual businesses to be met.

BNP Paribas aims to encourage and promote both functional and geographical mobility, in order to facilitate better understanding of the Group's internal job markets by staff in each of the countries covered by the agreement. The use of 'job posting' tools supports this aim by allowing employees to apply for job openings in different businesses in the same country, or in any other country where BNP Paribas Group has a presence.

SECTION 2 – MANAGING STAFFING REQUIREMENTS

Regardless of the fitness for purpose and effectiveness of the forecasting and phased change management processes which the signatories continue to endorse, BNP Group Paribas' businesses in Europe may at times be required to address unforeseen workforce adjustment situations.

These situations may arise from:

- the scale of a change;
- the requirement to make an immediate, unforeseeable or particularly urgent change, for example in response to the effect of a legislative amendment.

The present agreement is intended to define:

- how management should inform and engage in consultation with Employee representatives, at both European and local levels;
- the management tools and methods of preference to ensure that change is achieved whilst respecting individuals' rights.

2.1 Social dialogue in practice

Employee representatives must receive transparent information on the key factors and impacts of decisions that have been or will be made, to ensure full local understanding. Where there are no employee representatives, information must be presented directly to members of staff in any of the forums cited under section 1 of the present agreement.

Where provided for under local legislation, the management team in each country and/or business must arrange for presentation of information to employee representatives within the time-frame and in accordance with the conditions stipulated, setting out:

- the reasons for the proposed or planned reorganisation;
- a fully detailed assessment of the impacts on staffing;
- a statement of the support measures that the business' management team intends to implement;
- the likely schedule for implementation.

This meeting provides an opportunity for employee representatives to discuss the aspects of the plan that have been communicated to them and to put forward their own suggestions and proposals.

The June 2010 agreement provides that information on transnational operations should be presented during plenary sessions of the European Works Council.

It must be noted that this information can be communicated to the European Works Council only after it has been presented to local employee representatives.

If a change of this nature arises at a date considered too far removed from the next plenary session, the necessary information and a comprehensive response to questions will be provided at an extraordinary meeting of the European Works Council Select Committee or an extended Select Committee, to include representatives from the countries affected.

If there is no transnational impact associated with the change, a copy of the working document presented locally will be forwarded to the Select Committee at the earliest opportunity, setting out the information required for members of the European Works Council to gain an understanding of the change.

2.2 Management tools and methodology

In the event of major organisational change projects with significant workforce implications and under this agreement, BNP Paribas Group's European businesses will seek to avoid compulsory redundancies by offering discretionary alternatives, such as:

- taking advantage of natural wastage (for example, by not renewing fixed-term contracts, reducing numbers of temporary staff and reference to forecast staff turnover);
- looking into opportunities for transfer within the business;
- approaching other businesses in the country, or elsewhere within the Group, for possible openings;
- retirement or early retirement, if this option is available in the country in question;
- voluntary redundancy, if this option is available in the country in question.

In the event of transfer arising from a reorganisation with significant workforce implications, businesses will do their utmost:

- to allocate employees to business functions best-suited to their qualifications, experience and professional skills and to provide, without fail and in an appropriate time-frame, any training required to ensure that the employee can comfortably fulfil the requirements of their new role;
- to minimise and be considerate of the challenges inherent in significant geographical moves;
- - in the event that an employee moves to a new employer, to acknowledge the employee's length of service with the group.

If, despite having taken all the steps set out above, a BNP Paribas Group business in Europe is compelled to draw up a compulsory redundancy plan, the following commitments will be honoured:

- 1- Local legislative stipulations relating to time-frames and redundancy payments will be strictly adhered to. These terms may be enhanced subject to discussion or negotiation with local employee representatives.
- 2- If necessary and on a discretionary basis, the redundancy plan could provide for support measures aiming to promote retention of employees or their return to work, such as, for example, outplacements or financial support for training.

SECTION 3 – APPLICATION AND MONITORING OF THE AGREEMENT

3.1 Duration of the agreement

This agreement comes into force with effect from 1 September 2012 for a fixed term of three years.

It may be renewed by tacit agreement for a period of three years, unless notice of termination is given by one of the signatories at least six months prior to the end of the three-year period. Whilst this agreement is in force, it may be modified by written amendment.

The signatories hereby agree that the French language version is binding and will therefore serve as the reference text in the event of questions of interpretation or dispute.

The agreement will be translated into English and Italian.

3.2 Evaluation and review of the agreement

The application of the present agreement will be reviewed each year at a meeting of the European Works Council's Select Committee, where a detailed evaluation will be presented to Committee members.

The value of the information provided will be enhanced over time as reporting mechanisms are developed. The evaluation will encompass the following points:

- The operational success of management and staff discussion forums on staffing matters in countries without representative forums;
- The progress of member countries in implementing employee appraisals;
- The progress of member countries in implementing career development interviews;
- The application of the provisions of Section 2 by businesses covered by the scope of the agreement where it has been necessary to implement a reorganisation with significant staffing impacts during the previous 12 months.

Done in Paris, July 10th, 2012.



Photo: Matton



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