

17th June 2008

**Agreement on social guarantees for
Suez Group employees**

BETWEEN

SUEZ S.A., whose registered office is located at 16, rue de la Ville l'Evêque, Paris (75008), and its subsidiary companies meeting the conditions defined in Clause 5 – a) of the Agreement, jointly represented by Mr. Gérard Mestrallet in his capacity as Chief Executive Officer of SUEZ S.A.,

of the first part,

AND

The European Consultative Committee represented by its Bureau.

AND

Representative trade-union organisations within the scope of the Agreement, duly entitled to sign the agreement, namely:

- **The European Trade Union Confederation** represented by Mr Jan Willem Goudriaan, Deputy General Secretary of the European Federation of Public Service Unions.
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- **The C.F.D.T.**, represented by Messers Gerard Bauer and Laurent Grolier,
- **The C.F.E.-C.G.C.**, represented by Messers Fabrice Amathieu and Joseph Chapeau,
- **The C.F.T.C.**, represented by Messers Jacky Rouchouse and Marcel Thomann,
- **The C.G.T.**, represented by Messers Yves Montobbio and François Mamet,
- **The C.G.T.-F.O.**, represented by Messers Jean-Luc Vignon and Dominique Care,
- **The European Confederation of Managers (CEC)**, represented by Mr Philippe Mangelinckx,

of the second part,

hereinafter jointly referred to as the "**Parties**".

Foreword:

In September 2007 Suez and GDF resumed their discussions on the merger project initiated in February 2006. The only change to this project regards putting SUEZ Environnement on the stockmarket. GDF SUEZ will hold 35 % of the capital of this entity, the rest being redistributed amongst current SUEZ shareholders. Suez's major shareholders have committed themselves by means of a shareholder' pact with GDF SUEZ, covering 47% of Suez Environnement's capital and granting GDF SUEZ control of SUEZ Environnement.

Whereas the European Consultative Committee considers that :

- The pact should contain clauses forbidding its members to leave it;
- The share of stable shareholders in SUEZ Environnement should be reinforced:
 - By raising the GDF SUEZ capital to over 50%;
 - By seeking additional stable shareholders;
 - By increasing the importance of salaried shareholders;

the parties aim at formalising additional guarantees, through this agreement, which respond to the concerns of the ECC members and take into account the interests of the group's employees. Through this agreement, SUEZ is reasserting its commitment for a "socially responsible" policy that prioritises employees.

So that the nature of the agreement is as protective as possible, the agreement covers the following areas:

- Measures relating to the merger
- Permanent measures and social supervision of company disposals
- The social terms in contracts
- Miscellaneous provisions

Article 1- Measures related to the merger

SUEZ guarantees that for a period of 18 months including the date of the merger, there will be no economic redundancies resulting from the current merger plan and envisaged synergy. In the case of restructuring, transfers to an equivalent job under acceptable geographical and professional conditions will be guaranteed. This commitment concerns, amongst others, the consequences of the rapprochement between SES and COFATECH as well as that of the companies' headquarters. It must be monitored by the SUEZ ECC, the union organisations, the Group board and the board of the company concerned.

The commitments regarding DISTRIGAZ employees have been confirmed. In addition, the SUEZ ECC will be informed of potential takeover candidates.

The GDF SUEZ merger plan which includes the decision to put SUEZ Environnement on the stock exchange will not result in the handing over of SUEZ subsidiaries for an 18 month period (including the date of the merger), apart from the commitments resulting from solutions imposed by the European Commission.

Article 2 - Permanent measures and social supervision of company disposals

Long-term investment plans will be presented annually in the context of information on the strategy prescribed in article 1.3 of the GPEC agreement signed on the 3 July 2007. By virtue of the same agreement, a plan to reduce the instability of employment will be implemented, reducing the volumes of fixed-term and temporary contracts in favour of permanent contracts.

When SUEZ SA or one of its subsidiaries envisage the takeover of a company (as defined in article 5 a), outside the SUEZ Group's scope, the Group's management and/or that of the entity proceeding to take over and that of the company being taken over will convene the competent representative bodies:

- To inform them of the plan
- To present its plan to the takeover candidate and its social consequences of it.

This presentation is carried out in accordance with legislations in place and at the appropriate level of confidentiality.

The representative bodies will have the amount of time they need, depending on the circumstances, and sufficient specialist resources and expertise (to give their opinion (or point of view):

- To study the plan, its economic viability, its social consequences;
- To make propositions and discuss
 - Guarantees by the buyer concerning the staff concerned
 - Commitments regarding employees transferred in case of loss of jobs or the buyer not respecting the commitments made.

These discussions can take place during the entire period between the presentation of the plan and the fulfilment of the operation, inclusive. They will begin early enough to leave room for change and in order to give a detailed advisory report (or point of view).

Article 3 – The social terms of contracts

The objective is to ensure that competition does not lead to a deterioration of employment conditions.

SUEZ undertakes to:

- Anticipate social risks by detailed forecasting of the renewal or termination of contracts in future in line with employment and expertise management (GPEC).
- Systematically attach a social annex to significant commercial offers¹, concerning the renewal of contracts as well as new contracts, describing the envisaged employment.

The social annexe should deal with the following main chapters:

- Volume of jobs;
- Relevant status and collective agreement;
- Qualifications and salaries, including bonuses;
- Social security and pensions;
- Mechanism for safety at work;
- Vocational training mechanism;
- Etc.

The details must be negotiated with the trade union organisations in each company.

- Exercise its influence so that such annexes are made obligatory by the public authorities in the countries in which the Group is involved and on a European level.
- Allow the employees who leave SUEZ by means of a transfer of contracts to benefit from a priority assessment of their application in the group within two years of this transfer. Information on the volume, and results of these requests will be communicated to the employment and expertise management committee concerned.

Article 4 - Miscellaneous provisions

- SUEZ's commitments and agreements of a social nature are mentioned in the document "projet de fusion Gaz de France – SUEZ: Principes et modalités de la fusion". These agreements are applicable to all of the Suez Group's companies integrated on a European and/or global scale.
- The French public authorities indicated to SUEZ and its main shareholders who represent approx. 47% of the capital, that they would be obliged to retain their SUEZ Environnement bonds for 3 years from the date on which SUEZ Environment is placed on the stock exchange.
- The ECC and its commissions (Water, Waste, Energy) and the Group board remain operational until the implementation of bodies in the new scope. The working methods of the ECC commissions mentioned will be reinforced as part of the negotiation of the agreement on GDF SUEZ group's European committee.
- The information-consultation process on the merger will continue until the end of the merger process.
- Negotiations in progress or envisaged concerning, in particular, trade union law and strenuousness of work will be effectively pursued with the necessary resources to conclude agreements that are satisfactory for the parties.

¹ This notion will be specified in the business negotiations

- An in-depth consultation will take place on the methods of appointing employee representatives for the GDF SUEZ and SUEZ Environnement's Board of Directors, as well as on the methods of managing Mutual Investment Funds, bearing in mind that the aim will be a solution that is comparable to the employee representation of non-French companies.

Article 5 – Final Provisions

a) Area of application

The current agreement applies to subsidiaries globally integrated within the scope of consolidation of the SUEZ Group in Europe without prejudging more favourable dispositions existing locally.

b) Interpretation and monitoring of the agreement

Considering that this agreement will be translated into several languages, only the version written in French (signed) is valid between the signatory parties.

The European Consultative Committee representatives and the signatory trade union organisations will be associated through the extended European Consultative Committee bureau's intermediary in the follow-up to this agreement.

For the demands involved in the application of the agreement, and notably the adjustment of one of its terms, additional members could be associated to this follow-up.

Questions of interpretation relating to the current agreement call upon this follow-up committee.

c) The date of effect and length of the agreement

The agreement will be effective the day after its arrival at the Paris DDTE and the Paris 'Conseil de Prud'hommes' (labour court) office.

It is signed for an unspecified period and can be revised annually.

d) Delivery of the agreement

In accordance to the clauses in the article L132-10 in the 'code du travail' (code of employment), the agreement will be delivered to the Paris DDTE and the Paris 'Conseil de Prud'hommes' (labour court) office.

Signed in 10 copies,

Paris, 17th June 2008,

For SUEZ S.A. and its subsidiary companies fulfilling the conditions stated in article 5-a) of the agreement,

Gérard MESTRALLET

For the **European Trade Union Confederation**

Jan Willem GOUDRIAAN

For the **C.F.D.T.** ,

Gérard BAUER

Laurent GROLIER

For the **C.F.E.-C.G.C.**,

Fabrice AMATHIEU

Joseph CHAPEAU

For the **C.F.T.C.**,

Jacky ROUCOUSE

MARCEL THOMANN

For the **C.G.T.**,

Yves MONTOBBIO

François MAMET

For the **C.G.T.-F.O.**,

Jean-Luc VIGNON

Dominique CARE

For the **European Confederation of Managers (CEC)**

Philippe MANGELINCKX,

For the **European Consultative Committee**

The Bureau

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