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**Re: Invitation to membership
in the Polish Association of Lift Manufacturers**

Date 11.12.2018

Ref. No. PSPD/728/2018

Dear Sirs,

This year marks the 15th anniversary of the Polish Association of Lift Manufacturers' service to the benefit of the lift industry in Poland. This is a good time to reflect on this time, assess the previous achievements, and pick a strategy and aims for the following years.

It is also an opportunity for you to think about joining PALM and supporting our activities, which undoubtedly make doing a lift business easier in Poland.

PALM was founded in 2003 by four companies: OTIS, KONE, Schindler and ThyssenKrupp. These companies founded the Association in Poland and in other European countries in order to create strong lobbying groups for the development of the lift industry on local, domestic markets, and through the membership of these associations in the European Lift Association (ELA) seated in Brussels, to also influence regulations applicable in Europe (e.g. directives, standards, other legal regulations).

This main objective is still being pursued by PALM because we want the Association to represent the entire industry in Poland in contacts with bodies of public administration and legislature. Therefore, we propose other companies to join (become a member of) the Polish Association of Lift Manufacturers and we give positive replies to the initiatives of the companies in this matter. This is also our proposition to you.

Currently, PALM has about 30 members, also representing medium and small enterprises operating in the Polish lift industry, but we wish to increase our reach at least twice or thrice, because this is the representation of the industry needed to create a realistic lobbying force.

The increase in the number of members is also necessary to implement a range of detailed goals of the Association's current operations.

These include:

1. Growth of the market and improvement of the safety of lift users and lift industry employees;
2. Vocational education and acquiring employees for the lift industry;
3. Cooperation with public administration bodies and the Office of Technical Inspection;
4. International cooperation, including with ELA;
5. Publishing activity.

Re 1: Growth of the market and improvement of the safety

Since its inception, PALM has been conducting a series of actions among lift owners, housing cooperatives and developers to improve the awareness of the necessity of the modernization of lifts in use and the installation of lifts in newly built buildings as the factor that improves the attractiveness of these buildings by increasing their accessibility to large groups of clients.

In case of lift modernization, we have promoted the SNEL standard and engaged in the activity of the Domestic Consultation Forum on lifts in order to prepare a draft legal act introducing, as in other countries of the European Union, the obligation to modernize lifts. Although this project was not implemented because the Minister of the Economy did not issue an appropriate ordinance, the awareness of existing risks resulted in the fact that about 1,500 lifts are being modernized yearly in Poland using building reserve funds, mainly of housing cooperatives. This stems from the fact that over 60% of lifts produced in 1970–1990 that require modernization are owned by housing cooperatives. Due to this positive trend, over 15 thousand of 40 thousand lifts marked for modernization have been modernized since 2008.

At the same time, the number of new lifts is systematically growing. In 2004 about 2,500 units were being installed yearly, while last year this number reached nearly 6,100 units. It is undoubtedly a result of the increased awareness of developers and expectations of

future home owners. It was also influenced by the activity of PALM which reduced the height of buildings where lift installation is obligatory from 12 to 9 metres.

In the meantime, a new lift directive and new basic lift standards were implemented. PALM actively contributed to the informational activities explaining the scope of future changes in the industry, taking advantage of the support of the European Lift Association and participating in the works of the Technical Committee No. 131 of the Polish Committee for Standardization on lifts and escalators, which translated the basic standards PN EN 81.20/50 into Polish.

These actions undoubtedly contributed to the increased safety of lifts in use and to the market growth.

Re 2: Vocational education and acquiring employees for the lift industry

Based on the analysis of economic phenomena, including those concerning the labour market after Poland's accession to the European Union, it became clear that Poland will have to tackle increasing shortages of educated employees in the lift industry. Therefore, as early as in 2004, PALM began working with secondary technical schools for electrical technicians, electronic technicians and mechatronics technicians. At first, this cooperation consisted in creating lift maintenance specializations in classes and conducting seminars combined with accepting young people for work placement at lift companies. However, changes in the vocational education system in Poland forced PALM to act in order to create a new profession: lifting device technician, because it was the only way to maintain the vocational education system for the industry in the public education system.

It took three years of PALM's work for the profession created with the support of the Minister of the Economy and the Office of Technical Inspection to enter the list of the Minister of National Education.

PALM created the core curriculum for this profession and co-created the detailed teaching programme for 4-year secondary technical schools. Currently, after 3 years from the introduction of the profession to the public education system, a change is taking place in both the core curriculum and the detailed teaching programme to adapt them to the new 5-year secondary technical schools that will begin operating in the school year 2019/2020. Wishing to adapt the process of vocational education to local labour markets, PALM began working with and assumed the patronage over secondary technical schools in a range of cities, i.e. in Warsaw, Łódź, Kraków, Katowice, Wrocław, Poznań, Częstochowa, Rzeszów, Bydgoszcz, Gdańsk, Wejherowo, Sochaczew, Stargard, and in Dąbrowa Górnicza. Nonetheless, the efficiency of implementation of this ambitious project requires

the support of local lift companies with respect to school enrolment, promotion of the industry and profession at local primary schools, workshop equipment, providing work placement for pupils and, naturally, hiring graduates in the future. In Warsaw, where this project results in the best effects, we already have a third year of pupils in the profession of a lifting device technician. The school year 2019/2020 enrolment will be very important for local schools and labour markets because two years of pupils will go to secondary schools. This provides the opportunity to create lift classes at schools where it was previously impossible.

PALM conducts training courses tackling selected topics for employees of lift companies. PALM also supports its members in acquiring foreign employees because the number of secondary technical school graduates does not grow in line with the dynamic growth of the lift industry in Poland combined with the continuous drain of experienced employees to EU countries.

Re 3: Cooperation with public administration bodies and the Office of Technical Inspection (UDT)

On an on-going basis, PALM works with the Ministry of Economy (currently the Ministry of Entrepreneurship and Technology) and the Ministry of Construction (currently the Ministry of Investment and Economic Development) with respect to the implementation of EU legislation in the national law and creation of regulations influencing the operation of the lift industry in Poland.

Currently, PALM actively participates in the works of the so-called Support Group at the Ministry of Entrepreneurship and Technology for the following technical directives:

1. the Machinery Directive 2006/42/EC
2. the Lifts Directive 2014/33/EU
3. the Outdoor Noise Directive 2000/14/EC – noise emission in the environment by equipment for use outdoors

and as part of the Partnership for Availability signed with the Ministry of Investment and Economic Development in works conducted by the Ministry of Investment and Economic Development when implementing the Government Programme Availability Plus. In particular, the Availability Plus programme can be of great significance for the development of the lift industry in the following years because it's inextricably linked with the need to install lifts in existing buildings as well as with the modernization of lifts in use.

Buildings owned by housing cooperatives that were built before 1960 and in the 1970s are typically 3–5-storey buildings without passenger lifts. This group also includes buildings with stairwells. These buildings could be equipped with lifts by external extension or in stairwells. Naturally, technical problems that would need to be solved in both these cases are very much different.

A large group of buildings are multi-storey residential buildings built in 1970–1990 that are equipped with passenger lifts that nonetheless require modernization.

PALM also participates in the works of the Working Group preparing the draft amendment to the Ordinance of the Minister of Infrastructure of 12 April 2002 on technical conditions applicable to buildings and their location (Journal of Laws of 2002, No. 75, item 690, as amended) concerning taking into account the technical progress in the lift industry, changes in standards and directives, and the improvement of the availability of buildings as part of the Government Programme AVAILABILITY PLUS.

In the past, PALM managed to stop the VAT increase for lift-related renovation works. Changes in the Polish Labour Code were also introduced in accordance with our suggestion, allowing one-person maintenance.

For many years, PALM has been actively working with the Office of Technical Inspection with respect to the conferences organized by the Office and the Association, and when solving problems raised by the lift industry. A special Working Group was founded to solve problems with e.g. the interpretation of acceptance provisions. The work of this WG resulted in determining the procedures of communication facilitating quicker solving of local lift acceptance problems by companies in individual cases.

Another effect of PALM's cooperation with the Office was agreeing upon the procedures for the installation of lifts using "tiraks." Founding the WG for good practices in maintenance resulted in the Code of Good Practices being published by PALM.

PALM works with the Office of Technical Inspection also as part of the lift industry vocational education programme, and when making publications raising the safety of use and maintenance of lifts.

The entire lift industry in Poland is taking advantage of the effects of the aforementioned activities.

Re 4: International cooperation, including with ELA

PALM works with ELA through its representatives in committees and working groups operating at the European Lift Association, such as:

- Statistical Committee
- Codes & Standards Committee
- Communication Committee
- Components Committee
- Education & Training Working Group

A member of PALM is also a member of the ELA Board.

We participate in annual conferences organized by ELA and in the annual study of statistical data concerning installed lifts and escalators and accidents in Poland and in Europe. The data obtained is available to PALM members, along with linked analyses.

Members of PALM receive information from ELA on an on-going basis concerning e.g. changes in provisions and works conducted by various European institutions, influencing the operations of the lift industry in Poland.

PALM also works with foreign notified bodies and lift associations.

PALM organized the General Meeting of ELA in Poland in 2012 combined with an international conference and awarding OTI (UDT) licences to secondary technical school pupils successfully participating in the EU Project implemented by PALM in partnership with the Education Department of the Capital City of Warsaw.

ELA also supports PALM in the organization of international conferences during the EURO-LIFT Exhibition (PALM is a co-organizer of the EURO-LIFT Exhibition).

Re 5: Publishing activity

PALM translated into Polish a series of ELA brochures that are available in the electronic form at the Association's website.

PALM also prepared and published the Code of Good Practices in Maintenance.

PALM also published the Hydraulic Lifts guidebook and is currently finishing working on the Electrical Lifts guidebook.

The publishing operations are financed by the members of the Association as a mission and contribution of PALM into the development of the lift industry in Poland.

Naturally, we cannot present all initiatives and actions of PALM during these 15 years, but we should emphasize that they brought a series of measurable benefits to the entire lift industry in Poland, even though it is not visible and countable in individual companies at a glance.

PALM is an open and fully transparent organization. Your participation in the life of the Association in the form of a membership would constitute an added value and support in building a lobbying force of our organization and the entire lift industry in Poland.

Kind regards

Tadeusz Popielas
Secretary General
of the Association