Normant, Anne

De:	antoine.vignial@freshfields.com
Envoyé:	mercredi 3 juin 2009 21:21
À:	Lecheler, Maria
Cc:	tobias.larisch@freshfields.com; Anselm.RADDATZ@freshfields.com; gwen.senlanne@freshfields.com; gabriel.flandin@freshfields.com
Objet:	Our meeting

Dear Maria,

We have met this afternoon with Luc Poyer (CEO E.ON France), Christine Reil (HR Manager E.ON France), Pauline Gaget (Head of Legal SNET) and Philippe Duquenoy (HR Deputy manager SNET).

During this meeting, we discussed the need for information and consultation of the works council on (i) the sale of the 35% shareholding in SNET and (ii) the termination of the 1996 EDF-SNET Agreement (pursuant to the Option, in the context of the Synthetic Agreement).

1/ Sale of the 35% shareholding in SNET

As a matter of background, we learnt that there is a "*procedure d'alerte*" (ie, a process pursuant to which the works council asks a chartered accountant to draft a report on issues the works council considers alarming) ongoing, dating from the time where E.ON Europa was a member of the Endesa Group, and concerning the industrial project. One concern was that in the course of such process a question has been raised on the future of the 35% stake and that this could make it necessary to formally consult on its transfer as part of such "*procedure d'alerte*". We will be provided with more information concerning this process.

We explained, however, that although the employees could attempt to make such argument we had good arguments to refuse to expand the scope of the "*procedure d'alerte*", which was the industrial project and not the new project submitted to it. We concluded that it is necessary to inform the works council on the sale (not consult), on the basis that this transaction is a sale of a minority stake and that no other changes will occur for SNET. The agenda of the works council meeting on June, 16th will be drafted accordingly and we will continue to assist SNET in this respect.

We were told that the works council rendered in September 2008 an opinion pursuant to a consultation process on the transfer of the 65% stake held by E.ON Europa to E.ON France which transfer is not completed as of today. There is therefore no further consultation requirement related thereto. We have asked to be provided with the minutes of the works council meeting in which such opinion was rendered.

SNET's representatives said they were lacking information that they will need in order to be able to answer certain questions:
- Timing of the disposal of the 35% stake (expected signing -before or after 16 June ?-, target closing...)
- Conditions precedent to which the sale of the 35% stake will be subject (antitrust, French government, other authorisation required at Charbonnages' level...)
- More generally they were seeking information as to the implementation of the MOU which are relevant only inasmuch as they may condition the sale of the 35% stake
- Timing and conditions, if any, of the disposal of the 65% stake
- Confirmation that the Charbonnages' shares in SNET will be transferred directly to E.ON France without going through EDF
- Consideration to be "paid" for the SNET shares by E.ON France. On this point we explained that even though it is probable that a question will be raised, it is possible to hold the point that this information is irrelevant for SNET and that there is no duty to provide the works council with this information. You should however be aware that depending on the sequence of the 35% and of the 65% sales, if an approval of the board is sought for the 35% sale, the employees who are represented there will know.

2/ Termination of the 1996 EDF-SNET Agreement

On the basis of the structure of a Synthetic Transfer and an Option, we concluded that we should take the position that there is no need to consult the works council prior to the signature of these agreements. Consultation will be needed prior to transfer and exercise of the Option at a later stage.

It was further concluded that no item should be put on the agenda of the 16 June works council and that should a question be raised by the employees during the works council meeting, the response should be that according to the limited information made available to SNET, within the scope of the agreements between EDF and E.ON, E.ON shall be granted an option to terminate the 1996 Contract exercisable by SNET and that the works council shall be consulted in due time should this option be transferred and exercised by SNET.

We also discussed briefly the Synthetic Transfer Agreement and the Option and agreed to have a meeting with people in charge of this agreement at SNET, which since then has been set at 9.30am on Friday. We should also be provided with a summary of the 1996 Agreement but not with the agreement itself. Mr. Poyer made the point that the timing of the consultation on the termination of the 1996 Agreement (September / November 2009 ?) raises an industrial issue relating to the sale / hedging by SNET of the electricity capacity governed by the 1996 Contract.

Finally the question of the amount of the termination payment to be made by SNET to EDF was briefly touched on, especially in view of the time between its date of evaluation and the actual termination of the 1996 Agreement.

We are happy to discuss the foregoing with you at your convenience.

Kind regards,

Gwen, Gabriel and Antoine

Antoine Vignial
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From: LARISCH, Tobias
Sent: mercredi 3 juin 2009 10:18
To: VIGNIAL, Antoine (AV); SENLANNE, Gwen (GFS)
Cc: FLANDIN, Gabriel; RADDATZ, Anselm
Subject: RE: E.ON

Antoine, Gwen,

Could you please provide us with a brief summary of the results of today's meeting that we can share with the E.ON-team in Düsseldorf?

Many thanks and best regards,
Tobias

From: VIGNIAL, Antoine (AV)
Sent: Dienstag, 2. Juni 2009 15:56
To: RADDATZ, Anselm; LARISCH, Tobias
Cc: SENLANNE, Gwen (GFS); FLANDIN, Gabriel
Subject: E.ON

Dear Anselm,
As announced by Maria Lecheler in her last mail, we just got a call from SNET to set up a meeting and discuss the employment law issues related to the transaction, mainly the meeting of the works council on 16 June. Gwen is the employment law partner involved.
A meeting is scheduled tomorrow at 2.30pm.
Another meeting will deal with the Synthetic Transfer and the Option mechanism. I understand that there is someone at SNET that is 100% assigned to the 1996 Contract and the local people consider it would make sense to have him on board.