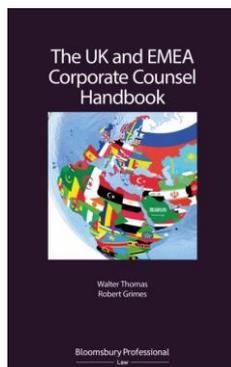


The UK and EMEA Corporate Counsel Handbook

Walter Thomas and Robert Grimes



Foreword

The view from North America

As the General Counsel of a U.S. publicly-traded company with international operations and a keen appetite to expand its global footprint through acquisitions, I have experienced first-hand the challenge of educating myself, my U.S. legal team and our business partners about the legal and regulatory implications of doing business in new countries with different, diverse and often unfamiliar laws and regulations. These challenges are magnified as you come to appreciate that understanding the differences in history and culture between the U.S. and the other country is an integral part of being able to effectively counsel and advise U.S.-based executives as they plan and execute strategic and operational objectives and integrate the acquired company. Now consider EMEA which is comprised of numerous sovereign nations, made up of citizens from with diverse ethnic and racial backgrounds who speak many different languages, with legal systems that developed from fundamentally different historical principles. Navigating these waters efficiently and cost effectively can seem a daunting task.

With their EMEA Legal Handbook, Walter Thomas and Robert Grimes, two experienced in-house U.K lawyers, have created a comprehensive and practical roadmap designed to educate U.S. in-house legal counsel about the legal and regulatory frameworks that govern the general business operations of companies in EMEA. Most importantly, their advice and counsel is provided within the context of the cultural norms across the region which differ markedly from one another and from the U.S. as well as the natural tensions that inevitably arise when integrating two companies with different histories, operating models and cultures. With these intertwined perspectives, U.S. in-house legal counsel will be well prepared to tackle the previously mentioned challenges as their companies grow and expand in EMEA.

Pamela R. Schneider.

Ms. Schneider is the General Counsel of ACCO Brands Corporation, one of the world's largest designers, marketers and manufacturer of branded academic, consumer and business products. ACCO Brands products are sold in more than 100 countries around the world. During her more than 20 years as an in-house lawyer, Ms. Schneider has worked as the senior legal officer for small entrepreneurial businesses as well as large multinational corporations in manufacturing, retail, financial services, and technology and outsourced services. Ms. Schneider is a graduate of the University of Chicago Law School and obtained her B.A. from the University of Pennsylvania.

The view from EMEA

Walter and Rob, two experienced and commercially astute legal counsel with EMEA responsibilities have put together a legal handbook, a seemingly unique resource, from which to learn about the many and varied laws and practices in EMEA. I believe this Handbook would be beneficial to all foreign in-house counsel and business executives with responsibility for operations in EMEA - especially those involved in mergers & acquisitions.

This legal handbook covers many critical and diverse legal issues which can contribute to either the success of, or be a leading cause of, serious difficulties in EMEA operations, especially, in the thorny area of planning or executing cross border (or trans-Atlantic) mergers and acquisitions. "Employees are company's greatest asset" is a mantra credited to and certainly expounded by Anne Mulkahey (CEO OF Xerox). It is also something in which I passionately believe and expound. 'Happy Employees Make Happy Customers' - a triptych expounded by former fellow HP board member (and a point and with which I unequivocally agree) runs through the very DNA of this handbook. Happy employees will in turn provide shareholder value.

Anne Mulkahey's mantra and my colleague's triptych, both, take on new meaning and complexity for expatriates working in EMEA, and Europe more specifically. Persons from outside of Europe are often, unsurprisingly, ignorant of the laws, customs and practices of the many, many nations that make up Europe, the middle East and Africa. It is not uncommon that these individuals also seriously underestimate how costly (even seemingly minor) transgressions of these laws and customs are financially and in terms of employee morale.

These transgressions are, to the locals, demonstrations of a lack respect for local law and custom which can negatively impact employee engagement. For the unaware the different employment laws (Napoleonic laws generally in Europe, Common Law in the UK all overplayed by supra national EU regulations) and a natural cultural bias can combine with a minor transgression of local practice to form an explosively dangerous mixture for an acquiring non-European based business.

Implementation of Data protection, whistle blowing policies, the retrenchment of staff, implementation of corporate policy, EHS at work, negotiations with EU works councils (& unions) are programmes, that in EMEA, can last months, or even years, if not implemented sensitively and in accordance with local custom and practice. Clunky due diligence that only focuses on savings and synergies that do not involve Legal and HR early enough, can lead to a poor integration, a clash of cultures and a failure of the acquired workforce to be willing to embrace a new practices, cultural change or assimilation into the acquiring organization. During my years at HP it was our practice, during large acquisitions, to appoint firms such as Freshfields and Lee Hetch Harrison to provide legal briefings to those of our US colleagues involved. These briefings covered the law, practice and the cultural idiosyncrasies, country by country, to these colleagues before they or the US business, made any decisions which impacted employees.

I would like to commend and congratulate the two authors, Walter and Rob, for putting pen to paper and giving us a rare and possibly unique glimpse into their combined decades of in-house experience in Europe, the Middle East and Africa.

Needless to say, this legal Handbook will be of assistance to both senior execs and in-house counsels based or originating outside of the EU. It is an invaluable primer and issue-spotting tool for those faced with the pitfalls, snares and traps that await all who find themselves managing business operations in this exceedingly diverse, vast region of our planet.

Worth reading!

Francois Michel Volpi MBA, PhD

Former Human Resources Vice President Rio Tinto,
Former HR Vice President Boots Walgreens
Former HR VP Hewlett Packard

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