

STATEMENT OF AGREEMENT

BETWEEN

Merloni Elettrodomestici S.p.A. represented by Lorenzo Sartorelli and Angelo Stango

AND

The national FIM-FIOM-UILM, also on behalf and for the IMF (International Metalworkers' Federation) represented by Luciano Falchi, Francesca Re David, Antonio Messia

WHEREAS

Globalization has been knocking down the barriers which had hindered the movement of goods, services and capital, allowing multinational corporations to create a global network of production and distribution,

Enterprises, in guaranteeing a profit for their investors, should accompany that objective with advancing the welfare of the communities in which said enterprises operate. The minimum requirements to satisfy that responsibility are: safeguarding the environment, respect for fundamental labor standards enshrined by the International Labor Organization, and guaranteeing decent working conditions for the employees of Merloni Elettrodomestici S.p.A.

In view of the foregoing, Merloni Elettrodomestici S.p.A., the national FIM-FIOM-UILM and the IMF, confirming that they share the values and principles enshrined in the Universal Declaration of Human Rights and renewing their common commitment to respect for human rights with a view to:

- contributing concretely to the elimination of the exploitation of child labor performed in violation of the international standards of the ILO;
- supporting and promoting fundamental human rights as provided for in the "ILO Tripartite Declaration on the Fundamental Rights of Workers", adopted on 18 June 1998 by the ILO International Labor Conference;
- opposing the distortions of competition based on flouting of the international standards protecting child labor and other labor rights set forth in the aforesaid "ILO Declaration";
- enhancing the image of Merloni Elettrodomestici S.p.A. in the eyes of the market and consumers as motivated to practice socially correct behavior and to comply with international social standards.

Agree to the following:

ARTICLE 1 – IMPLEMENTATION OF THE ILO CONVENTIONS

Merloni Elettrodomestici S.p.A. undertakes in all of its plants to respect fundamental human rights and to eliminate the exploitation of child labor, and in particular to respect the principles enshrined in the following ILO Conventions:

- no. 29 adopted at Geneva on 28.6.1930 and no. 105 adopted at Geneva on 25.6.1958 on forced or compulsory labor. It is prohibited to use forced labor or labor performed under conditions of slavery or by convicts;
- no. 138 adopted at Geneva on 26.6.1973 concerning the minimum age for admission to employment. The convention does not allow the employment of children below the

age of 15 years or younger than the age of compulsory school attendance prevailing in the countries concerned;

- no. 182 adopted at Geneva on 17.6.1999 on the worst forms of child labor;
- no. 87 adopted at San Francisco on 17.6.1948 on trade union freedom. The convention recognizes the right of workers to establish unions and to join a union;
- no. 98 adopted at Geneva on 8.6.1949 on the right to bargain. Workers and employers may bargain freely and independently, negotiating agreements of either limited or unlimited duration;
- no. 111 adopted at Geneva on 25.6.1958 concerning discrimination in respect of employment and occupation. The convention stipulates that workers may not be discriminated against on the basis of race, religion, political opinions or social origin.
- no. 100 adopted at Geneva on 29.6.1951 on discrimination in pay between men and women of equal occupational classification. The convention stipulates that there shall be no discrimination in pay between men and women of equal occupational classification.
- no. 135 adopted at Geneva on 23.6.1971 concerning workers' representatives. The convention stipulates that workers' representatives shall not be subjected to any harm for their activities as representatives.

ARTICLE 2 – COMPLIANCE WITH ILO CONVENTIONS

In view of the foregoing, and in compliance with laws existing in the various national contexts in which the Merloni group operates, consideration shall be given to the adoption of the most appropriate instruments to ensure compliance with the ILO conventions by direct suppliers.

In particular, Merloni Elettrodomestici S.p.A. shall:

- be oriented toward promoting “positive action” to support the principles of trade union freedom, organization of workers and collective bargaining;
- intervene in a timely manner to correct any situations of non-compliance with conventions no. 29 and 138 concerning the elimination of the exploitation of child labor, forced or compulsory labor as referred to in Art. 1 which are detected through systems of monitoring and control;
- in the event that the conduct of its own direct suppliers should violate the principles contained in conventions no. 29 and 138 referred to in Art. 1, reserve the right to institute sanctions against said suppliers including, for cases of serious violations, cancellation of the contract.
- monitor its own production units for compliance with the principles established in the aforesaid conventions.

ART. 3 – DISSEMINATION OF THE AGREEMENT

Merloni Elettrodomestici S.p.A. shall provide full dissemination of and information on this Agreement in all its operational and commercial units. The Agreement shall be posted on the special notice boards used for company announcements and explained to the workers' union representatives.

ART. 4 – MONITORING OF COMPLIANCE WITH THE AGREEMENT

Monitoring shall be entrusted to the National Joint Commission already provided for in the prevailing Enterprise Agreement.

ART. 5 – RIGHT TO INFORMATION

Merloni Elettrodomestici S.p.A. shall report on the implementation and the status of the agreement at the annual meeting of the EWC and at the national information meeting provided for by the national collective contract.

For countries which are not members of the EWC, the information shall be given to representatives of the workers/union organizations at the individual plants by the local management.

For Merloni Elettrodomestici S.p.A.

For National FIM – FIOM – UILM
also representing the IMF

[two signatures]

[three signatures]