

OTIS GROUP

AGREEMENT TO AMEND THE AGREEMENT FOR THE ESTABLISHMENT OF A EUROPEAN FORUM

DATED 10 MAY 1996

Introduction

On 10 May 1996 the companies and legal entities within the European Union forming part of the Otis Group in the countries listed in Annex 1 to this Agreement ("the Companies"), the European Metal Workers' Federation and the Representatives of all the Employees of the Companies entered into an Agreement for the establishment of a European Forum ("the Forum Agreement"). The Forum Agreement constituted an agreement providing for transnational information and consultation of employees within the meaning of Article 13 of EU Directive 94/45.

The parties to the Forum Agreement have now agreed to update and amend the Forum Agreement in order to:

- take account of the closure of the Paris branch of Otis Elevator International Inc. and the designation of Otis France as the representative agent of the central management of the Otis Group,
- extend the Agreement to cover Otis employees in both the European Union and European Economic Area,
- change the name of the European Forum to the "European Works Council",
- change the maximum number of Employee Representatives from 25 to 30,
- extend the term of office of Employee Representatives serving on the European Works Council from 3 to 4 years,
- change the threshold number of employees within a country which is used to calculate the number of Employee Representatives to be nominated or elected by each country;
- change the title of the Employees' Co-ordinator to Employees' Secretary,
- extend the circumstances when a temporary substitute may attend a meeting of the European Works Council in place of an Employee Representative,
- extend the length of notice of meetings of the European Works Council from 4 weeks to 6 weeks,
- empower the Management Co-ordinator to hold a meeting with the Employee Representatives Committee between the annual meetings of the European Works Council, in order to discuss matters related to the functioning of the Council,
- clarify the provisions concerning travel arrangements for attending the European Works Council,
- clarify the process for the invitation of experts to attend Employees' Representatives and European Works Council meetings and
- clarify the confidentiality obligations of Employee Representatives.

Agreement

The Companies represented by the Director of Human Resources acting as legal representative of Otis France, the designated representative agent of central management, and the other management signatories who have separately and collectively been authorised to conclude this Agreement on behalf of all the other companies in the countries listed in Annex I,

and

The European Metal Workers' Federation,

and

The Representatives of all the Employees of the Companies

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HEREBY AGREE as follows:

1. The Forum Agreement shall (in accordance with paragraph 11 thereof) be amended with effect from the date of this Agreement in the manner indicated in Annex 2 to this Agreement ("the Amended Agreement").
2. Save for the amendments indicated (by underlining) in Annex 2, the Forum Agreement shall remain in full force and effect.
3. The Parties to this Agreement acknowledge that the Amended Agreement shall continue to constitute an agreement providing for transnational information and consultation of Employees within the meaning of Article 13 of EU Directive 94/45.
4. This Agreement shall be governed by and construed in accordance with French law.
5. Any disputes which may arise between the parties as to the construction, validity or implementation of this Agreement shall be finally decided by the competent courts of the French Republic.
6. This Agreement has been signed in both French and English. In the event of any conflict between the French and English texts, the French text will prevail.
7. This Agreement shall be filed with the Direction Départementale du Travail, de l'Emploi et de la Formation Professionnelle des Hauts-de-Seine. A copy shall be provided to the Directorate General for Employment and Social Affairs of the European Commission.

ANNEX 1 TO THE AMENDING AGREEMENT

23/09/2005

The Employees of the Otis companies and entities in the below listed Countries will be covered by this Agreement:

AUSTRIA
BELGIUM
CZECH REPUBLIC
DENMARK
ESTONIA
FINLAND
FRANCE
GERMANY
GREECE
HUNGARY
IRELAND
ITALY
NETHERLANDS
NORWAY
POLAND
PORTUGAL
SLOVAKIA
SPAIN
SWEDEN
UNITED KINGDOM

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OTIS GROUP

AGREEMENT FOR THE ESTABLISHMENT OF A EUROPEAN WORKS COUNCIL

Introduction

Otis believes that effective communication with all its Employees is essential to the effective running of the business. Otis is always looking for ways to improve the delivery of information and exchange of views with all of its Employees.

With this aim in view it has been decided to establish a European Works Council to ensure that Otis Employees in the European Union and the European Economic Area are informed and have an opportunity for dialogue on transnational issues likely to significantly affect their interests.

The European Metal Workers Federation (a federation of affiliated metal industry trade unions) has requested to be made party to this Agreement as the Representative of the majority of Otis Group employees in the European Union and European Economic Area.

Accordingly the companies and other legal entities within the European Union and European Economic Area forming part of the Otis Group, in the countries listed in Annex I to this Agreement ("the Companies"), represented by its Director Human Resources, acting as legal representative of Otis France, the designated representative agent of management and the other Management signatories who have, separately and collectively, been authorized to conclude this Agreement on behalf of all the other companies in the countries listed in Annex I,

and

The European Metal Workers Federation,

and

The Representatives of all the Employees of the Companies,

HEREBY AGREE as follows :

1 Scope and Definitions

1.1 This Agreement covers all the Employees of the Companies and all companies within the European Union and European Economic Area which may in future form part of Otis Group.

1.2 In this Agreement :

Management : means the executives of the Otis Elevator Company, NJ through its representative agent, Otis France.

Consultation : means the exchange of views and establishment of a dialogue.

Transnational issues : means an issue involving a decision taken by Management which is likely to materially affect Employees in two or more EU and EEA countries as far as those represent separate companies.

2 Membership of the European Works Council

2.1 The European Works Council will consist of up to a maximum of 30 Employee Representatives and 5 Management Representatives. Each participating Country will be allocated Employee Representatives in accordance with Art.2.2.4

2.2 The nomination or election of Employee Representatives will be organized on a country-wide basis, by the Companies in the relevant country, in cooperation with the appropriate representative bodies and in accordance with the following principles :

2.2.1 To be eligible for nomination and election as Employee Representatives to sit on the Works Council, candidates must be Employees of one of the Companies and have been continuously employed within the Otis Group for three years or a lesser period if so stipulated in local law. The elected Representative will be encouraged to undertake English Language training provided for by the Company

2.2.2 In the Countries where national representative bodies exist, the Employee Representatives have to be nominated from the members of these bodies. Where more than one body exists at the national level, these bodies shall meet to decide on the person or persons to be nominated to the European Works Council.
Where local representative bodies exist but there is no national body, the Employee Representatives will be nominated by a majority of the Employee Representatives who have themselves been elected to sit on local representative bodies in accordance with the applicable national law.

2.2.3 Where there are no local representatives bodies within the country in question, the Employees shall be entitled to participate in an election of Employee Representatives. Elections shall be conducted by secret ballot and in accordance with national law where relevant.

2.2.4 Each country will nominate at least one Employee Representative.
The number of Representatives to be nominated or elected by each country shall be proportional to the number of Employees employed in that country as follows:

- For countries in which less than 1500 Employees are employed : 1 Representative.

- For countries in which more than 1500 Employees are employed: 2 Representatives.

2.3 An Employees' Representatives' Committee comprising four Representatives, each from a different country shall be established. Members of this Committee shall be elected by the Employee Representative members of the Works Council from among themselves.

This Committee will be responsible for preparing and proposing items for the European Works Council Agenda and coordinating the nomination and election procedures referred to in paragraph 2.2.

2.4 The Employee Representatives Committee will select an Employees' Secretary from amongst their number.

2.5 The Employee Representatives to be nominated or elected will serve on the European Works Council for a term of four years. Thereafter, the nomination and or election process referred to in paragraph 2.2 will be used to establish the membership of the European Works Council for the following four years and thereafter every four years.

2.6 If during his or her term of office, a Representative ceases to be employed within the country of the Otis Group from which he or she was nominated or elected, for whatever reason, such term of office will terminate immediately. A replacement Representative will be nominated or elected in accordance with paragraph 2.2. Such replacement Representative shall hold office for the remainder of the four year term of office of the original Representative.

2.7 If an Employee Representative is unable to attend a meeting of the European Works Council he or she should notify the Employees' Secretary.

No other person may attend in his or her place except in the event of:

- Death, hospitalization, serious illness or disabling accident;
- a personal or business conflict.

In either of these events, a temporary substitute may be nominated by the same body which appointed the original representative in accordance with the criteria set forth in paragraph 2.2.1, to attend the Works Council Meeting. Alternatively a permanent replacement Representative may be nominated or elected in the same manner as set out in paragraph 2.6 above. The Management Co-ordinator must normally be informed, in writing, at least six weeks prior to a Works Council Meeting that a Representative will be replaced at the Meeting by a temporary substitute or permanent replacement Representative and shall be informed of the reasons for the Representatives absence.

Should a member be absent for two consecutive European Works Council meetings he or she shall cease to be a member and will be replaced with a permanent replacement member in accordance with paragraph 2.6 above.

- 2.8 The Management Representatives will be nominated by Management to represent it on the European Works Council. Management will nominate one such Representative as President to preside over the European Works Council and another to act as a Management Coordinator to the European Works Council.

3 Meetings of the European Works Council

- 3.1 The European Works Council will normally meet once each year for a maximum of two working days.
- 3.2 The Management Coordinator will ensure that every Representative on the European Works Council receives at least 6 weeks prior notice of the meeting specifying the date and place of the meeting the agenda and providing any relevant information or documents.
- 3.3 The Management Coordinator and the Employee Representatives Committee Secretary will agree the agendas of all European Works Council meetings. The agenda will however always include consideration of a report from Management on the progress of the Otis Group in the European Union and European Economic Area during the past year and its prospects for the forthcoming year.
- 3.4 Should an unusual transnational issue arise which would have a significant impact on employees of the Otis Group within the European Union and European Economic Area the Management Coordinator will hold a special meeting with the Employee Representatives Committee to inform them of the situation and to discuss the matter.
In addition the Management Coordinator will hold meetings with the Employee Representatives Committee in the period between the annual meetings of the European Works Council to discuss matters related to the functioning of the Council.
- 3.5 In order to prepare for a European Works Council meeting the Employees' Representatives may meet the business day immediately preceding the European Works Council meeting.
- 3.6 Employee Representatives will be entitled to spend two business days (including traveling) attending a European Works Council meeting and any preparatory meeting, and will receive their normal remuneration during such period. Travel, meals and accommodation costs of Representatives incurred in attending European Works Council meetings will, wherever possible, be

billed directly to the Company. Incidental expenses incurred by the Employee Representatives will be reimbursed to those attending in accordance with normal company procedures regarding the reimbursement of expenses.

- 3.7 Where it is not possible for the Representative to travel to the meeting location in time for the commencement at 9:00 the member may arrive the evening before.

4 **The Work of the European Works Council**

- 4.1 The European Works Council will provide an opportunity for the provision of information to Employee Representatives and for consultation between Management and Employee Representatives on transnational issues likely to affect Employees' interests to a considerable extent.
- 4.2 Management will present a report to each meeting of the European Works Council on the progress and prospects of the Otis Group in the European Union and European Economic Area in particular relating to structural, economic, financial, business development, safety and human resources issues having a significant effect on Employees.
- 4.3 The members of the European Works Council will discuss the above subjects in a timely manner and in a spirit of co-operation with a view to exchanging views and establishing a dialogue.
- 4.4 Otis Group has set the highest standards of performance in employee relations and employee communications practices in all its operations and entities. The European Works Council is intended to supplement these existing local practices by ensuring the provision of transnational information and consultation thereon. It is not intended that the European Works Council will replace or affect local communications structures in any way nor that the work of the European Works Council will in any way reduce the prerogative of the Management of Otis Group and its operating companies to make and implement decisions necessary for the effective operation of their business at the local, transnational and EU levels.

Accordingly the European Works Council will not discuss purely national or local issues concerning the Otis business in one country or one business unit, nor will it discuss issues concerning individual Employees or remuneration, compensation, benefits or terms and conditions of employment.

5 **Records and results of European Works Council meetings**

- 5.1 The minutes of European Works Council meetings shall be agreed by the Employees' Secretary and the Management Coordinator and signed. To assist with the communications of matters discussed at the European Works Council the Management Coordinator will meet with the Employee Representatives Committee on the day of the Employees' Works Council meeting to prepare and agree upon a short Communiqué.
- 5.2 The Management Coordinator shall be responsible for communicating such Communiqué to all Employees of the Companies through the established in-company communications processes such as newsletters, notice boards, comité d'entreprise, Works Councils, employee meetings and any other such communication process that may be agreed between Local Management and the Employee Representatives.

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6 Language of European Works Council meetings

All European Works Council meetings will be conducted in English. Simultaneous translation will be provided where necessary. The official record and minutes of the European Works Council meetings will be prepared in French and in English. Local Management will be responsible for preparing local language translations of the minutes and the Communiqué to assist local communications.

7 Experts

The Employee Representatives on the European Works Council may be assisted, by up to two experts who need not be Employees of the Otis Group. Such experts shall be invited by the Management Coordinator, following the request of the Employees' Representatives' Committee and should themselves be officials of the European Metal Workers Federation. Such experts may attend and participate in preliminary meetings of Employee Representatives. They may also attend European Works Council meetings as observers. Expenses of such experts shall be approved in advance by the Management Coordinator.

8 Confidentiality

- 8.1 The dialogue between Representatives which takes place within the European Works Council will be as full and open as possible. Management and the President of the European Works Council may decide that a particular topic, subject or issue under discussion within the European Works Council is confidential. In that event, all Representatives on the European Works Council shall not disclose to anyone outside the European Works Council any information which has been provided to them in confidence. This obligation shall continue to apply even after the expiration of the term of office of any

Representative as long as the information remains confidential.

8.2 Where, however, the disclosure of information to Employees would be prejudicial to the interests of Otis' business or would result in Otis breaching a legal obligation, Management may be obliged not to disclose information to Employee Representatives which would otherwise fall within the scope of this agreement. In these circumstances the relevant information will be disclosed to Employees as soon as its disclosure is no longer prejudicial to Otis' interests or no longer constitute a breach of legal obligation.

8.3 In addition to any penalties which may be imposed on Representatives under the law of the country in which they are employed, Representatives who are found to have breached this duty of confidentiality will automatically cease to be members of the European Works Council.

8.4 The Employee Representatives shall ensure that the experts who assists them comply with the duty of confidentiality set out in paragraph 8.1 above.

9 Costs

Management shall meet the costs of establishing and operating the European Works Council provided that they do not exceed the budgeted costs which shall be established by Management annually.

10 Duration

10.1 This Agreement came into force on May 10th 1996 and was amended on October 10th 2001 and again on November 10th 2005. It will continue indefinitely unless 12 months' notice of termination is given in writing, signed by either a majority of the Employee Representatives or by Management Representatives on the European Works Council

10.2 During the 12 months' notice period the European Works Council will meet to discuss the possibility of renewing this Agreement. If it is agreed to renew the Agreement, it will continue in force indefinitely unless 12 months' notice is given in the manner described above. If no agreement is reached before the end of the 12 months' notice period, this Agreement will automatically terminate on expiration of such notice.

11 Amendments to the Agreement

This Agreement may be amended by mutual agreement of the majority of the Employee Representatives members of the European Works Council and the Representatives of the Management. All amendments must be in writing and signed by all parties.

12 Applicable law and language of the Agreement

- 12.1 This Agreement shall be governed by and construed in accordance with French law.
- 12.2 Any disputes which may arise between the parties as to the construction, validity or implementation of this Agreement shall be finally decided by the competent courts of the French Republic.
- 12.3 The signatories to this Agreement acknowledge that it constitutes an agreement providing for transnational information and consultation of Employees within the meaning of Article 13 of EU Directive 94/45.
- 12.4 This Agreement has been signed in both French and in English. In the event of any conflict between the French and English texts, the French text will prevail.
- 12.5 This Agreement shall be filed with the DDTEFP (Directions Départementale du Travail, de l'Emploi et de la Formation Professionnelle) of des Hauts-de-Seine. A copy shall be handed out to the EMF and to DG V of the European Commission.

ANNEX 1 TO THE AGREEMENT
FOR THE ESTABLISHMENT OF A EUROPEAN WORKS COUNCIL



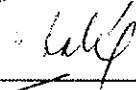

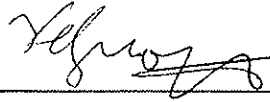


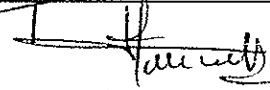

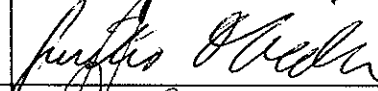
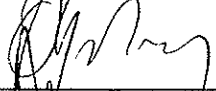

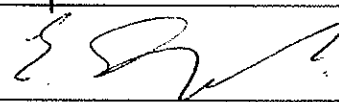


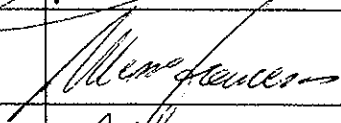

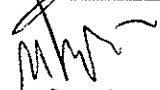
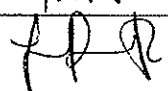
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FRANCE
GERMANY
GREECE
HUNGARY
IRELAND
ITALY
NETHERLANDS
NORWAY
POLAND
PORTUGAL
SLOVAKIA
SPAIN
SWEDEN
UNITED KINGDOM

EUROPEAN WORKS COUNCIL - OTIS

8-10 NOV 2005

T : Titular - R : Replacement

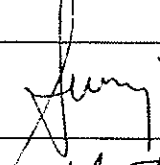
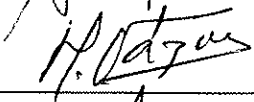
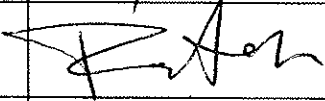

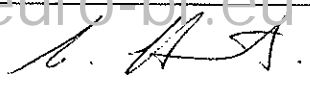
	Name	Country	
R	Reinhard ZEILERBAUER	Austria	
T	HUGO STRYBOS	Belgium	
T	ANNA CEKALOVA	Czech Republic / Slovakia	
T	GERT CLEMENSEN	Denmark	
T	KAIDO GROSSTHAL	Estonia	
R	KIÖSTI TIMONEN	Finland	
T	CHRISTIAN GRANGIER	France	
T	P. Y. FLOUCAULT	France	
T	HANS LÜTHY	Germany	
T	GUNTER TRIEBE	Germany	
T	HARIS GEROSIDERIS	Greece	
T	GABOR PALLOS	Hungary	
T	EDWARD SHARP	Ireland	
R	ALBERTO TAMPELLINI	Italy	
T	KLAAS LENOBLE	Netherlands	
T	FRANCESCO MESSANO	Italy	
T	ATLE JOHANNESSEN	Norway	
T	WALDEMAR REMBELSKI	Poland	
T	JOAO PIMENTA	Portugal	

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EUROPEAN WORKS COUNCIL - OTIS

8-10 NOV 2005

T : Titular - R : Replacement

	Name	Country	
T	CARLOS SEVILLEJA	Spain	
T	MIGUEL VAZQUEZ VEGA	Spain	
T	PER ABRAHAMSSON	Sweden	
T	MICHAEL SINNOT	United Kingdom	
T	CHRIS HUNT	United Kingdom	

ALAN TAYLOR Dir. H.R. UCEA

XAVIER SAVIGNY Dir. H.R. NEEA

ANGEL ALZOO Dir. H.R. SEMA

