

Conference
“ELECTRICITY NETWORK IN EUROPE”
in Budapest on 17./18.06.2011



“Common Future after the crisis”

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VORWEG GEHEN

RWE-Structure

**RWE AG
(Group Center)**

- > Amprion
- > Net4Gas
- > Internal Services

Germany

**Netherlands/
Belgium**

UK

**Central and
Eastern Europe**

Renewables

**Upstream
Gas & Oil**

**Trading/
Gas Midstream**

> RWE Power

> Essent

> RWE npower

> RWE East

- RWE Hungaria
- RWE Polska
- VSE (Slovakia)
- RWE Transgas (Czech Republic)
- RWE Turkey Holding A. S.

> RWE Innogy

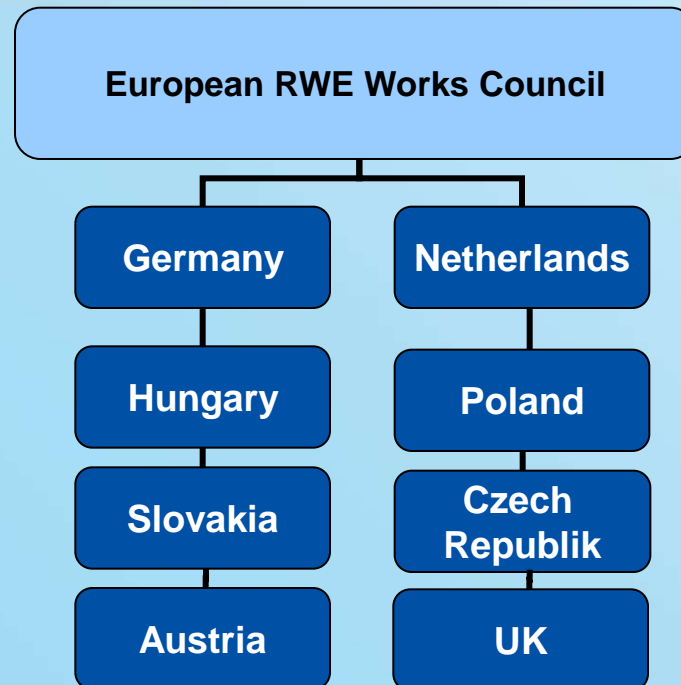
> RWE Dea

> RWE Supply & Trading

- > RWE Deutschland
 - RWE Vertrieb
 - RWE Effizienz
 - enviaM
 - KEVAG
 - LEW
 - Süwag
 - VSE
 - KELAG

■ Region □ Function

The structure of the European Works Council at RWE



Composition of EWC

| Number of employees in each country | Number of members on European Works Council |
|--|---|
| from 500 employees | 1 member |
| from 1,000 employees | 2 members |
| from 3,000 employees | 3 members |
| from 5,000 employees | 4 members |
| from 10,000 employees | 5 members |
| per 10,000 further (full-time) employees | one further member each |



- Germany 8 members
 - United Kingdom 5 members
 - Hungary 4 members
 - Czech Republic 4 members
 - Netherlands 3 members
 - Slovakia 2 members
 - Poland 2 members
 - Austria 2 members
- 8 countries 30 members

The constituted European RWE Works Council



Amendment of the European Works Councils Act (EWCA)

- Implementation of Directive 2009/38/EC on European works councils - What needs to be done at RWE?

- The agreement of 10 September 2009 to form an EWC for the RWE Group was already based on the EU Directive.
- In 2009 it was decided to review the agreement following transposition of the directives into “German law”.
- The amendment of the EWCA was adopted by the lower house of the German parliament on 07.04.2011

Amendment of the European Works Councils Act (EWCA)

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What needs to be done at RWE?

Qualifications

- EWC members are entitled to extend their competencies through training ✓
- The training measures are financed by the employer ✓

Trade union expertise

- Trade union representatives can attend the special negotiating body to initiate the EWC ✓
- The employer cannot refuse to allow the presence of the trade union representative there ✓

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What needs to be done at RWE?

Resources required

- The EWC will be provided with the material and financial resources it needs to perform its tasks ✓
- The EWC is recognised as a legal entity. This means that it can initiate legal steps. ✓

Committee work

- As standard, establishment of a core committee (maximum 5 members) ✓
- Creation of a collective negotiating mandate

Still open

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What needs to be done at RWE?

Precise definition of “Hearing/Notification”

- A notification must be set up such that it enables the EWC, in preparation for a possible hearing with competent representatives of the management, to closely examine the potential implications of planned decisions. ✓
- Hearing: As long as the decision-making process has not yet been completed, the EWC may submit its own proposals, which can still be considered by the company’s management. **will be a major issue**
General rule: the opinion of the EWC should be sought before the decision is made and not only before implementation of the company’s decision.

**a real challenge for
the management**

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What needs to be done at RWE?

Information duties

- The EWC has a duty to inform the workforce of content and results

needs to be organised



Amendment of the European Works Councils Act (EWCA)

Next steps for the EWC at RWE AG

- Meeting of the EWC Committee on 25 July 2011
- Definition of the next steps / possibly implementation of the new directives (highlighted in colour in the presentation)