

May 6, 1996

**ESTABLISHMENT OF THE ALCATEL ALSTHOM EUROPEAN COMMITTEE
FOR INFORMATION AND DIALOGUE**

Introduction

Due to the strong presence of the Alcatel Alsthom group in Europe and its multicultural characteristics, central and local management of Alcatel Alsthom on the one hand and the employee representatives on the other hand, have decided to establish by the present agreement, concluded in line with article 13 of the European Union directive 94/45/EC, a European body for information and dialogue.

In the economic and competitive context of the creation of the European single market, the objective of this body is to ensure the cohesion of the group in establishing a dialogue on the relevant subjects in between the General Management and the employee representatives for the personnel covered by the present agreement.

To this end, the signatories of the present agreement have adopted, in a spirit of pragmatism and cooperation, the following provisions :

***Article 1 Establishment of the European Committee for Information and Dialogue
for Alcatel Alsthom "ECID" :***

A European body for information and dialogue is established with the name of "*Alcatel Alsthom European Committee for Information and Dialogue*".

It is hereafter named ECID.

Article 2 Competence of ECID :

The ECID has as objective to ensure transnational information and dialogue, at the European level, concerning the strategy of the Alcatel Alsthom group, its structure and its organization, its economic and financial situation, its competitive position and the trend of employment, following in particular a transfer of activity or change in structure.

It will neither replace existing employee representative bodies in the countries covered by the present agreement, nor change the competence of these bodies.

Furthermore, it will not affect the prerogatives of Alcatel Alsthom central and local management, which remain solely competent to implement, at any level of the group, all decisions covering the organisation, the strategy and the management of the group or a part of the group.

Article 3 *Scope of application of the present agreement :*

The present agreement covers the entire workforce of the companies :

- in which the Alcatel Alsthom group :
 - holds directly or indirectly more than 50 % of the capital,
 - or can appoint the majority of the administrative, management or supervisory body, as applicable,
 - or controls a majority of the votes attached to the issued share capital
- and which are present in the different countries covered by the European Union directive 94/45/EC, as well as the United Kingdom and Switzerland.

It is thus agreed in between the signatory parties that : - GEC Alsthom and its subsidiaries, not meeting all of the above conditions, are not part of the present agreement.

- The wording "group company(ies)" used for convenience in the articles below covers only the companies included in the scope of the present agreement as defined in the present article.

Article 4 *Composition of ECID :*

ECID is composed of representatives from the General Management of Alcatel Alsthom on the one hand, and representatives of the employees on the other.

The management representatives of the Alcatel Alsthom group are the President & Chief Executive Officer and the Director of Human Resources & Communication, hereafter called General Management, who can be assisted or replaced by one or several colleagues of their choice.

The maximum number of employee representatives, hereafter called ECID members, is 30.

They should be employees of a group company and have at least one year's service within the group as defined by the rules or current practice in each country.

Article 5 *Allocation of ECID members :*

The 30 seats for the ECID members are allocated under the following rules and in the following order :

- a) one seat for each country, having at least 150 employees, in total, in one or several companies of the group.

Employees working in a country having less than 150 employees, in total, in one or several companies of the group, are represented at ECID by the representative of the employees from another country meeting the condition above, designated to this effect by the ECID members to represent them in addition to his/her local country mandate.

- b) The additional seats are determined in proportion to the number of employees of the company or companies working in each country referred to in article 3 above in relation to the total number of employees working in the group companies, using the rule of full percentage point and the largest remaining value after the percentage point.

For the initial application of the present agreement, the allocation by country of the seats for the ECID members is indicated on annex 1, based on the number of employees at December 31, 1995.

Article 6 *Designation of employee representatives :*

The ECID members are designated under the following rules, which reflect a concern to ensure a priority in the representation to the countries or the companies of the group having the largest number of employees.

a) *For countries other than France :*

The ECID members and their substitutes are designated in line with local rules or practice existing in each country.

b) *France :*

The ECID members are designated by the unions among the members of the existing group works committee as provided for in law number 82-915 of October 28, 1982.

This designation will automatically end if the employee representative is no longer a member of the group works committee.

The designation of the ECID members is made in accordance with the following rules and in the following order; the group works committee being defined, in line with the provisions of article 3 of the present agreement, excluding Gec Alsthom and its subsidiaries :

- one representative from each employee union having at least one employee representative on the group works committee,

- within the overall limit of the remaining seats to be allocated, the additional ECID members are designated by the employee unions in proportion to the respective number of elected members on a unit or site works committee of the companies of the group, using the rule of full percentage point and the largest remaining value after the percentage point, (for the initial allocation of the present agreement, see attachment 2).

The names of the ECID members will be communicated to the General Management at the latest one month before the date of the first plenary meeting of each mandate period, as defined in article 8 below.

Article 7 *Coordinating Committee and Secretary of ECID :*

- a) A Coordinating Committee consisting of 5 members is designated by the ECID members among themselves.

It will consist of one representative each from the five countries having the largest number of employees.

An internal regulation, established in between the Coordinating Committee and the General Management, defines the operating rules of the Coordinating Committee and the means at disposal for its members.

- b) The Coordinating Committee will elect among themselves the Secretary of the ECID.

He/she will have the necessary resources to carry out his/her duties, as decided in agreement with the General Management.

- c) In case of exceptional and urgent circumstances at the European level, and at the request of the majority of its members, the Coordinating Committee can, via the Secretary of the ECID, request that a special meeting be organized.

Article 8 *Length of membership for the employee representatives :*

- a) The ECID members are selected for a period of two years, subject to the employee representatives from the French companies still being members of the group works committee in place.

Their mandate is renewable.

- b) The duration of the first mandate will start on the date of the signature of the present agreement.

- c) The renewal of the ECID members, at the end of each two-year period, will take place in line with the articles 3, 5 and 6 above, according to the number of employees recorded on December 31 of the year preceding the year of renewal.

The first renewal will thus be based on the number of employees at December 31, 1997.

- d) The mandate automatically ends before its normal term when the employee representative does not meet the necessary conditions.

Article 9 Meetings of ECID :

a) Plenary Meetings

The ECID is chaired by the President & Chief Executive Officer of Alcatel Alsthom or by someone nominated by him.

The ECID will meet twice a year for a day in principal, following the meetings of the French group works committee, at a date and place decided by the General Management, in agreement with the Secretary of ECID.

The agenda is set by the General Management, in agreement with the Secretary and the Coordinating Committee.

In case of lack of agreement on the agenda, it will be determined by the General Management.

The ECID members can, as necessary, be assisted by an advisor designated by the Coordinating Committee.

The designation is subject to agreement of the General Management, who, as need be, will define with the Secretary of ECID the conditions for the participation of the advisor at the meeting.

Minutes from each meeting will be established by the General Management and the Secretary of ECID in agreement with the Coordinating Committee.

After approval, they will be translated in the six languages mentioned below in c) and distributed by General Management to the ECID members and to the different subsidiaries of the group.

b) Preparatory meetings

Each plenary meeting is preceded by a preparatory meeting of the ECID members.

The date and place of these preparatory meetings are decided, in relation to the plenary meetings, by the General Management, after consultation with the Secretary of ECID.

The ECID members can invite to the preparatory meeting the advisor designated by the Coordinating Committee to assist them.

c) Languages

A simultaneous translation will be provided during the plenary and preparatory meetings, as necessary, in the following languages : French, English, German, Spanish, Italian, and either Swedish or Dutch.

Documentation used during the meeting will be prepared and distributed in English.

Article 10 Replacement of the employee representative :

The ECID members can, in case of temporary or permanent unavailability, be replaced at the preparatory and plenary ECID meetings by a substitute whose name has been communicated in advance to the General Management as provided for in article 6 above.

The same will apply in case of termination before the end of the mandate of an employee representative, for the remaining period up to the end of this mandate.

Article 11 Expert

The ECID members can, once a year, ask the expert-accountant of the French group works committee to advise them on the consolidated accounts of the group, based on information that has been collected for the work required for the group works committee.

The nature of the intervention of the expert-accountant will be established in between him/her and the General Management.

Article 12 *Rights and Duties of the employee representatives :*

a) *Meeting days and travel cost*

- Time spent by the ECID members at the preparatory and plenary meetings will be reimbursed as for normal work.

This reimbursement, as well as travel and accommodation cost, will be made by the companies employing the ECID members in line with local company rules or practices.

As required, the necessary time to practice the ECID mandate will be evaluated according to local rules or practices in the employing company, in coordination with the General Management.

- Each member of the Coordinating Committee will, in addition, have at his/her disposal a maximum of 8 work days per year and per mandate period of two years and the possibility to make 4 business trips for the total mandate period, to be used within the countries represented at ECID. Salary as well as travel and accommodation cost will be reimbursed by the companies employing the members in line with local company rules or practices.

When traveling, the members of the Coordinating Committee can visit a site of a group company, subject to previous agreement from the site director, to meet with the elected or union designated personnel representative.

The relevant site director should have received the request sufficiently in advance to be able to give an answer and, as case may be, to make the necessary arrangements for the meeting.

The ECID members from the country with the relevant site, can participate in this meeting within time limits and means that he/she may have in the employing company and following local company rules or practices.

b) *Confidentiality*

The ECID members, as well as, if need be, the advisor designated by the Coordinating Committee as defined in article 9 and the expert-accountant designated in article 11, have an obligation to keep confidential any information communicated to them as such from the General Management.

They thus commit themselves not to disclose this information as long as it remains confidential, including, if need be, after the end of their mandate,.

Any proven breach of this obligation will be considered as a misconduct that could lead to a disciplinary action.

c) Protection

In exercising their function, the ECID members will benefit from the same protection and guarantees as those provided by existing legislation or rules to the employee representatives in their employing company.

Article 13 Duration of the present agreement :

The present agreement is concluded for a duration of five years from the date of signature.

During the six months preceding the expiry of this period, the present agreement could be denounced, either by the General Management, or by a majority of the ECID members.

This denouncement should be in writing.

In case of denouncement taking place under the terms mentioned above, the present agreement continues to be valid during a maximum period of three years from the date of notification of the announcement.

In the absence of a denouncement under the terms foreseen above, the present agreement will be extended by tacit renewal for subsequent periods of two years; a denouncement of any of the parties mentioned in paragraph two above should be made at least 6 months before the end of each mandate period for the ECID members.

Article 14 Law applicable to the present agreement :

The present agreement is subject to French law, or if need be, to French jurisdiction.

It will be registered by General Management at the "Direction Départementale du Travail et de l'Emploi" applicable for the Alcatel Alsthom headquarters.

Article 15 *Reference text in case of difference of opinion :*

It is agreed that the French version of the text will serve as reference in case of difficulties of interpretation or difference of opinion.

Signed in Paris on
in five original copies.

- General Management of Alcatel Alsthom, represented by :

- All the employees covered by the present agreement, represented by :

<i>(name of country)</i>	<i>(name of the employee representative)</i>	<i>(name of union to which the employee representative belongs)</i>
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Encl. - Annex 1: Employee numbers as of December 31, 1995
- Annex 2 : Designation of ECID members - France

ALCATEL ALSTHOM
(excl. GEC ALSTHOM)

	TELECOM	CABLE	SAFT	SYSTEMS	TOTAL	% DU / OF TOTAL	AUTOM	PRORATA	ADDIT SIEGES/ SEATS	RESTE/ REMAN. %	TOTAL SIEGES/ SEATS
FRANCE	27319	8091	2904	20262	63576	45.1	1	8.76	6	1	8
ALLEMAGNE / GERMANY	18374	6406	139	1356	24275	18.7	1	2.80	2	1	4
ITALIE / ITALY	8087	1136	61	3348	12632	9.7	1	1.46	1	1	3
BELGIQUE / BELGIUM	7684	1369	16	827	9896	7.6	1	1.14	1	0	2
ESPAGNE / SPAIN	6682	507	228	608	8025	6.2	1	0.93	0	1	2
SUISSE / SWITZERLAND	2019	2866	0	0	4885	3.8	1	0.06	0	1	2
GR. BRETAGNE / UNITED KINGDOM	740	1122	543	1311	3721	2.9	1	0.43	0	0	1
AUTRICHE / AUSTRIA	1840	260	21	0	2121	1.6	1	0.24	0	0	1
NORVEGE / NORWAY	1381	967	5	161	2454	1.9	1	0.28	0	0	1
SUEDE / SWEDEN	0	530	463	0	993	0.8	1	0.11	0	0	1
PORTUGAL	844	0	0	0	844	0.6	1	0.10	0	0	1
PAYS - BAS / THE NETHERLANDS	363	70	42	68	563	0.4	1	0.07	0	0	1
GRECE / GREECE	3	375	0	0	378	0.3	1	0.04	0	0	1
DANEMARK / DENMARK	137	175	0	0	312	0.2	1	0.04	0	0	1
IRLANDE / IRELAND	100	94	0	0	194	0.1	1	0.02	0	0	1
FINLANDE / FINLAND	0	0	7	0	7	0.0	0	0.00	0	0	0
TOTAL	73333	23958	4434	27961	129886	100.00	15	15.00	10	3	30
% DU/OF TOTAL	56.61	18.45	3.41	21.53	100.00						

EFFECTIFS DU 31 DECEMBRE, 1995
NUMBER OF EMPLOYEES AS OF DECEMBER 31, 1995

Rev 22.04.96

BWC.XLS

22/4/96

Désignation des représentants du personnel de la France à l'ECID avec :

- un représentant pour chaque organisation syndicale ayant au moins un représentant du personnel au Comité de groupe,
- et répartition des sièges restants proportionnellement au nombre d'élus de chaque organisation syndicale aux comités d'entreprise ou d'établissement, avec application de la règle de répartition au plus fort reste (excl. Gec Alsthom)

	nombre d'élus aux comités d'entreprise ou d'établissement	un siège pour chaque organisation ayant au moins un représentant du personnel au Comité de groupe	représentation proportionnelle	nombre entier de sièges	répartition des sièges supplémentaires au plus fort reste	total des sièges
CFDT	207	1	1,20	1	0	2
CFE/CGC	108	1	0,63	0	1	2
CFTC	15	0	0,09	0	0	0
CGT	287	1	1,66	1	1	3
FO	73	1	0,42	0	0	1
total	690	4	4	2	2	8

Appointment of French employee representatives to the ECID :

- one representative for each union having at least one employee representative on the group works committee
- and allocation of remaining seats proportionally to the number of elected members of each union on the company or site works council, using the rule of full percentage point and of the largest remaining value after the percentage point (excl. Gec Alsthom)