



European Works Council

Internal Regulation as amended by Amendment no. 4 of 16 November 2022 and effective from 1 January 2023

INTRODUCTION

This Document contains the Internal Regulation drawn up by the IBM EWC as provided for by Section XXVI of the IBM EWC Agreement of 28 June, 1999, as revised and amended by Amendment no 2 adopted 21 October, 2009 and effective from 1 January, 2010 as well as by Amendment no 3 adopted 09 December, 2015 and effective from 1 January, 2016 as well as by Amendment no 4 adopted 16 November 2022 and effective from 1 January, 2023 ("the Agreement").

This version of the Internal Regulation was adopted by the EWC, including the Chairman on October 5, 2000, and amended by Amendment no 1 of 24 April, 2003, by Amendment no 2 of 06 May, 2010 and by Amendment no 3 of 11 May, 2016 as well as by Amendment no 4 adopted 16 November 2022 and effective from 1 January, 2023. Changes to the Internal Regulation will be made as indicated in article 11. below.

With reference to Section XXVI of the IBM EWC Agreement, amended by Amendment no 3 as well as by Amendment no 4, the Internal Regulation is a procedural document which defines in more detail various aspects of the EWC's mode of operation, with binding effect among the IBM EWC, its members and IBM management. It is written with the aim of facilitating cooperation between the IBM EWC members and IBM management.

1. Code of Conduct

All those involved in the information and consultation process and in the application of the Agreement are required to behave openly and honestly, with awareness and empathy, and with the aim of emphasizing the unifying aspects over the differentiating aspects. The following guiding principles shall always be applied: treat others with respect, allow openness, build on trust and embrace country-specific differences and cultural diversity.

2. Changes to IBM Companies' list (ref. Section II of IBM EWC Agreement)

The changes to the list of IBM Companies covered by the Agreement will be presented in and will be part of the documentation of the first annual regular meeting of the EWC. The changes will be those valid as of 31 December of the previous year.

An update of employee numbers by country and by main company, also as of 31 December, will be provided every first annual regular meeting. The employee numbers will be determined according to national law for the nomination of employee representatives to the EWC. These numbers will be the basis for determining changes, if any, in the number of EWC seats per country, which will be reviewed once a year at the first annual regular meeting.

3. Changes in the EWC Membership (ref. Section III of IBM EWC Agreement)

3.1. Additional seats

If there is an allocation of additional seats for a country, then the new representative(s) will be a member of the EWC and participate in meetings as soon as the process for electing or designating them has been completed.

3.2. Loss of additional seats

If a country loses an additional seat(s) based on a new reallocation of seats, then the representative(s) to lose his/her seat will be determined at country level according to national law and practice. The loss of the seat takes effect as soon as this local process is complete.

3.3. Country representation

If (i) there are new countries covered by the Agreement, or (ii) countries covered by the Agreement but not yet represented in the EWC, the new representative(s) of these countries will participate in meetings as soon as the process for designating employee representatives has been completed in accordance with national law and practice.

4. Secretary, Deputy Secretary and Select Committee Election (ref. Section IV of IBM EWC Agreement)

4.1. Election of Select Committee members, Secretary and personal substitute(s)

- 1) The election will be conducted during a regular meeting. At this meeting a quorum is required: at least two-third of the total number of employee representatives at the EWC must be present in person.

The EWC can draw up a candidate profile, comprising specific (language) skills and/or experiences relevant to the role of Select Committee member. Select Committee members are expected to be present at Select Committee meetings and to actively contribute to the work, responsibilities and mission of the Select Committee and the EWC.

- 2) When there is a need for elections, the Secretary will make an announcement in writing or by email to the full EWC membership of the vacant function(s) to be elected.
- 3) EWC employee representatives declare their candidature(s) for the vacant function(s) to the EWC, normally one week before the meeting.
- 4) EWC members applying to the function as **Select Committee** member should be physically present in the meeting where the election will take place. EWC substitutes have an active voting right if present in the meeting, but cannot be elected as Select Committee member.
- 5) The election procedure for a Select Committee member is as follows:
 - A ballot paper with the list of individual candidates will be provided by the Secretary, to each member of the EWC
 - The number of ballot papers equals the number of EWC members physically present in the meeting
 - Each EWC member will receive one ballot paper at the meeting
 - Each EWC member has as many votes as open seats
 - Each EWC member can only give one vote to one candidate, by putting a cross beside the candidate's name
 - Valid votes must contain as many votes as seats available, votes blank or partially blank will be counted as invalid
 - Adding comments and/or remarks to the ballot paper makes the vote invalid
 - After collecting all ballot papers an open counting and verification of votes in front of the full EWC membership will take place, normally by two EWC members, not being a candidate
 - The candidate(s) with most votes are elected; a candidate is deemed elected when he/she receives most of the votes of the EWC members present

- In the event that two or more candidates for the last seat(s) with the least votes have equal votes, then a new vote will take place between these candidates, following the same procedure
- 6) The EWC elects one of the Select Committee members to be the **Secretary**. A candidate is deemed elected when he/she receives more than 50% of the votes of the EWC employee representatives present. (Example: 17 EWC employee representatives, 15 present, 8 votes needed). The procedure as described under 4.1, sub 2 - 5 applies
 - 7) The EWC elects one of the remaining Select Committee members to be the **Deputy Secretary**. The same rules for electing the Secretary will apply.
 - 8) The EWC elects for each Select Committee member a **personal substitute**, exclusively to provide for the case where a Select Committee member subsequently loses his membership of the EWC or is absent ill for a period which covers more than two regular meetings. The same rules for electing the Select Committee members as described under 4.1, sub 2 - 5 will apply (to the election of personal substitutes).
 - 9) The results of the elections will be communicated to the Chairman at the end of the meeting. The Chairman will communicate these results in writing as soon as possible to country management, but not later than one week of the elections. This communication is aimed at ensuring that all the so elected members are protected and able to play their roles according to the provisions in the EWC Agreement.

4.2. Duration of the mandate

The Select Committee is elected for the duration of the Agreement. If the Agreement is extended for an additional six year period, a new Select Committee shall be elected in the first regular meeting of each additional period and the previous Select Committee will remain in place until that date/election. In case of entering into a renegotiation of the Agreement the Select Committee will remain in place for the renegotiation period.

The Select Committee membership will end in the following circumstances:

- resignation as a member of the Select Committee or as a member of the EWC,
- end of mandate as employee representative to the EWC under national law,
- end of employment contract with any of the companies covered in the Agreement
- in case of revocation of the Select Committee membership due to malfunctioning, to be performed by a two-third majority of the vote respecting the quorum as described in 4.1. under 1) of this Internal Regulation.

In case of a vacancy due to a membership/mandate having ended the personal substitute will become a member of the Select Committee till the next regular meeting, when a new election for the vacancy will take place. In such cases, the personal substitute will join the Select Committee meetings with immediate effect and with equal rights and facilities as the other members of the Select Committee.

Nevertheless, if the vacancy concerns the Secretary, the Deputy Secretary will act as Secretary until the next regular meeting.

If for any reason, the Secretary and Deputy Secretary are simultaneously unable to work as Secretary and Deputy Secretary, then the Select Committee will elect among the members of the Select Committee a temporary Secretary to work as Secretary until the next EWC regular meeting or until the Secretary/Deputy Secretary is able to work. Until this election is completed the longest serving Select Committee member will act as Secretary.

4.3. Meetings of the Select Committee

If four of the Select Committee members request a meeting of the Select Committee the Secretary will call the meeting within six weeks.

The date and place of Select Committee meetings will be communicated to the Chairman by the Secretary at least two weeks in advance. Decisions on location will normally aim to optimise the cost.

The Select Committee meetings preparing the next Regular meeting are normally scheduled in March and September.

There will normally be two additional Select Committee meetings per year, if required.

4.4. The Chairman's and the Secretary's presence in meetings

Throughout the information and consultation part of a regular meeting (ref. Section VII of the Agreement), an extraordinary meeting (ref. Section IX of the Agreement) and a Select Committee informative meeting (ref. Section IV of the Agreement), the Chairman and the Secretary shall be present in person. If the Chairman has to step out of the meeting for unavoidable and unforeseen reasons, the Chairman shall appoint a person from the Supporting staff to deputize.

However, if the process of information and consultation requires the Chairman's presence, the meeting shall be suspended for the duration of the Chairman's absence; the question of the necessity of the Chairman's presence shall be decided and agreed on jointly by the Chairman and the Secretary.

If the Secretary has to step out of the meeting for unavoidable and unforeseen reasons, the Deputy Secretary shall take his place. If the Deputy Secretary is prevented from deputizing, the longest serving Select Committee member shall deputize for the Secretary.

However, to the extent that the process of information and consultation requires the presence of the Secretary, the meeting shall be suspended for the duration of the Secretary's absence; the question of the necessity of the Secretary's presence shall be decided and agreed on jointly by the Chairman and the Secretary.

5. EWC Budgets

5.1 Experts

If the EWC decides to appoint an expert within the terms of Section V of the Agreement, the Secretary will send to the expert a letter of mission and request from him a written estimate of costs. The Secretary will communicate to the Chairman the proposed letter of mission for the expert and, when received, the expert's written estimate of costs. IBM will allocate and make the estimated mission-related budget (the Budget) available. The expert must inform the Secretary well in advance if the actual expenses will exceed his estimate of costs. The expert will in that case send an additional written estimate of costs to the Secretary, which will be assessed by the Secretary. The Secretary will inform the Chairman in writing and may request additional Budget. Any expense in excess of the available Budget needs the agreement of the Chairman.

When the mission has been completed, the Secretary will arrange for the expert to send his bill to the Chairman. Any discrepancies between the bill and the estimate will be discussed between the expert and the Secretary. The Secretary will inform the Chairman in writing and discuss with him the further process if the bill exceeds the available Budget.

The Chairman will arrange payment by IBM directly to the expert, limited to the agreed Budget.

The expert budget as agreed in Section V of the Agreement will normally be increased according to the annual average inflation rate of change in Harmonized Indices of Consumer Prices (HICPs) for the European Union up to a maximum of 3% per annum. This inflation rate is published by Eurostat, the Statistical Office of the European Communities situated in Luxembourg.

5.2 Simultaneous interpretation and translation of documents

Referring to Section XIV of the Agreement the Chairman and the Select Committee will negotiate the required budget for planning purposes, normally in the previous year between the second regular meeting and year-end.

The documents to be translated are in general as follows: communiqués, minutes of meetings, the EWC Agreement, the Internal Regulation, experts reports. If charts are distributed, they will be made available by hardcopy at the beginning of the presentation and will normally not be translated. Written descriptions of the main lines of the circumstances requiring an extraordinary meeting, according to Section IX, will be in English; but they will be translated as soon as possible after the extraordinary meeting, if translation is requested by the Secretary.

IBM will arrange for central translation of documents and distribute them as a package within a reasonable time after each meeting (maximum 8 weeks).

IBM takes care of the organisation and payment of simultaneous interpretation and translation of documents.

5.3 Tracking of spending

The Chairman communicates to the Secretary actual spending on experts, simultaneous interpretation and translation of documents. The statement of expenses on experts, simultaneous interpretation and translation of documents will be provided by the Secretary to the EWC normally at the first regular EWC meeting in a year.

At the end of every calendar year, the Secretary will also provide the Chairman with an overview of the expert budget in the year, including the 'carry over'. The Chairman will confirm in writing that the expert budget 'carry over' will be reserved and remains available for the EWC. This will also apply to any amount of the expert budget accumulated at the time of the amended Agreement (no 4) coming into force.

6. Minutes (ref. Section XI of IBM EWC Agreement) and representation

The English-language version of the minutes of the EWC meetings will be distributed to the EWC members by soft copy including the presentations of the EWC meetings. The translation of the minutes will be distributed by soft copy as well. Any confidential items will be covered in a confidential annex, which can be disseminated to local representative bodies in line with country law and practice, in any case the confidentiality has to be respected also by the local representative bodies. The English-language version of the minutes shall prevail.

The IBM EWC is represented by the elected EWC Secretary, or by the Deputy Secretary, in case the Secretary is prevented from fulfilling this role. Official communication and/or statements on behalf of the EWC, can only be made public by the EWC Secretary or the Deputy Secretary. If for any reason, the Secretary and Deputy Secretary are simultaneously unable to work as Secretary and Deputy Secretary, the EWC will be represented by the person elected in accordance with or stated in the provisions of Section 4.2 of this Internal Regulation.

7. Use of current IBM internal communication technology (ref. Section XVII of IBM EWC Agreement)

In order to be able to provide employees with information about the EWC, IBM Publisher is regarded as current IBM internal communication technology, at the time of signing this 16 November 2022 amendment. The following principles apply:

- The W3 Publisher community serves as the overall platform.
- The EWC Publisher page(s) is a public community, in which the following features (applications) are used: wiki, blog, files and events. The use of any additional features has to be discussed and agreed mutually between Secretary and Chairman.
- For clarity reasons, the design attached below guides the content structure of the EWC Publisher page(s).

European Works Council EWC minutes & opinions EWC membership EWC meetings EWC agreement Useful links w3

European Works Council

IBM internal information repository

Welcome to the IBM EWC

The IBM European Works Council (EWC) was established in 1999. Main focus: information and consultation. Practically this means that IBM's senior management provides the IBM EWC on a regular basis with information regarding various European topics, eg. strategic direction, business results, important acquisitions and reorganisations. The members of the IBM EWC are consulted and can raise questions, discuss, give advice and feedback, and deliver a joint opinion. IBM senior management can include this feedback into its decision making process and will provide the IBM EWC with their reasoned management response in writing.

The IBM EWC has two regular meetings per year and represents around 90.000 European employees working at IBM or its subsidiaries. At these intranet pages you can find more information about the [EWC's legal basis](#), its role and responsibilities, the [mode of operation](#), the [IBM EWC members](#) who represent you, the [meeting schedule](#) and [relevant documentation](#).

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W3 Publisher



- Shared ownership by the Secretary and Deputy Secretary, and the Chairman and HR assistant for posting/uploading information.

8. Infrastructure

Communication tools and devices (ref. Section XVIII of the Agreement) shall generally consist of laptop, mobile phone and adequate WiFi-connection, and will be provided respecting local law and practice.

9. Adoption of EWC decisions in virtual meetings

The EWC shall – solely at the EWC’s own discretion – be entitled to adopt decisions (ref. Section III of the Agreement) by means of a video or telephone conference (virtual meeting). This does not apply to elections.

10. Information of Management

From time to time, and especially when a new employee representative has been elected, IBM Europe management will, in accordance with Section XXIII of the Agreement, adequately inform the (local) management of the employee representatives about the rights and obligations connected to the role as EWC member. A depiction of the current basic information is attached below. The content of this information will be reviewed and updated regularly by the Chairman and the Select Committee.

GUIDANCE: YOUR EMPLOYEE IS AN IBM EUROPEAN WORKS COUNCIL MEMBER

IBM EUROPEAN WORKS COUNCIL (IBM EWC)

- The IBM European Works Council (EWC) is a legally mandatory council for information and consultation between IBM Europe management and elected employee members / representatives, based on a European Union Directive. The IBM EWC discusses the financial performance of IBM in Europe, trends of the business and Human Resources dynamics, programs and strategies.
- The IBM EWC Agreement (signed by IBM and the EWC) details its operation, the rights and the responsibilities of the members and the management
- The IBM EWC has a special Publisher page, accessible to all European employees: <https://w3.ibm.com/w3publisher/european-works-council>

THE RIGHTS OF THE IBM EWC MEMBER AS PER THE IBM EWC AGREEMENT

TRAVEL

- The IBM EWC member shall participate at the regular meetings of the EWC, which normally last 3-4 days and which are held twice a year, normally mid of May and beginning of November.
- The IBM EWC member shall participate, in case of extraordinary circumstances, at ad hoc meetings, if your country would be affected to a considerable extent, which normally last 1-2 days.
- In case the IBM EWC member has been elected to the 'IBM EWC Select Committee', additional meetings (normally 4 per year) will occur, which usually last 1-2 days.
- Travel to these events is pre-approved by the CFO of IBM Europe.
- Any travel / meeting related cost is covered by IBM according to the process and rules of IBM Travel and the legal regulations of the country. These costs can be re-aligned to the EWC.

TIME

- The IBM EWC member is entitled to be set free from his / her regular work without loss of income, to participate in meetings and to prepare for his / her duties as IBM EWC representative.
- In addition to EWC travel and meeting time, ordinary EWC members can dedicate maximum 75 hours per year on IBM EWC work, Select Committee members up to 150 hours per year and the Secretary up to 600 hours per year. Special situations require additional hours.
- The practical implications of the IBM EWC membership shall be managed in line with local rules, regulations and processes - for questions, please contact your local HR Partner.

EDUCATION AND COMMUNICATION TOOLS

- The IBM EWC member is eligible for English language education as needed to fulfill his / her IBM EWC responsibilities. The reimbursement will follow the local BaU process of external education.
- The IBM EWC member is eligible for IBM specific business-related education offered by IBM. Costs are covered by IBM.
- The IBM EWC member is eligible to use IBM internal communications tools and devices for communication with other IBM EWC members, substitutes and local representative bodies, in line with applicable rules and regulations .

PROTECTION

- The IBM EWC member is protected as per the national law and practice
- The IBM EWC member must be neither advantaged nor disadvantaged by any means, based on his / her position as IBM EWC representative
- The IBM EWC member must be treated the same way as any other employee when it comes to ESP, compensation, skill enhancement, career, performance evaluation, etc.
- The IBM EWC-related activities shall be recognized and valued

QUESTIONS? CONTACT YOUR LOCAL HR PARTNER AND / OR EMEA ER/LR LEADER



11. Duration and Amendments of the EWC Internal Regulation

This Internal Regulation refers to the IBM EWC Agreement of June 28, 1999, as revised and amended by Amendment no 2 adopted 21 October, 2009 and effective from 1 January, 2010 as well as by Amendment no 3 adopted 09 December, 2015 and effective from 1 January, 2016 as well as by Amendment no 4 adopted 16 November 2022 and effective from 1 January, 2023.

The contents of this Internal Regulation can only be modified by vote of more than 50% of the total number of employee representatives of the EWC in agreement with the Chairman.

The duration of this Internal Regulation is the same as that of the Agreement. If the Agreement is extended this Internal Regulation is extended accordingly. If the Agreement expires and the parties enter into a renegotiation, this Internal Regulation continues to apply during the renegotiation period.

Brussels, November 16, 2022

Marc Born
EWC Secretary

Gian Luigi Cattaneo
EWC Chairman

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