MEMORANDUM OF UNDERSTANDING
BY AND BETWEEN
THYSSENRUPP ELEVATOR CORPORATION ("COMPANY")
AND
INTERNATIONAL UNION OF ELEVATOR CONSTRUCTORS ("IUEC" OR "UNION")

The Company seeks to establish a pilot program under which it is able to provide necessary, meaningful, and valuable job site exposure to new or recently employed non-bargaining unit employees. By providing a structured program that includes direct exposure to the nature of the Company's business through direct interactions with its field hourly workforce, their skills, duties and responsibilities, its customer base, and the riding public, the Company believes that such persons will be better prepared to positively impact the future growth of the Company with the corollary benefits for the Union as well.

The Company seeks to establish this program in a manner that is consistent with the terms of its collective bargaining agreement and in a manner that is not intrusive on the work jurisdiction of the International Union of Elevator Constructors (IUEC). Furthermore, by establishing this MOU between the Company and the International Office, the Company expects that IUEC local unions will be receptive to the program.

To achieve this, the parties hereby agree to the following:

1. This agreement shall be in lieu of the parties’ letter of understanding that is included at page 118 of the current collective bargaining agreement between the National Elevator Bargaining Association (NEBA) and the International Union of Elevator Constructors (IUEC). Should this pilot program be terminated as provided for herein, the letter of understanding shall be reinstated.

2. Persons employed by the Company who will be assigned to work under the terms of this agreement shall be salaried, non-bargaining unit personnel. These persons will typically be working in or slated to fill entry level positions in field operations management or sales with the Company. It is agreed that the Union shall have no obligation to represent these non-bargaining unit personnel.

3. During the term of these assignments, such persons will be assigned to all aspects of the Company’s operations, to include contract service, repair, modernization, and construction. Where a particular work assignment is customarily performed by a team(s), such persons shall be assigned as a third (3rd) person with the team; at no time shall such person displace any bargaining unit employee in an assignment. Where a particular work assignment is customarily performed by a Mechanic working alone, then such person shall be assigned as a second (2nd) person with the Mechanic; at no time shall such person displace any bargaining unit employee in an assignment.

4. Assignments under this MOU shall be for a period not longer than three (3) months, except that such assignments can be extended by mutual agreement of the Company’s Branch Office and Local Union, with notice to the Company and the International Office.

5. Upon commencement of an assignment under this MOU, the Company shall provide written notice to the Local Union and International Office with the assignee’s name, Branch Office location, and the effective date of assignment. Similarly, at the conclusion of the assignment, the Company shall provide written notice to the Local Union and the International Office.
6. As an honorarium, and in settlement of any grievances over this issue, the Company shall pay a total of $990.00 to the Local Union in whose jurisdiction the assignment is made. Such payment will be made upon the commencement of each assignment.

7. The Company’s U. S. Field Operations include five (5) Regions, each of which will be participating in the program established under this MOU. On an annual calendar year basis, each Region shall be limited to the assignment of not more that twelve (12) persons per year.

8. With respect to the geographic areas (local union jurisdictions) to which such assignments are made, the Company will endeavor to make such assignments to Branch Offices where its assignees will be able to gain the broadest exposure as outlined in Item 3 above.

9. Should any disputes arise in connection with this MOU, the matter shall be referred directly to the Company’s Labor Relations Department and the IUEC International for resolution.

10. This Pilot Program agreement shall be effective on August 26, 2013 and shall remain in effect for one year. Thereafter, it may be terminated by either party, upon sixty days written notice.

11. The Company agrees that in the event of any accident on the job involving the trainee there will be no liability on the part of the Union or any bargaining unit employee for action taken in TKE’s interest and within the course and scope of their employment and that the Company shall indemnify and hold the Union and bargaining unit employees harmless in such cases.

Agreed this 3rd day of September, 2013:

For ThyssenKrupp Elevator Corporation:

[Signature]

For International Union of Elevator Constructors:

[Signature]