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IBM European Works Council (EWC)
Marc Born / Secretary
David Ricardostraat 2-4
1066 JS Amsterdam
THE NETHERLANDS

April 11, 2014

Dear Mr. Born,

Thank you for your letter dated April 2, 2014, regarding the accession of new countries to IBM's European Works Council, which I have read closely.

While I appreciate your giving IBM advance notice of an intention to litigate, I regret that the EWC is envisaging such a step, which would be a major break with fifteen years of constructive dialogue and periodic negotiation. We have been able to manage our relations to date through open discussion and full exchange and I would regret a break in that approach.

I am surprised by your statements that years of discussion have brought no tangible results. In our 2009 negotiation to amend and update the EWC Agreement, we considerably extended the article on Dissemination of Information (now article XVII), making available the EWC web-pages on the IBM intranet and enabling the publication on the intranet of EWC Opinions, Management Responses and meeting minutes. These 2009 additions complemented all the information already available on the intranet: about the EWC in general, its role, membership and the prerequisite for the election of new EWC representatives, operation, countries and current membership. There is even the possibility to download the EWC agreement and the EWC internal regulation.

In short, all relevant information on the EWC is provided and is freely accessible for employees of all European countries. This negotiated situation meets IBM management's obligations concerning the provision of information to employees. In all our discussions, informal as well as formally documented in letters and minutes, we have stated that we are open to welcome new representatives to the EWC within the framework of the existing legal regulations on both international and national levels and our EWC Agreement. If the corresponding law has been enacted on country level and once the representative has been designated accordingly, employees of the country may send a representative to the EWC - but this can only be done following the local legal requirements and, in the countries not currently represented, these requirements do not include the initiation of the procedure by the employer. Fundamentally, employee representation is for the employees to determine, not for management. We believe our employees in all European countries have full and up-to-date information about the EWC and can freely determine if they wish to be represented.

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I hope that this response is helpful. I remain open to discuss this matter with the EWC and its Select Committee and look into your recommendations for enhancements in this area. Our legal representative, Dr. Frank Kohls would be willing to join us for this discussion.

Yours sincerely,

A handwritten signature in blue ink, appearing to read 'Tim Stevens', with a large, stylized initial 'T'.

Tim STEVENS

Vice President, Human Resources, Europe
and Chairman of the IBM EWC