

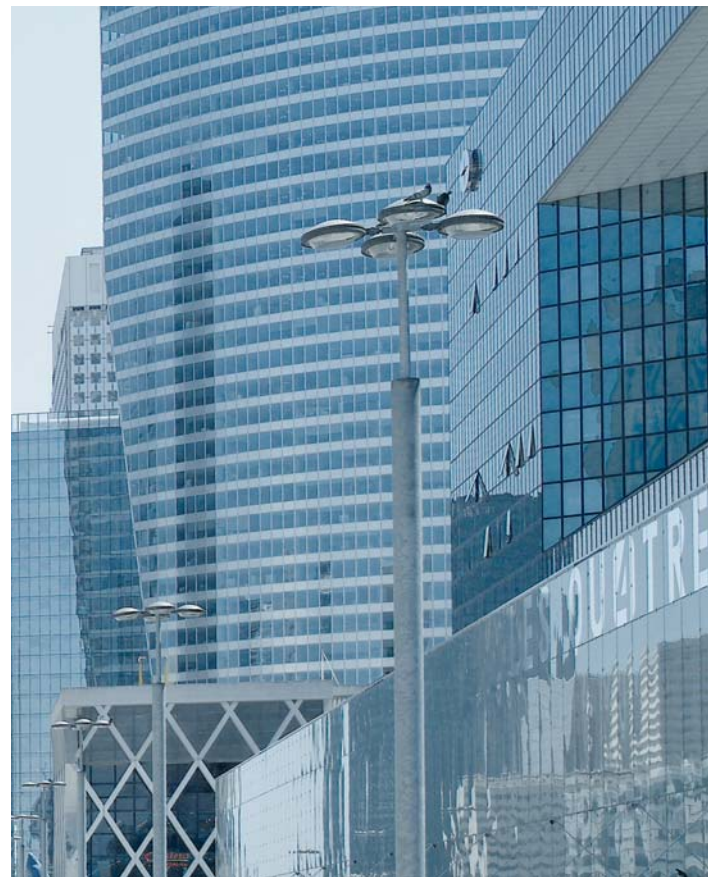


Schindler Group Human Resources Policy



Schindler





Introduction

The Schindler Corporate Human Resources (HR) policy describes the strategic content for Schindler's people initiatives. It is based on Schindler's values and missions as defined in the Navigator Book and is addressed to all those who are dealing with people and to all HR professionals.

More than any other factor, it is the know-how, skills and competence of our people which will decide on the Group's success in the marketplace. Therefore, it is crucial how we treat our people and each other within our Group and how we define our values and objectives.

Recognizing this, Schindler's Corporate Management has created this policy to address key issues as to how we attract, retain and develop our people.

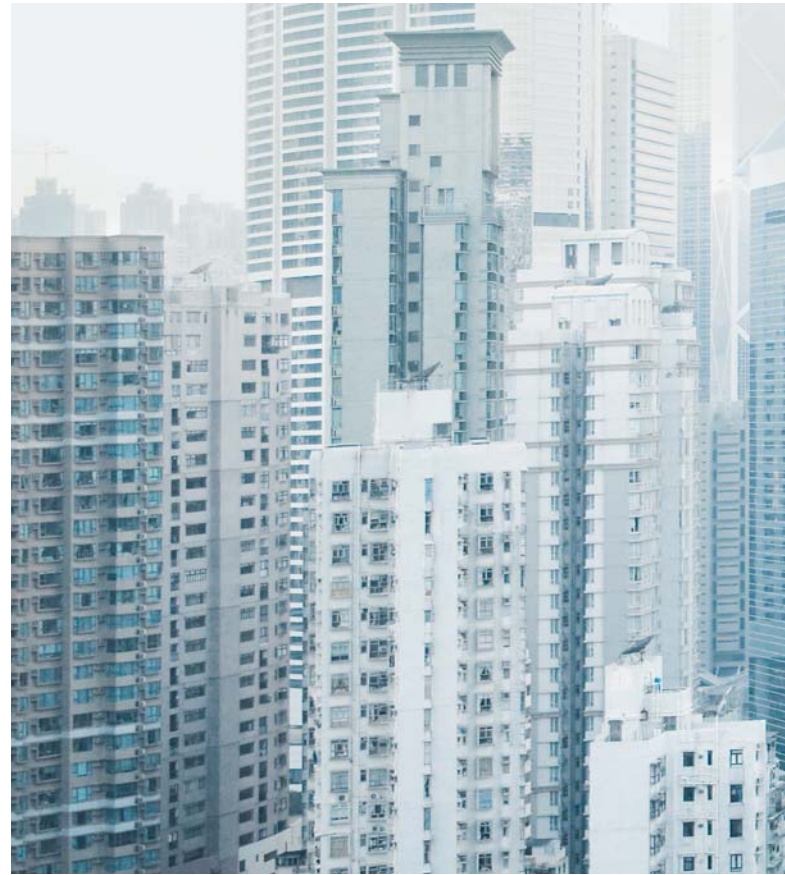
Schindler Management Ltd

Ebikon, November 2006

A. N. Schindler
Chairman and Chief
Executive Officer

R. W. Hess
President
Elevators & Escalators

R. W. Fischer
Executive Vice President
Corporate Human Resources



Schindler's values and leadership principles

Values describe how Schindler employees behave. They are the basis of our business relationships. Therefore, special attention is paid to the Schindler values and the company culture.

The Schindler values are:

- create value for the customer
- integrity
- visible leadership
- commitment to people development
- continuous improvement of products and services
- ensure the safety of employees and passengers
- superior business organization
- truthful, timely and continuous information

Schindler leaders live these values by showing the way through their actions. Successful team leaders manage with:

- respect, trust and fairness
- clarity and focus
- openness and truthfulness
- drive
- commitment to employees
- accountability
- teamwork



Employment and employee motivation

Schindler as a global company offers a broad variety of attractive positions around the world.

The majority of them are tightly linked to customers and to our long-lived products elevators and escalators. They require high levels of competence, skills and know-how.

Schindler believes that only highly motivated employees lead to satisfied customers, hence to business success. Therefore, Schindler conducts periodic employee motivation surveys and creates action plans according to the results in order to constantly improve the motivation level and sustain it above the national norm in each country.

Schindler aims towards a long-term work relationship in exchange for the commitment of the employees to adapt to constantly changing requirements through professional reorientation, continuous learning and mobility.

Schindler strives for a working environment that protects health according to high standards of safety and security.

People development

The success of Schindler essentially depends on the quality of its people.

Schindler seeks to attract, retain and develop the right people, who display in addition to their professional skills, the following competencies:

- customer orientation
- people orientation
- achievement orientation
- leadership
- impact
- self-confidence

Besides the relevant skills, experience and above-mentioned competencies, no consideration is given to employees' origin, nationality, race, religion, gender or age.

Schindler develops the skills of all employees to create high levels of motivation and performance and to allow them to reach their full potential. The policy is to have well-trained and highly knowledgeable staff. In an annual development review between employee and manager, strengths and weaknesses are assessed against the required skills and competencies.

This review results in a development plan with concrete measures and actions.



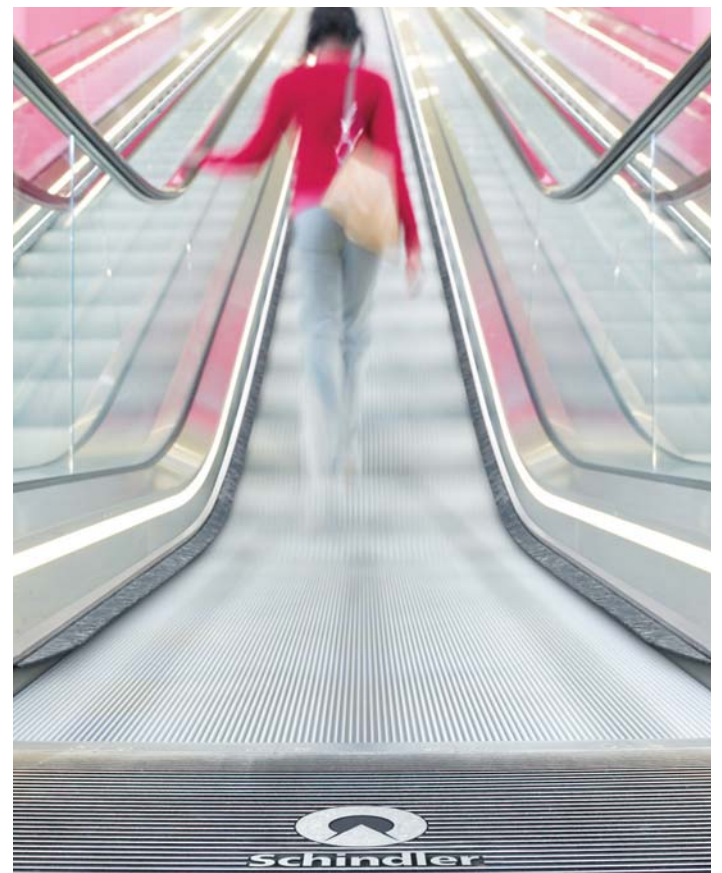
The responsibility of people development lies with three partners: the employee, her/his manager, and the human resources manager. Various processes and methods for developing employees are applied, such as:

- on-the-job training
- classroom training
- e-learning
- job rotation
- performance management
- international assignments
- coaching
- project assignments

People development is considered within the broader framework of Manpower Resource Planning (MRP), which aims to anticipate future local and global human resources needs, as well as individual career interests.

Special care is given to detect, develop and prepare talents at all levels for greater responsibilities within our organization.

Schindler follows the principle “no promotion without successor”.



Employee Safety and Health Policy

Commitment and principles

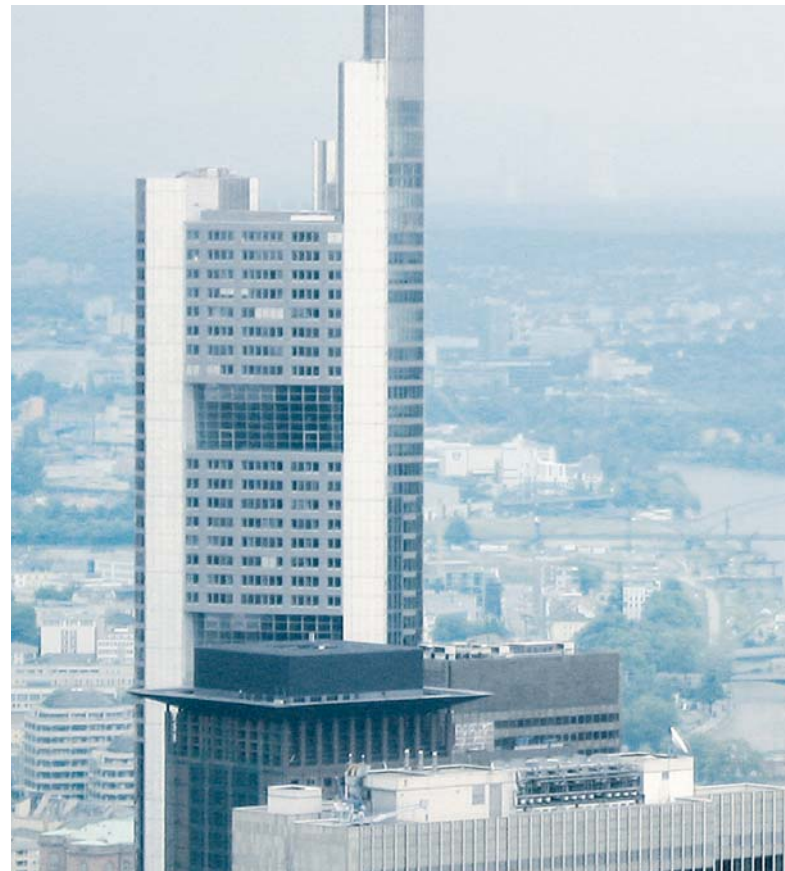
Safety is a fundamental value of Schindler. It is implicit in our products and services and in the way we work. We do not compromise on the safety and health of those who work for our business.

We believe that all injuries, work-related illnesses and accidents are preventable, and we strive for the highest standards of safety and health performance.

Our safety culture is based on prevention, hazard awareness, continuous improvement and compliance with carefully-developed procedures.

Through this culture we will make rapid progress in our performance. By the nature of our business, most of our people work independently: hence the safety culture will only be fully effective when each one of us personally and instinctively adopts and conforms to it.

All Group companies in the elevator and escalator business shall comply with applicable law, this policy and the Group Safety Standards. They may implement additional measures to meet specific identified risks if justified.



Responsibility

Each employee is responsible for the safety consequences of what he or she does or fails to do. Each of us shall maintain a high level of safety awareness at work, comply with all applicable safety rules and work instructions, promptly report all accidents, safety incidents and unsafe conditions to our supervisor, warn those who might be at risk from hazards where we are working, and where possible protect them from these hazards until the risk is no longer present.

Line managers, at all organizational levels, have direct responsibility for implementing this policy and Group Safety Standards as they apply to their areas of responsibility. They train, communicate, reinforce, ensure compliance and lead by example. They establish goals, measure results, implement

improvement plans and hold themselves and their people accountable for performance. The Management Committee Elevators & Escalators is additionally responsible for the periodic review and approval of this policy and the Group Safety Standards.

Safety and health specialists are expert advisors to line management on safety and health issues. They may be assigned responsibility for specific elements of the safety and health system and initiatives, without diluting the overall responsibility of line management.

Other functional specialists (for example in product line management and research & development) are responsible for ensuring that their work output fully reflects the requirements of this policy, the Group Safety Standards and applicable law.



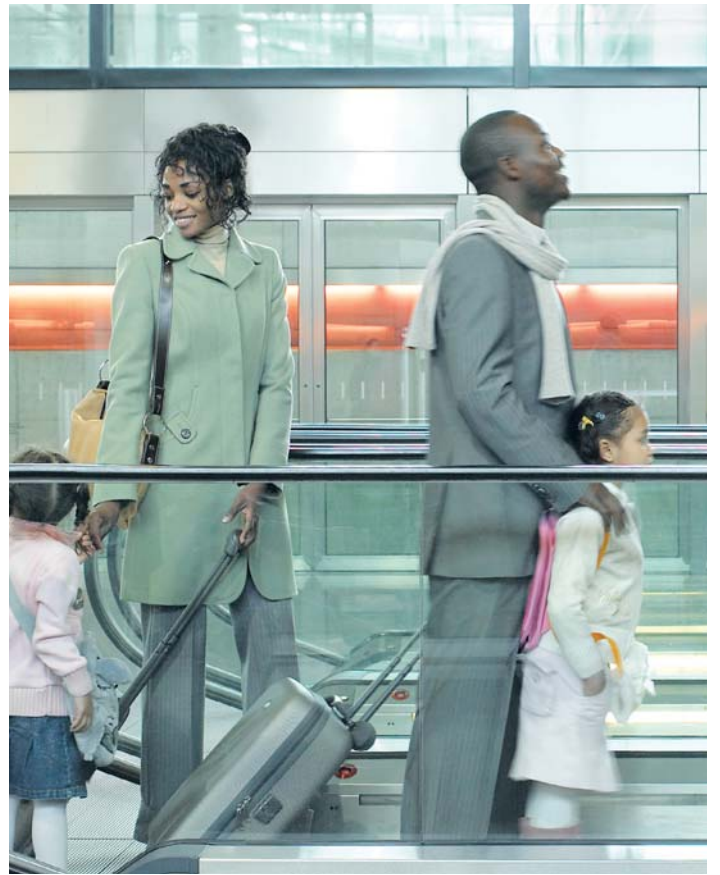


Work/life balance

Schindler encourages a good balance between professional and private life to build up motivation.

Schindler is willing to support employees wishing to assume responsibilities in professional, civic, cultural, or charity organizations. However, such activities must not lead to conflicts of interest with Schindler. Activities during working hours need to be approved by the company beforehand.

Schindler supports flexible working arrangements such as flexible hours, part-time work, job-sharing, etc., whenever possible.





Remuneration

Schindler believes in competitive and fair remuneration.

Remuneration includes base salary, variable pay, social and other benefits. Each Schindler company follows the Group Compensation Policy taking into account profitability, internal equity, individual performance and relevant market practices. Schindler promotes the use of incentives and bonuses wherever justified. At management levels, the variable component of the remuneration is more important.

Schindler compensates its employees at the relevant market level and will conduct regular market surveys in order to ensure its competitive and correct positioning.

Compensation structures are to be kept simple in order to avoid unnecessary complexity.

Based on input of local human resources management, it is the responsibility of each manager to propose and openly communicate with each employee about her/his remuneration.



Industrial relations

Schindler acknowledges the freedom of association of its employees and the right to collective bargaining within the framework of local laws.

As a principle, it is the local management which takes care of all the industrial relations at the appropriate level.

Aiming at the long-term success of the company, Schindler communicates with all its employees – regardless of representation – on a regular basis.

Role of human resources, function and organization

Human resources managers are business partners to line management and employees to ensure business success through motivated high-quality people.

The HR function, its systems, tools and processes are in place to support effectively the business and to assure fair treatment of employees.

Hence, HR management:

- supports the organization by providing adequate policies, effective tools and systems and ensures their consistent and fair applications
- identifies, promotes and implements best-demonstrated HR practices and supports the implementation of other best-demonstrated practices across the organization
- ensures effective and truthful communication with all employees

- provides assistance, guidance and tools necessary to select, retain and develop adequately qualified employees
- drives and coaches for change throughout the organization
- develops and utilizes HR metrics reflective of Schindler's people performance
- supports a multicultural environment with employee diversity

Schindler expects its human resources managers to display besides their professional skills the following personal qualities:

- charisma
- credibility
- empathy
- open-mindedness
- communication skills

At country level, the HR manager reports to the general manager with a functional line to Corporate Human Resources.



Ownership and implementation

The general manager and the HR manager of each business unit share the responsibility of implementing this policy.

What gets measured gets done! Therefore, HR management together with line management measure and review

- annually: number of successors
- annually: number of talents
- annually: individual development plans
- bi-annually: level of employee motivation

The content of this policy is communicated to all those who lead and deal with employees through presentations and workshops. Furthermore, the policy is accessible on Intranet and www.schindler.com



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