

Memorandum of Understanding
on working conditions
at the companies of rail4chem Group

- rail4chem -

**based in the European Union,
Switzerland or Norway**

**concluded between rail4chem Eisenbahnverkehrsgesellschaft mbH
(Group management)**

and

**Autonomous Train Driver Trade Unions Europe
- ALE -**

as well as the

**responsible national
train driver trade unions**

Preamble

The contracting parties have the joint aim of making railways as competitive as possible compared with other means of transport and upholding the interests of European onboard and all other railway operating staff during the ongoing process of the Europeanisation of the rail sector. They thus want to accompany the various processes of the opening of national railway infrastructures, creation of technical interoperability, joint ventures between European railway companies and provision of European rail freight transport without replacement of personnel at borders also in a protective way from the employees' point of view to uphold their interests.

The contracting parties conclude this agreement on the basis that there are still considerable differences in wage levels within Europe. They agree that competition between European railway companies should not be based on different wage levels in the various countries. Instead, competition is to be determined by criteria such as safety, reliability, service and flexibility of the railways and the quality and reliability of their staff. Hiring, supporting

and deploying employees must not involve mainly cost aspects but in each case provision of the most suitable person from the technological point of view.

The contracting parties are aware that no European Collective Agreements Act exists and that this Memorandum of Understanding is thus not a collective agreement. However, they have the aim of making a contribution to the standardisation of working conditions in Europe taking into consideration European and national regulations and laws. The contracting parties undertake to ensure that:

- Basic and further training of railway operating personnel is provided commensurate with their responsibility for ensuring safe and punctual rail transport.
- Employees are given suitable protection in the event of their being unfit to work or unfit to perform operational service.
- Employees are given appropriate support for providing for their old age and
- Reconciling family and professional life is promoted.

The contracting parties seek primarily to achieve appropriate remuneration harmonised at European level for employees deployed on international routes, i.e. across national borders. The strategic aim is to create the occupational profile of a European train driver capable of operating cross-border trains through several countries on his own responsibility for the train with which he is entrusted and of other railwaymen in operational service deployable throughout Europe.

With these basic ideas in mind, the parties have concluded the following Memorandum of Understanding:

§ 1 Scope

- 1) This agreement applies for railway operations in the member countries of the European Union, Switzerland or Norway. The companies of rail4chem active there and the trade unions represented in the ALE are listed in Appendix 1. On founding new companies, the contracting parties will come to an understanding promptly on the application of this agreement.
- 2) rail4chem will use its influence to ensure that a comparable agreement is also concluded with other partners of the alliance European Bulls (for a list of companies, see Appendix 2). The trade unions involved declare their consent, in so far as necessary, to the assumption of discussions and negotiations with the alliance partners in the individual countries.
- 3) If there is no collective agreement for a company based in a country within the scope of this Memorandum, this agreement applies directly for the employment relationships existing there.
- 4) European and national laws, regulations and guidelines remain unaffected.

§ 2

Conditions of pay

- 1) The employees deployed in cross-border transport are to be remunerated in accordance with the following principles.
- 2) Every employee is paid initially according to the parameters that apply or are agreed on in the country where he is hired.
- 3) The employee will be paid for the working hours for which he is deployed abroad according to the rules applying in the foreign country.
- 4) Remuneration in accordance with paragraph 3 (monthly pay and bonuses) abroad is to be determined by contractual agreements on pay and conditions concluded between the national train driver trade union and the rail4chem companies active in the particular country. A list of the collective agreements is given in Appendix 1. Further collective agreements will be included in the list as soon as they are concluded.
- 5) If the pay according to paragraph 3 of the employee in the country in which he is hired is higher than the pay in the country in which he is active, remuneration will continue to be based on the regulations of the country in which he is hired.

§ 3

Working hours

Directive 2003/88/EC of the European Parliament and of the Council of November 4th 2003 as well as further guidelines and regulations of the European Union apply for the determination of working hours. Further regulations can be made in the national collective agreements.

§ 4

Basic and further training of railway operating personnel

- 1) Basic and further training of the railway operating personnel is to be provided according to the acknowledged rules of technology of the specific country in so far as these are not replaced by European standards.
- 2) The prerequisite for qualification as a train driver engaging in cross-border transport is attainment of secondary school level I ("mittlere Reife"/ secondary school level certificate, "Fachoberschulreife"/technical college entrance qualification), as well as a completed technical occupational training. If the employee by way of exception has no technical occupational training, a training in technical principles is to be made the prerequisite for the qualification.
- 3) Appropriate language training during working hours taking into consideration the requisite safety level is to be provided for train drivers engaging in cross-border transport.
- 4) Appropriate training in plant management, route signalling and train control systems is to be provided for train drivers engaging in cross-border transport that takes account of the necessary safety level including the provisions for the transport of hazardous goods.

5) Railway operating employees engaging in cross-border transport are to be trained in operating and technical subjects in at least 24 lessons (each lasting 45 minutes) in the calendar year.

6) At least in the first three years after completing training, railway operating employees engaging in cross-border transport are to take in addition at least 24 lessons (each lasting 45 minutes) of language instruction if the language involved is a foreign language for the employee. Railway vocabulary is to be a special focus of the language training.

7) In national collective agreements, regulations can be agreed on that oblige the employee to repay the actual costs for qualifications acquired.

§ 5

Entry into force and duration


1) This agreement enters into force on December 1st 2006.

2) This agreement can be cancelled in writing with six months notice at the end of the year, at the earliest on December 31st 2009.

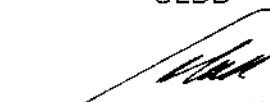
3) If new European regulations or guidelines enter into force that affect the working conditions of the railway operating personnel, the contracting parties will negotiate promptly on adjusting this agreement.

4) If parameters and prerequisites for the agreements concluded here change in such a way that this would entail undue economic hardship for a contracting party, the parties will negotiate appropriate changes to the agreement.

5) If individual provisions of this contract become ineffective, the effectiveness of the agreement is not otherwise thereby affected. The same applies for any gaps in the agreement. Instead of the ineffective or incomplete regulation, that effective regulation corresponding most closely in terms of contents to the ineffective condition is to be regarded as agreed.

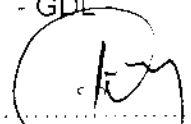


Union of Locomotive Drivers in Bulgaria
- ULDB -




Gewerkschaft Deutscher Lokomotivführer

- GDL -




Panelinia Enossi Prosopikou Elxis

- P.E.P.E. -



Federazione Autonoma die Sindacati die Trasporti

- FAST Ferrovie -



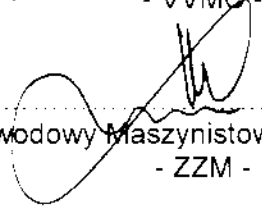
Sindikat Strojovoda Hrvatske Railroad Engineer Trade Union

- SSH -



Vakbond voor Rijdend Personeel

- VVMG -

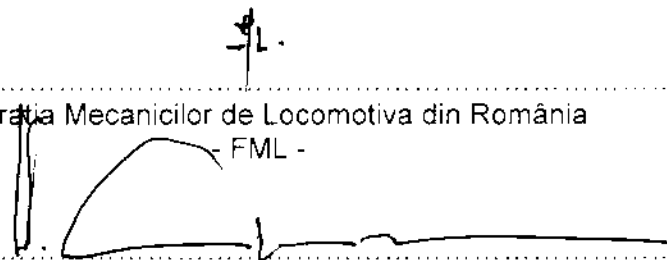


Związek Zawodowy Maszynistów Kolejowych W Polsce

- ZZM -

Sindicato Nacional dos Maquinistas dos Caminhos de Ferro Portugueses

- SMAQ -



Federatia Mecanicilor de Locomotiva din România

- FML -

Verband Schweizer Lokomotivführer und Anwärter

- VSLF -



NEZAVISNI STRUKOVNI SINDIKAT MAŠINOVOĐA SRBIJE

- NSSMS -

H. F. S.

Federacia Strojvodcov Slovenskej Republiky
- FS-SR -

Juan Garcia

Sindicato Español de Maquinistas y Ayudantes Ferroviarios
- SEMAF -

Recht C

Federace strojvudcu Ceske republiky
- FS CR -

M. J. J.

Mozdonyvezetők Szakszervezete
- MOSZ -

Essen, *9.11.06*

Frankfurt (Main), *09.11.06*

W. W.

rail4chem Eisenbahnverkehrs-
gesellschaft mbH
(Group management)

Manfred Schell

Autonomous Train Driver Trade Unions
Europe
- ALE -

Appendix 1

Companies and trade unions for which this Memorandum applies

Country	Company	Collective agreement	Trade union
Bulgaria			Union of Locomotive Drivers in Bulgaria - ULDB
Germany	rail4chem GmbH	Basic collective agreement for the employees of rail4chem Eisenbahnverkehrsgesellschaft mbH	Gewerkschaft Deutscher Lokomotivführer - GDL
Greece			Panelinia.Enosi.Prosofikou. Elxis - P.E.P.E.
Italy			Federazione Autonoma dei Sindacati dei Trasporti - FAST Ferrovie
Croatia			Sindikats Strojovoda Hrvatske Railroad Engineer Trade Union - SSH
Netherlands	rail4chem Benelux		Vakbond Voor Rijdend Personeel - VVMC
Poland			Zwiazek Zawodowy Maszynistow Kolejowych W Polsce - ZZM
Portugal			Sindicato Nacional dos Maquinistas dos Caminhos de Ferro Portugueses - SMAQ
Rumania			Federatia Mecanicilor de Locomotiva din România - FML
Switzerland	rail4chem Transalpin		Verband Schweizer Lokomotivführer und Anwärter - VSLF
Serbia			NEZAVISNI STRUKOVNI SINDIKAT MAŠINOVOĐA SRBIJE - NSSMS
Slovak Republic			Federacia Strojvodcov Slovenskej Republiky - FS-SR
Spain			Sindicato Español de Maquinistas y Ayudantes Ferroviarios - SEMAF
Czech Republic			Federace strojvedcu Ceske republiky - FS CR
Hungary			Mozdonyvezetők Szakszervezete - MOSZ

Appendix 2

**Companies for which this Memorandum is to apply
(§ 1 para. 2)**

Country	Company	Collective agreement	Trade union
Bulgaria			Union of Locomotive Drivers in Bulgaria - ULDB
Germany			Gewerkschaft Deutscher Lokomotivführer - GDL
Greece			Panelinia Enossi Prosopikou. Elxis - P.E.P.E.
Italy	Ferrovie Nord Cargo, Milano		Federazione Autonoma dei Sindacati dei Trasporti - FAST Ferrovie
Croatia			Sindikat Strojovoda Hrvatske Railroad Engineer Trade Union - SSH
Netherlands			Vakbond Voor Rijdend Personeel - VVMC
Poland			Związek Zawodowy Maszynistów Kolejowych W Polsce - ZZM
Portugal			Sindicato Nacional dos Maquinistas dos Caminhos de Ferro Portugueses - SMAQ
Rumania			Federatia Mecanicilor de Locomotiva din România - FML
Austria	LTE, Graz		
Switzerland			Verband Schweizer Lokomotivführer und Anwärter - VSLF
Serbia			NEZAVISNI STRUKOVNI SINDIKAT MAŠINOVOĐA SRBIJE - NSSMS
Slovak Republic			Federacia Strojvodcov Slovenskej Republiky - FS-SR
Spain	Comsa Rail Transport, Barcelona		Sindicato Español de Maquinistas y Ayudantes Ferroviarios - SEMAF
Czech Republic	Viamont, Usti nad Labem		Federace strojvudcu Ceske republiky - FS CR
Hungary			Mozdonyvezetők Szakszervezete - MOSZ