

12/2/2005

To: Regional Directors and Local Unions

Re: Schindler 400A Settlements

Dear Brothers and Sisters:

On Wednesday, November 30, 2005, the IUEC entered into a Settlement Agreement(s) with Schindler Elevator Corporation on the 400A Under-slung Car Sheave Unit.

Please find copies of those Agreements attached.

Along with the under-slung car sheaves, which we "shall" remove and reinstall in the field, there were eleven (11) other items that we contested as possible violations.

Until Schindler makes the necessary adjustments at the factory to comply with these Settlement Agreements, please instruct your Locals to remove and reinstall the items listed on the settlements.

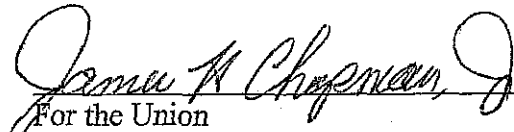
Fraternally

Tim Smith
Regional Director, IUEC

SETTLEMENT AGREEMENT
November 30, 2005

In full and final settlement of grievances 71-6, 74-8 and 15-38 and all issues related to the installation of preassembled underslung car sheaves on the Company's 400A model, the International Union of Elevator Constructors (the "IUEC") for and on behalf of its local unions and Schindler Elevator Corporation ("Schindler" or the "Company") agree as follows:

1. Schindler agrees that if the Company ships its 400A model elevators to job sites with the underslung car sheaves preattached to the underslung car sheave assembly, they shall be removed and reinstalled in the field by Elevator Constructors.
2. Although Schindler does not agree that removal and reattachment of the underslung car sheave takes two hours, Schindler shall pay to the crews who worked on the specific jobs on which the above-referenced grievances were filed two team hours per 400A unit.
3. The parties agree that this Agreement is without precedent and cannot be used as evidence on future issues, with the exception of the issue of the underslung car sheaves on Schindler's 400A model elevator; and that this Agreement does not constitute an admission of any violation by either party.
4. Any disputes over the implementation of this Settlement Agreement may be submitted for resolution to Arbitrator Mark I. Lurie.



For the Union
International Union of Elevator Constructors



For the Company
Schindler Elevator Corporation

SETTLEMENT AGREEMENT

Schindler 400A Elevator.

In a letter dated October 26, 2005, the union alleges that Schindler's 400A elevator violates the collective bargaining agreement in the following manner:

1. **Gate switch is pre-mounted/installed on the door track.** In an effort to resolve all issues, Schindler agrees ^{to} attach the gate switch backwards and to permit the removal and replacement of the gate switch. MPA
②
2. **Car top duct is installed before shipping to the jobsite.** The car top duct on the 400A is an integral structural component of the car. The cover is to be removed in the field for wiring purposes.
3. **Handy box is pre-mounted/installed on the safety plank.** In an effort to resolve all issues, Schindler agrees ^{to} ship separately. MPA
②
4. **Safety Operated Switch is pre-mounted/installed on the safety plank before being shipped to the job.** Safety Operated Switch as installed in the factory is not a violation of the collective bargaining agreement.
5. **Holes are pre-drilled in the main rail for mounting the machine.** Schindler utilizes the holes that are pre-drilled in the rails for installation of fish plates when the machine is installed on the main rail. There is no violation of the collective bargaining agreement when these pre-drilled holes are utilized.
6. **Holes are drilled in the machine beams for machine mounting.** The component described by the union as a machine beam is in actuality the machine mounting plate. Schindler will drill three (3) three pilot holes not to exceed ¼" (or the metric equivalent) in the mounting plate. Schindler's IUEC employees will drill the mounting holes in the field.
7. **Reset motor is installed on the governor before it is shipped to the job.** The governor utilized by Schindler on the 400A is manufactured by Wittur. The Wittur governor is a new design and incorporates a reset motor. Schindler, as well as other manufacturers, have always utilized a complete governor that is shipped to the jobsite for installation by elevator constructors as it was manufactured. The union agrees this is not a violation of the collective bargaining agreement. However, the wiring of the motor shall be done in the field.
8. **Car and counterweight dead end hitches are pre-installed.** Schindler agrees that dead end hitches will be shipped separately and bolted to the bedplate or to the rail in the field by elevator constructors.
9. **Holes are pre-drilled in the governor mounting plates.** The slotted holes in the governor mounting plates are not a violation.
10. **Pre-mounted, pre-drilled and pre-wired receptacles.** The receptacles referenced in the union's complaint are installed in the canopy. They are included for the purpose of linking the canopy components and the lighting installed therein. There is no violation of the collective bargaining agreement.

11. Holes pre-drilled in the rail for the installation of car hanging device.

Holes pre-drilled in the rail for the installation of car hanging device are body fit holes utilized for life safety devices. The union agrees that these holes may be drilled in the factory.

By accepting this proposed settlement offer, the Union agrees that all issues related to Schindler's Model 400A elevators which are in existence as of this date, are fully and finally resolved. However, should the Company change its design, the union reserves the right to raise further issues.

MPX
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For Schindler Elevator Corporation:

Michael P. Shields

For International Union of Elevator Constructors:

Timothy B. Smith