



The ABB Voluntary Agreement

ABB Employees Council Europe

1. Framework and basic principles

- 1.1 This Agreement on the information and consultation of ABB Employees in Europe is in accordance with the EU Council Directive 94/45 EC of September 22, 1994. The Agreement is made between the Employees' Representatives on behalf of all Employees of ABB in all European countries covered by this Agreement and the representative of the whole Group Management, ABB Asea Brown Boveri Ltd, Zurich, Switzerland (ABBZH).
- 1.2 The main purpose of the ABB Employees Council Europe (ABB ECE) meetings is to provide a broad strategic overview over the international ABB Group's activities with emphasis on transnational issues being of particular relevance to the Employees covered by this Agreement. At the Council meetings, the overall current business situation of the ABB Group and their effects for ABB in Europe will be presented and discussed. Furthermore Information will be given, discussed and the ABB ECE consulted on the following topics:
- a business outlook for the near and mid-term future with emphasis on issues regarding order intake, capacity utilization and the employment situation and probable trends of employment
 - substantial changes of the ABB Group structure and organization
 - major investments, acquisitions or development of new ABB sites/companies
 - introduction of new working methods or production processes
 - transfers of production, mergers, cut-backs or closures of undertakings, establishments or important parts thereof
 - collective redundancies
 - All major changes, affecting more than one European country and the implications of such projects

The ABB ECE acknowledges that the disclosure of information is subject to limitations imposed by stock market regulations and statutory or contractual confidentiality obligations.

In this case, whenever possible, the Select Committee or at least the President or the Vice President of the ABB ECE will be informed.

- 1.3 The ABB ECE offers the possibility for an open and constructive exchange of views and dialogue on significant transnational issues between the Employees' Representatives and the ABB Group Management. Topics related to individual countries or companies are dealt with on a local level.
- 1.4 The ABB ECE will become an integral part of the communications structure and process within the ABB Group. The ABB ECE will, to a considerable extent, be a vehicle for an extended communication across national borders on transnational matters affecting the Employees interest in Europe. This communication and dialogue shall contribute to a better understanding of the past, the current and future business situation of ABB. In order to communicate efficiently ABB will provide the ABB ECE members access to Lotus Notes and the ABB Intranet.
- 1.5 The work of the ABB ECE and its Select Committee should be characterized by openness and mutual trust and shall serve the best of all its operations, the entire workforce of ABB and of all its customers and shareholders. The

Employees` Representatives and the Representatives of the Group Management will refrain from all actions that impair damage or endanger the orderly course of the businesses in ABB and the peace within the ABB Group and its facilities.

2. Geographical coverage and country representation

2.1 The Agreement will cover all the businesses of ABB in the member states of the European Union as well as the European Economic Area. Furthermore, ABB businesses in Switzerland will also be covered because of the importance and presence of ABB in this country. In case of an EU-Enlargement the affected countries will also be covered by this Agreement. It can later be agreed to include also other countries in Europe.

2.2 The representation of the above mentioned countries by their respective Employees` Representatives will be according to the rule in the Appendix of this Agreement with respect to the number of Employees in these countries.

Currently, this will constitute an ABB ECE of 32 Employees` Representatives (see Appendix for number of Employees` Representatives). In order to provide the best possible condition for an effective communication and to encourage a dialogue, the total number of Employees` Representatives should not exceed 32.

2.3 The figures of the Employees per country will be taken from the official, audited Annual Report of the ABB Group of the previous year. The figures will be set at the beginning of every new term and will continue for this term.

3. Composition of the ABB ECE and election of Employees` Representatives

3.1 The ABB ECE will comprise the ABB Employees` Representatives, elected among ABB Employees according to the legislation or practice in their respective countries of employment. In case this legislation with respect to the transposition of the EU Directive 94/45 EC has not been finalized or is not applicable, the country manager or if applicable the Group Management will agree with the local Employees` Representatives on an election procedure.

3.2 The ABB Employees` Representatives in the ABB ECE will elect a President and a vice President of the Council. The President and vice President of the Council will chair the Pre-meeting and follow up meeting of the ABB ECE, that will take place the day immediately before and after the ordinary meetings of the ABB ECE with Management.

3.3 It is desirable that ABB Employees who are proposed to be elected as members of the ABB ECE have at least three years of employment experience within the ABB Group. The elected representatives should have or, over time, acquire a sufficient command of the English language.

3.4 The Employees` Representatives to the ABB ECE will be elected for a period of 4 years or in accordance with the national law of their country of employment. The mandate will end if the employee leaves ABB or loses his mandate as an Employees` Representative according to the national legislation and the local

ABB agreements and practice. In the latter case this Employees' Representative will be replaced by a substitute elected according to the criteria in Article 3.3.

4. Meetings of the ABB ECE with Management

- 4.1 The ABB ECE will meet twice a year with the ABB Group Management at dates and places to be agreed between the President of the ABB ECE and the representative of the ABB Group Management.
- 4.2 In exceptional circumstances which affect the Employees' interests to a considerable extent and which require measures significantly affecting Employees' interests an extraordinary meeting may be convened if the President of the ABB ECE and the ABB Group Management agree on its necessity. Such an extraordinary meeting will be held when an urgent issue arises, substantially involving several countries represented in the ABB ECE.
- 4.3 The representative of the ABB Group Management, and the President and vice President of the ABB ECE will chair the meeting of the ABB ECE with Management.
The ABB Group Management co-ordinates the agenda of the meetings with the Management with the President of the Council. The ABB Group Management may invite other ABB senior managers to participate and to present information relevant to agenda items of the meetings.
- 4.4 The Select Committee (see Article 6) may submit through its Chairman requests from the Employees' Representatives of the ABB ECE as input for the preparation of the agenda of the meetings at the latest four weeks before the meeting. The agenda shall be made available to the Council members at the latest two weeks before the Council meetings.
- 4.5 The meeting of the ABB ECE with Management will be conducted in English, the corporate language of ABB. Simultaneous translation will be provided in case the Employees' Representatives concerned cannot follow well enough the English with regard to a meaningful participation in the Council meeting with Management
- 4.6 To encourage and facilitate the dialogue between the Employees' Representatives and Representatives of Management it is intended, in the long-run, to communicate and discuss in the English language only. The ABB Countries according to Article 2.1 will offer training opportunities to the Employees' Representatives at their request regarding the English language and ABB's financial results. "Training" is understood as seminars and courses to facilitate the understanding of the actual results of the previous business year of ABB and the market situation as well as to improve the English language capabilities.
- 4.7 The ABB Group Management is responsible for the minutes of the meeting of the ABB ECE with Management. The minutes will be discussed with the President of the Council before the minutes are distributed to the members of the Council. On the basis of these minutes of the meeting the information shared and discussed at the ABB ECE meeting will also be communicated

decentrally and through the existing communication structure in ABB for the benefit of all Employees in all ABB businesses in all ABB countries in Europe covered by this Agreement.

- 4.8 The ABB ECE may invite an outside expert as an observer to the meetings of the ABB ECE with Management as well as to the Employees' Representatives Pre- and Follow up Meeting. The President of the Council and Group Management shall agree on the person proposed as outside expert. The costs of the expert have to be agreed upon in advance with Management and shall be covered by the company. The authorized union secretary of the European Metalworkers' Federation does not count as an outside expert and may participate at the meetings.

5. Employees Representatives Pre-Meeting/Follow-up Meeting

Employees' Representatives may meet the day before and after the ABB ECE meetings without the Representatives of Management being present.

6. Select Committee

- 6.1 A Select Committee will be established. The Select Committee shall deal with the ongoing business of the ABB ECE.
- 6.2 The Select Committee will have 6 Employees' Representatives, including the President and vice President, selected by and from the representatives of the ABB ECE. The President of the Council will also chair the Select Committee. He/she is responsible for the co-ordination of the Select Committee with Management.
- 6.3 The Select Committee may meet with representatives from Management two to four weeks before the meetings with the ABB ECE for the purpose of co-ordinating the meetings.

7. Expenses

Expenses for travel, accommodation, costs for professional translation and training for the Employees' Representatives in the ABB ECE and in its Select Committee will be born by the respective ABB Countries according to their local rules and practices. The operating expenses of the ABB ECE meetings as well as the agreed upon expenses for the outside expert will be born by ABB Group Management.

8. Protection of Employees' Representatives in the ABB Employees Council Europe

All Employees Representatives shall, whilst exercising their functions under this Agreement, enjoy the same protection and guarantees provided for Employees' Representatives by the national legislation and/or practice in force in their respective country of employment.

9. Applicable Law

9.1 The Agreement on the ABB ECE will be governed by the German European Works Council Law of October 28, 1996.

10. Duration of Agreement

10.1 This Agreement comes into force on the date of signature and is valid for an indefinite period of time. It can be denounced by either party at the earliest after 4 years since its signature with a notice period of 9 months. On the part of the ABB ECE this denouncement requires the majority of its members. This Agreement will be valid till a new Agreement has been reached. If the EU-Directive is reviewed, the changes will be discussed and negotiated between the Select Committee and the ABB Group Management and then integrated in this Agreement.

11. Authorization

11.1 The Management signatories are authorized to conclude this Agreement on behalf of the ABB Group Management and its relevant subsidiary companies in all European countries covered by this Agreement and to be authorized to sign on their behalf this Agreement regarding the ABB ECE.

12. The English text of this Agreement will be the only binding text.

Zurich, 5th of July 2004

ABB Employees Council Europe



Adolf Schmitt, President



Kjell Brandal, Vice President

ABB Asea Brown Boveri Ltd, Zurich



Gary Steel, Member of the Executive Committee, HR



Georg Matiaska, Legal Counsel

Appendix to the Voluntary Agreement

Employees in European countries covered by this Agreement and their Representation in the ABB ECE

Delegation to the ABB ECE is based on the following ratios of distribution:

Number of Employees` Representatives	Employees in Country
1	100 - 5.000
2	5.001 - 10.000
3	10.001 -

Countries below 100 Employees will be represented by other countries

Based on this condition, the delegation ratios to the ABB ECE, valid as of ____ 2005, will be as follows :

Country	Employees	Number of Employees` Representatives
Austria		
Belgium		
Czech Republic		
Denmark		
Estonia		
Finland		
France		
Germany		
Greece		
Hungary		
Ireland		
Italy		
Latvia		
Lithuania		
Luxembourg		
Netherlands		
Norway		
Poland		
Portugal		
Slovakia		
Spain		
Sweden		
Switzerland		
United Kingdom		