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Agreement

Between

**European Works Council ("EWC") of the Sulzer Group
(In German Europäischer Betriebsrat / EBR)**

(Formed by Employee Delegates of European Sulzer Companies)

And

Sulzer AG, Neuwiesenstrasse 15, 8401 Winterthur ("Sulzer")

Regarding

Notification and Hearings

("Agreement")

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Annex 1 European Companies and Number of Employees as of 31 March 2014

*A. H. Mendel
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I. Preamble

The objective of this Agreement is to ensure co-operation based on trust between the European employees of Sulzer and Sulzer. In order to achieve this objective, the parties define the principles by which supranational notification and hearing of the employees should take place with regard to subjects of interest to both, Sulzer and the European employees.

The 2014 revision became necessary due to a need for various formal and content related adaptations.

II. Non-Application of the European Directive

On 20 June 1996, the Sulzer Corporation entered into the first Agreement with delegated employees forming the European Workers Council. This first Agreement was revised in mutual agreement between the EWC and Sulzer on 31 October/1 November 2001 and on 3 April 2003.

The Sulzer EWC Agreement is not subject to the "Council Directive 94/45/EC of 22 September 1994 on the Establishment of a European Works Council or a Procedure in Community-Scale Undertakings and Community-Scale Groups of Undertakings for the Purposes of Informing and Consulting Employees". According to Articles 13 and 14 thereof, obligations arising from the said Directive do not apply to Community-scale undertakings or Community-scale groups of undertakings in which, on 22 September 1996, there was already an agreement in place which covered the entire workforce and provided for the transnational information and consultation of employees.

Further, the "Directive 2009/38/EC of the European Parliament and of the Council of 6 May 2009 on the Establishment of a European Works Council or a Procedure in Community-Scale Undertakings and Community-Scale Groups of Undertakings for the Purposes of Informing and Consulting Employees" does not apply to such agreements as well, provided that such agreements foresee adaptability to changes in the structure of the undertakings or groups of undertakings (Article 14). As the present Agreement as well as the previous versions hereof foresees/foresaw that Sulzer makes the list of its employees and companies in the countries concerned available to the EWC on a yearly basis (see Article 2 of the Agreement), and as the composition of the EWC can be adapted to changes in the structure of Sulzer based thereon, this Agreement is not subject to the European Directive of 6 May 2009 as well.

1. Negotiating Parties

This Agreement was negotiated between the Central Management as defined in Article 6.1 hereof ("Central Management"), represented by the CEO and other managers selected by the CEO, on the one hand, and the EWC Steering Committee as defined in Article 8.3 hereof, on the other hand. It was finally approved by the National Representatives or, if unavailable, by their respective Deputies (as defined in Article 4.1 hereof) and Sulzer.

2. Area of Validity

- 2.1 This Agreement applies to all employees in the companies and undertakings of the companies directly or indirectly controlled by Sulzer AG and located in the countries of the European Union, the European Economic Area and Switzerland ("Sulzer Companies" or "Sulzer Company" as the case may be). The aforementioned countries including the countries selected in accordance with Article 2.2 hereof shall be referred to as "Member Countries" or "Member Country" as the case may be.
- 2.2 The area of validity can be extended to other countries if mutually agreed upon between the Central Management and the EWC.
- 2.3 The list of the Sulzer Companies located in Member Countries and the number of their employees (based on full time equivalents "FTE") shall be made available to the EWC on an annual basis prior to the annual meeting, i.e. normally as per end of September or end of October of the current year, depending on the date of the annual meeting.

3. Content / Objective

- 3.1 This Agreement regulates the notification and hearing of the employees of the Sulzer Companies in the Member Countries, regarding supranational matters insofar as these matters have an effect on workplaces. In particular, it deals with subjects such as:
- the structure of Sulzer and its economic and financial situation
 - the foreseeable development of its business, production and sales situation
 - the employment situation and its foreseeable development
 - the investment program
 - fundamental changes to the Sulzer organization
 - the introduction of new working and manufacturing procedures
 - the removal, amalgamation, closing and sale of companies or operations or parts thereof
 - working safety and the protection of health
 - environmental protection
 - equal opportunities.
- 3.2 The objective of this Agreement is to ensure a lasting co-operation based on trust between the management and the employees of the Sulzer Companies in the Member Countries.
- 3.3 The Central Management as defined in Article 6.1 and the EWC Steering Committee as defined in Article 8.3 will mutually hear and discuss any matters concerning the EWC which are considered necessary by one of the partners. For this purpose, the EWC Steering Committee may call upon the assistance of other EWC members, or be represented by the same.

- 3.4 The notification and hearing of the EWC by the Central Management will take place in due time, either verbally or in writing, so that as a rule the EWC is able to give its opinion before a decision is made by the management of the Sulzer Company concerned or the Central Management.
- 3.5 Notifications take place in English. Hearings take place in both German and English if requested by the EWC, otherwise in English solely.

4. Composition of the EWC

- 4.1 The number of the national representatives ("National Representatives") to the EWC shall be determined on the basis of the FTE per Member Country as described below. The EWC can decide that National Representatives may have deputies ("Deputies" or "Deputy" as the case may be). Deputies shall not be counted as National Representatives; their function will mainly consist in replacing the National Representative of whom he or she is the Deputy in case the National Representative is hindered in executing his or her duties or leaves the company or is deselected as described in Article 5.3 hereof.
- 4.2 At least one National Representative of each Member Country can be sent to the EWC, provided however that there is at least one Sulzer Company having a local workers' representation in the Member Country. In countries from which no National Representative is sent to the EWC, the President of the EWC, supported by the EWC Steering Committee, shall ensure that notifications and hearings related to EWC relevant matters take place in writing.
- 4.3 The National Representatives and their Deputies must be appointed by workers' representatives of a Sulzer Company in a Member Country who are authorized to appoint the local workers' representatives. The management of such Sulzer Company is not entitled to make such appointments.
- 4.4 The Sulzer Companies in charge of the organization of the appointment of National Representatives and/or Deputies shall be determined as follows:
- a. The Sulzer Company with the highest number of FTE in the respective Member Country shall organize the appointment of the National Representative.
 - b. In case more than one National Representative, or one or more Deputy(ies), have to be appointed in a Member Country, the EWC Steering Committee, together with the Central Management, shall decide on the other Sulzer Company(ies) entitled to appoint a National Representative or Deputy. For this decision, not only the size of the Sulzer Company, but also diversity aspects regarding Division affiliation shall be taken into consideration.
- 4.5 In the below mentioned cases, more than one National Representative can be appointed per Member Country.
- a. As a rule, per each eight hundred (800) FTE or fraction thereof working with Sulzer Companies in one Member Country, one National Representative shall be appointed.

- b. The maximum number of National Representatives per Member Country shall be four.
- 4.6 Subject to compulsory legal requirements (if any) and the rules stipulated in this Article 4, the election of National Representatives and their Deputies shall be handled in accordance with the rules applicable to the Sulzer Companies in charge of the organization of the appointment of National Representative(s) and/or Deputy(ies).
- 4.7 Prior to each annual meeting (see Article 7.1 hereof), the EWC Steering Committee shall provide an actual list including all National Representatives and their Deputies to the Central Management.

5. Duration of the National Representatives' and Deputies' Mandates

- 5.1 The President of the EWC and the CEO undertake to ensure that the function of a National Representative, Deputy or member of the Central Management will be carried out in a way which provides a maximum level of continuity.
- 5.2 The term of office of a National Representative or Deputy shall end four years after their election or nomination. The appointment of successors shall be subject to the principles stipulated in Article 4 hereof.
- 5.3 National Representatives and their Deputies can be deselected in accordance with the regulations governing their election or nomination. If a National Representative or Deputy loses his or her mandate by being deselected or because he or she leaves the Sulzer Company for which he or she was appointed, their place is to be taken by a Deputy of the same Member Country.

6. Central Management

- 6.1 The Central Management represents the employer. It shall be headed by the CEO of the Sulzer Group. The CEO shall decide on other managers making part of the Central Management and thereby ensure that the Central Management shall be composed in a way which permits adequate handling of the matters subject to the notifications and hearings with the EWC.
- 6.2 The CEO appoints a secretary responsible for taking care of the administrative issues between the Central Management and the EWC. The secretary of the Central Management shall, amongst others, be responsible for the preparation of the minutes of the meetings between the Central Management and the EWC.
- 6.3 Prior to the meetings with the EWC, the secretary of the Central Management shall inform the President of the EWC regarding the composition of the Central Management participating in the meeting. At least one member of the Central Management shall be a member of the Executive Committee of Sulzer.

7. Preparation and Carrying Out of Meetings with the Central Management

- 7.1 The EWC and the Central Management meet at least once per year. Additional meetings for mutual information and consultation shall be agreed between the President of the EWC and the Central Management, represented by the CEO.
- 7.2 The CEO and the President of the EWC shall determine the meeting dates and agenda together. They may however be represented by their secretaries.
- 7.3 As a rule, the annual meetings of the EWC with the Central Management shall last half a day and may be extended if needed.
- 7.4 The President of the EWC may suggest to the CEO that local workers representatives of Sulzer Companies which are not represented in the EWC, or other Sulzer employees (for example Sulzer employees with specific expertise), may be invited to the meetings of the Central Management with the EWC if the meeting agenda suggests such participation. Such proposal shall not be refused by the CEO without reasonable cause.
- 7.5 The meeting minutes to be prepared as mentioned in Article 6.2 hereof shall record the information which the National Representatives and Deputies can pass on to the employees of the companies of the Member Countries which they represent. The said minutes shall clearly identify the information which has to be dealt with confidentially.

8. Co-operation within the EWC

- 8.1 Decisions of the EWC will be passed by vote and will be recorded in minutes (details see "Rules of Procedure" of the EWC).
- 8.2 The EWC can obtain support from external specialists of its choice, insofar as this is necessary for the proper fulfillment of its duties.
- 8.3 The EWC will elect its President, Vice President(s) and Secretary in accordance with its Rules of Procedure. These three (or four) persons shall build the EWC Steering Committee ("EWC Steering Committee").
- 8.4 The EWC Steering Committee can form temporary working groups composed of National Representatives and Deputies to carry out special tasks.

9. Protection of National Representatives and Deputies

In carrying out their duties, the National Representatives and Deputies enjoy the same protection and the same security as employees' representatives according to the applicable law and/or customs of the country in which they are employed.

10. Qualification

The EWC Steering Committee and the Central Management make joint decisions regarding measures for the further training of National Representatives and

Deputies in order to allow them to carry out their tasks dutifully.

11. Confidentiality

- 11.1 National Representatives and their Deputies as well as the specialists called in by the same, undertake not to pass on to third parties business secrets which have come to their knowledge while carrying out their function, and which have been designated as confidential by the Central Management and/or the EWC Steering Committee. This also applies after their term expired, their assignment was terminated, or after completion of their specialist activities, and applies also after they left the Sulzer Company with which they were employed.
- 11.2 The National Representatives and/or their Deputies shall report their EWC related activities to the Sulzer Companies which they represent. In doing this, they shall respect their confidentiality obligations.

12. Costs

- 12.1 Costs arising from the activities of the EWC, including training related costs shall be borne by the Central Management. In case experts are engaged by the EWC or the EWC Steering Committee, the Central Management expects to be informed about the expected costs prior to the engagement.
- 12.2 The EWC and the Central Management shall make efforts to keep these costs as low as possible.
- 12.3 Travelling costs and lost working time of National Representatives, Deputies as well as members of the Central Management shall be borne by the Sulzer Company with which they are employed.
- 12.4 The costs of the meetings shall be borne by the Central Management.

13. Amendments and Supplements

This Agreement can be changed at any time by mutual consent of the EWC and the Central Management. Changes must be in writing and duly signed by both parties.

14. Interpretation

In case this Agreement should be translated into other languages, and if such translations should be inconsistent with this Agreement, this Agreement in the English language shall take precedence.

15. Applicable Law and Place of Jurisdiction

- 15.1 This Agreement shall be subject to German law.
- 15.2 In cases of disagreement between the EWC and the Central Management, the EWC Steering Committee and the Central Management shall make their best efforts to achieve a commonly acceptable solution.

15.3 If such solution should not be achieved, the courts at the place of the Sulzer Holding (Deutschland) GmbH shall have jurisdiction.

16. Effective Date and Duration of the Agreement

16.1 This Agreement shall come into effect on 4 June 2014. It replaces the Agreement originally concluded on 20 June 1996, revised as of 31 October/1 November 2001 and 1 January 2003.

16.2 This Agreement is entered into for an unlimited time period. It can be terminated by both parties to the end of each calendar year by giving six (6) months prior written notice to the other party, the first time as per 31 December 2018. After termination this Agreement shall remain in force until a new agreement has been agreed upon.

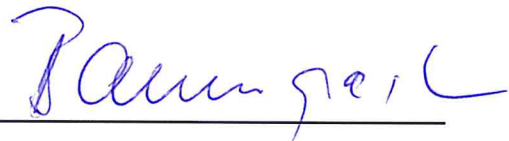
Winterthur, 3 June 2014

Winterthur, 19 May 2014

Sulzer Central Management



Klaus Stahlmann, CEO



Marius Baumgartner, Head HR



Sulzer European Workers Council

3 June 2014

Ludo Bautmans (NL), President

3 June 2014

Peter Orth (D), Vice President

3 June 2014

Katharina Haensli (CH), Secretary

3 June 2014

Driessen Gertie (NL)

3 June 2014

Joubert Florence (F)

3 June 2014

Habermann Stefan (D)

3 June 2014

Fredrik Mildh (S)

3 June 2014

Loughran James (GB)

3 June 2014

McManamin Leo (GB)

3 June 2014

Martin Jesus (E)

3 June 2014

Rutledge Anthony (IRL)

3 June 2014

Stouten Anja (CH)

3 June 2014

Tatti Joni (FIN)

3 June 2014

Wicha Jakub (PL)

Annex 1
European Companies and Number of Employees as of 31 March 2014

Entity	52851 - FTE - end of period	Country
E480 - Sulzer Pumpen Oesterreich Ges.m.b.H.	4	AT
E701 - Sulzer Pumps Wastewater Austria GmbH	25	AT
	29	AT Total
E702 - Sulzer Pumps Wastewater Belgium NV/SA	6	BE
	6	BE Total
E125 - Sulzer Pumpen AG	127.6	CH
E122 - Sulzer Chemtech AG	430.43	CH
E656 - Sulzer Mixpac AG	363	CH
E123TS - Sulzer Management AG (TS)	13	CH
E470TS - Sulzer Markets and Technology AG (TS)	15	CH
E123KOUÉ - Sulzer Management AG (KOUÉ)	134	CH
	1083.03	CH Total
E210 - Sulzer Pumpen (Deutschland) GmbH	613.8	DE
E711 - Sulzer Pumps Wastewater Germany GmbH	91	DE
E712 - Sulzer Pump Solutions Germany GmbH	195.87	DE
E355 - Sulzer Chemtech GmbH	24.1	DE
	924.77	DE Total
E707 - Sulzer Pumps Denmark A/S	15.7	DK
E602 - Sulzer Mixpac Denmark A/S	34.7	DK
	50.4	DK Total
E484 - Sulzer Pumps Spain S.A.	100	ES
E727 - Sulzer Pumps Wastewater Spain S.A.	95.9	ES
	195.9	ES Total
E455 - Tartek Oy	7	FI
E471 - Sulzer Pumps Finland Oy	543.2	FI
E708 - Sulzer Pumps Wastewater Finland Oy	0	FI
	550.2	FI Total
E274 - Sulzer Pompes France SASU	197.7	FR
E481 - Sulzer Pompes Process SASU	8	FR
E710 - Sulzer Pumps Wastewater France SAS	49	FR
	254.7	FR Total
E262 - Sulzer Pumps (UK) Ltd	588.3	GB
E314 - Sulzer Wood Ltd	92	GB
E734 - Sulzer Pumps Wastewater UK Ltd.	58	GB
E374 - Sulzer Chemtech (UK) Ltd	52.1	GB
E690 - Sulzer Dowding & Mills Plc.	890	GB
E260 - Sulzer (UK) Holdings Ltd	8	GB
	1688.4	GB Total
E714 - Sulzer Pumps Wastewater Greece SA	0.5	GR
	0.5	GR Total
E716 - Sulzer Pump Solutions Ireland Ltd	268.25	IE
	268.25	IE Total

E717 - Sulzer Pumps Wastewater Italy Srl	62	IT
E434 - Sulzer Chemtech Italia S.r.l.	11	IT
	73	IT Total
E661 - Sulzer Pumps (Benelux) N.V.	18.1	NL
E720 - Sulzer Pumps Wastewater Netherlands BV	38.7	NL
E258 - Sulzer Chemtech Nederland B.V.	10.2	NL
E382 - Sulzer Turbo Services Rotterdam B.V.	70	NL
E604 - Sulzer Turbo Services Venlo B.V.	193	NL
E255 - Sulzer Netherlands Holding B.V.	1	NL
	331	NL Total
E311 - Sulzer Pumps Norway A/S	15	NO
E721 - Sulzer Pumps Wastewater Norway A/S	36	NO
	51	NO Total
E722 - Sulzer Pumps Wastewater Poland Sp.z.o.o.	27	PL
E632 - Sulzer Turbo Services Poland Sp. z o.o.	106	PL
	133	PL Total
E723 - Sulzer Pumps Wastewater Portugal SA	8	PT
	8	PT Total
E472 - ZAO Sulzer Pumps Russia	32	RU
E688 - Sulzer Pumps (Russia) LLC	50	RU
E662 - Sulzer Chemtech LLC	81.25	RU
E697 - Sulzer Turbo Services Russia LLC	8	RU
	171.25	RU Total
E475 - Sulzer Pumps Sweden AB	164	SE
E728 - Sulzer Pump Solutions AB	23	SE
E730 - Sulzer Pump Solutions Nordmaling AB	48	SE
E731 - Sulzer Pump Solutions Sweden AB	37	SE
	272	SE Total
E733 - Sulzer Pompa Çözümleri Ltd. Şti.	1	TR
	1	TR Total
Total Sulzer (excluding Metco)	6091.4	