

## Extra-ordinary meeting of the EWC of Suez on merger

Members of the EWC received the texts of the final proposals on the merger with Gas de France. These included: -\* Merger Proposal, detailing the strategic framework of the merger, the characteristics of the new group (including the financial objectives and synergies), merger terms concerning employees and the effects of privatization (of Gas de France) These merger terms refer to the application of the statute of the workers in electricity and gas, application of collective agreements, pension scheme and employment protection, financing of the employee social activities, the employee representation and including how to arrive at a new European works council, impact on profit sharing arrangements, employee savings schemes and workers' share holder representation in the Board of the company, and the consequences of the merger on employment. Here Suez maintains that the merger will create employment and that the group will integrate those who will lose their position as a consequence of synergies achieved. These synergies will take place at the level of common services especially. -\*

Memorandum of Understanding addressing amongst others corporate governance, composition of the Board of directors (and including workers' representatives) -\*

Description, scope organizational principles of the operational branches. This provides further information on the sectoral activities such as environment (water/waste) energy services, gas, energy France, energy Europe, infrastructure. -\*

Overview and description of the central functions (such as communication, strategy, finance, human resources) -\* List of financial authorizations (delegation of authority to the Board of Directors) -\*

Draft revised resolutions for the shareholders' meeting - the articles of association which describe what the company is supposed to do amongst others -\*

Board of Directors regulations (who is responsible for what and the different committees such as an Audit and Ethics, environment and sustainable development committee The EWC discussed with the expert from SECAFI additional information which has become available since the last meeting of the EWC (25

October) These concerned further precisions regarding the commitments made vis-à-vis the Belgian government and the European Commission. The business plans of SUEZ and Gas de France have not been communicated. More clarity exists with regard to the synergies the groups aim to achieve. The EWC discussed its position and adopted a declaration. The declaration underlined that it is not possible to form

an opinion as many documents have been late and could not be studied. They were also not available in all languages. The points of the declaration were discussed with management (mr. Mestrallet). Results of this discussion: -\* Continuation of the negotiations on the "Statute Suez." Management committed to a positive attitude. - \* Prolongation of the mandate of the EWC of Suez (and GdF) until a new EWC has been negotiated. Management committed to this. -\* Increase in the number of workers' representatives on the Board of Directors, and the possibility to have a European representative. This will be further discussed. It was agreed to explore the possibility of having workers' representatives on the Board in the interim period until representatives have been elected (period of 6 months) -\* Involvement in the follow up to the different agreements and understandings reached most notably regarding employment and pay and conditions. It was agreed there will be a joint follow up committee. The meeting took place 3 November 2006, Paris. The Deputy General Secretary took part in the meeting.

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