

Agreement

On the application of minimum standards

For restructuring in the RWE Group

Between the European works council

And

RWE AG while acting on behalf of the companies represented in the European Works council

Preamble

The RWE Group with its subsidiaries in Germany, Great Britain, Hungary, Czech Republic, the Netherlands, Slovakia, Poland and Austria is a European group of companies that deal with the production, trade, transport and sale of electricity and gas. The RWE Group delivers a performance within this framework which provides an elementary foundation for the supply of the population, to the societal needs and the economic activities in the different countries. Therefore the RWE Group confesses to the social responsibility in Europe, which is directed to the general public but although to its employees. The basis is provided by the RWE values.

Expression of this social responsibility towards its employees is the creation of a basis for the codetermination of the employees on a European level by the "Agreement on a setting up a European Works Council for the RWE Group" of 10. September 2009 (in the following EWC). As a further element to this framework this agreement on minimum standards for restructuring of the RWE group shall hereby be added.

The purpose of this agreement is to accompany restructuring measures necessary to position the company from the perspective of workers in the market and in the competition and to minimize eventual adverse consequences for the employees. National differences in information and consultation rights of employees have to be considered when facing restructuring measures. In this agreement, minimum standards are regulated, but further national participation rights based on laws or agreements remain unaffected.

Basis of this agreement are the procedural rights as they have already been regulated within the EWC agreement. To exercise the EWC rights in restructuring effectively and efficiently, it is necessary to apply similar standards in the participating countries. This is the objective of this agreement.

Article 1

Definition of Restructuring

The following measures are in accordance with this agreement as a restructuring of the RWE Group

- a) Base closures
- b) Relocation
- c) Fundamental change in the organization of work (ex. Introduction of new technologies)
- d) Out-sourcing of essential operating parts (ex. In case of unbundling)
- e) Mass dismissals and closures
- f) Divestitures and spin-offs of major parts of

This even applies if the above listed measures result in mergers, acquisitions and their integration according to Article 7 of the EWC agreement.

Article 2

Minimum standards

Basis for all measures in the RWE group are:

- a) Fundamental principles and rights at work and their following measures corresponding to the ILO declaration as of 18.06.1998
- b) Regulation of the ILO concerning termination of employment, in particular the Convention on the Termination of Employment (convention 158) and their recommendation 166
- c) Directives of the European Union concerning the termination or transfer of employment, in particular
 - Directive 01/23 EC (transfers of undertakings)
 - Directive 98/59 EC (mass redundancies)
 - Directive 99/70 EC (fixed-term work)
 - Directive 91/533/EWG (information on working conditions)
 - Directive 02/14 EC (information and consultation of employees)

Which will be implemented according to national rules and procedures.

Article 3

Involvement / participation of the EWC in case of restructuring (information and consultation)

1. In cases of restructuring – if it concerns more than two of the countries – the EWC is entitled to certain participation rights as stipulated in the list of information and consultation rights in Article 7 of the EWC agreement.

2. In order to exercise the participation rights of the EWC effectively, it is necessary that employee representatives on the national level are provided almost at the same time and with the same information on the anticipated restructuring measures of the company. Only this information will enable the EWC to hold discussions and to draw their own statement.
3. Following minimum standards have to be followed in case of restructuring by the respective company management according to Article 1:
 - a. Consultation of employee representatives and trade unions will be done in a timely manner and will include all necessary documents relevant for the final decision leading to restructuring measures.
 - b. This consultation has to take place in a complete and timely manner, so that employee representatives will have the possibility to elaborate a statement so that their position will find consideration in the decision making process.
 - c. Regulations as stipulated by national laws remain unaltered from this procedure.

Article 4 **Consequences for employees in case of restructuring**

In order to minimize the individual, social consequences of the employees in the event of restructuring, the signatory parties agree to comply to following principles:

- a) Dismissals resulting from restructuring are to be avoided.
- b) In order to avoid dismissals, following instruments available and depending on national regulations of socially responsible downsizing shall be applied:
 - Partial and early retirement
 - Voluntary termination agreement or Redundancy payment
 - Part-time employment
 - Transfer of employment
 - Qualification
 - Mobility

For these instruments individual social criteria and qualifications of employees shall be taken into consideration.

- c) The signatory parties do not plan restructuring which solely aims at deteriorating participation rights, working conditions and pension plans.
- d) Organizational changes resulting from restructuring shall not influence the rights of employee representatives.

Dortmund, 10th March 2010

Signed on behalf of RWE AG

Signed on behalf of the European Works Council