

Joint declaration of the Special Negotiating Body for a European Works Council of RWE Energy AG about Unbundling

Works Councils, employee representatives and trade unions in the RWE Energy AG have agreed the installation of a Special Negotiation Body (SNB) to negotiate an agreement about an European Works Council.

These negotiations take place in a period of massive changes in the European energy industry, which are confronting every company – including the RWE Energy – with great challenges.

The companies will have to fulfil the provisions of the 2. Internal Market Directive Electricity and Gas from June 2003, which are currently transformed into national energy legislation in the EU member states.

Regarding these provisions the value chain with generation, sales, trading, transmission or transport and distribution must be separated in their organisation within the vertical integrated energy utility. After 1. July 2007 the distribution grid, already after 1. July 2004 transmission and transport grids must be organised in liable legal entities (so called “Legal Unbundling”).

Trade unions, works councils and employee representatives are expecting from the management in the RWE Energy group that the Unbundling structure in the company will be realised in close contact with employees and their representatives.

All possibilities of the Directive and the national legislation must be used to reduce the impact for the employees in the transmission or distribution units. About the organisation of Unbundling an agreement must be negotiated.

In the organisation of Unbundling we demand from management of the RWE Energy group:

1. The number of employees concerned of the outsourcing of DSO and TSO must be low. The Internal Market Directive and the national legislation (or the draft legislation) request only the outsourcing of DSO and TSO with their management, maybe added with persons with very important functions in operating the grid. All other employees working in distribution or transmission can stay in the mother company and do their work based on service contracts between the companies.
2. Working conditions, collective agreements and pension systems should be continued for the employees concerned without changes.
3. Tendering of grid services (maintenance and repair) is not requested by the EU Internal Market Directive. This should be done only when it is absolutely necessary to follow national legislation.
4. Existing structures for the employee representation (e.g. Works Councils, Committees, Trade Union bodies, Supervisory Boards) shouldn't be changed by Un-

bundling and will be – when necessary - guaranteed by agreement. To secure these structures all possibilities of legislation should be used.

For the members of the SNB the discussion how to transform the 2. Internal Market Directive Electricity and Gas and to organise Unbundling prove the necessity of the urgent installation of an EWC for RWE Energy AG and for the RWE AG (including the British Innogy and Hungarian Matra).

The management is requested to start constructive negotiations about the agreement for the EWC and to bring their contributions to conclude as soon as possible.

(Resolution adopted by the 2. International Conference of the employee representatives of RWE Energy AG, 24.11.2004, Bochum)