

## **1.4 Human Resources Submission**

The Consortium commits to offer all Utility System staff a competitive compensation and benefits package. ENGIE is proud of the company's technical capability and global footprint, and hopes joining the ENGIE organization is an exciting proposition for all of the existing Utility System employees.

We understand the challenges that come with a new employer and management structure. Therefore, the Consortium is committed to making this transition as comfortable as possible for the existing employees, and plans to support them whether they decide to join the ENGIE Services team or remain an employee of Ohio State. Furthermore, the Consortium is committed to maintaining the existing work culture at the University – a critical element of any workforce integration – while bringing ENGIE Services' principles of district energy best practices to this environment.

Given its significant prior experience, ENGIE's team is confident in its ability to execute the transition in a considerate manner, completing the transfer of Utility System employees to the satisfaction of each of them, as well as the University administration. ENGIE's consistent success in this area is a direct result of the company's philosophies regarding communication, consultation, and the ability to offer competitive incentives to attract and retain the best possible talent.

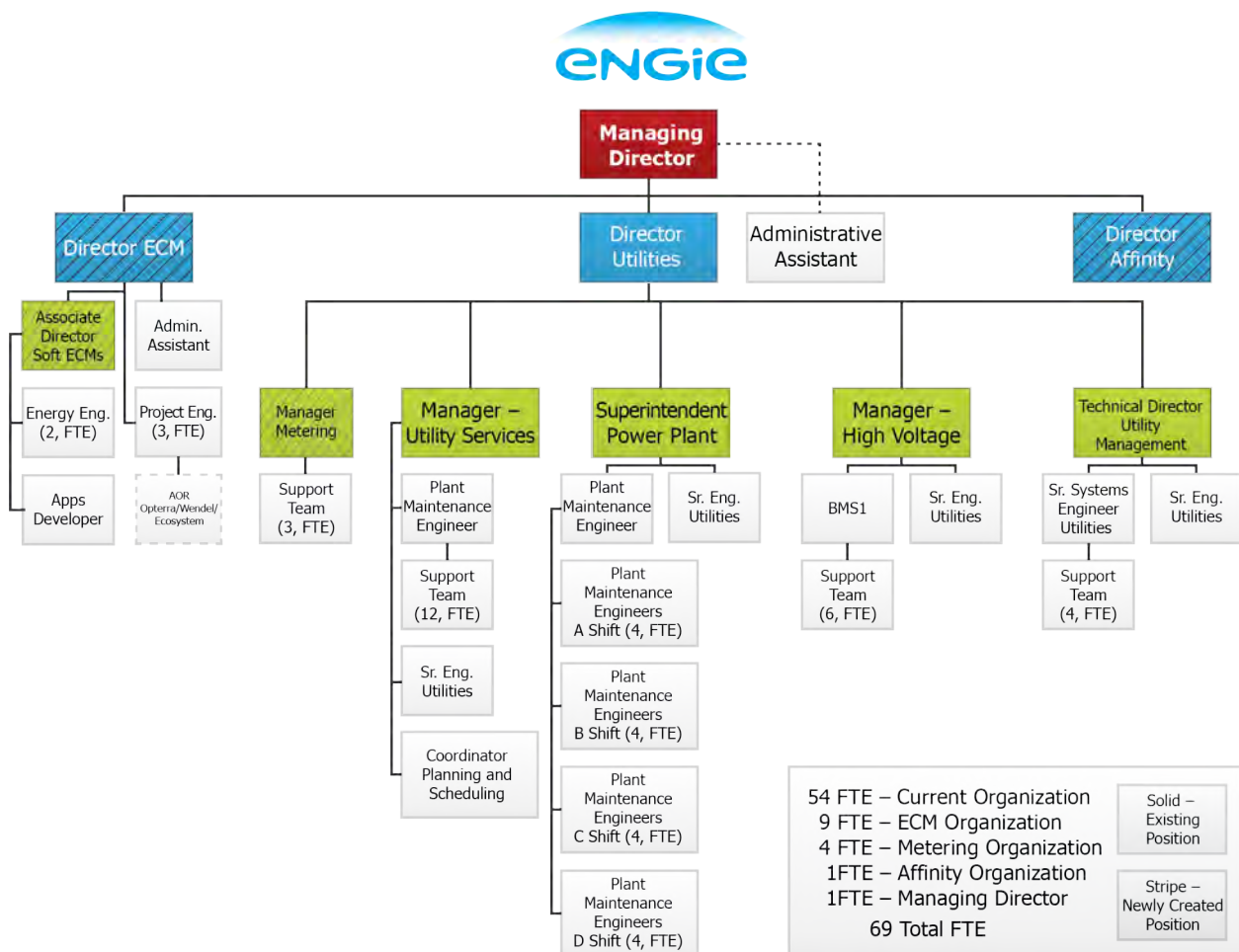
### **Complement of Employees to be Employed by the SPV and the Operator**

It is the Consortium's intention and desire to retain all eligible Ohio State University employees currently engaged in the operation and maintenance of the Utility System. OSEP considers the nearly 350 years of combined experience of Ohio State's Utility System personnel to be an extremely valuable asset to allow the Operator to fulfill its responsibilities under the O&M Agreement. In addition, ENGIE expects to retain four full-time employees on a short-term basis to handle the enhanced metering responsibilities of the Utility System group and nine full time employees to manage the ECM program.

ENGIE's goal is to structure the transition and the employment offers, including salary, benefits, and responsibilities, so that no current Utility System employees feel the need to seek other positions at the University to preserve their benefits or to seek employment elsewhere. To that end, with the agreement of the University and in compliance with any applicable labor law and collective bargaining agreements, ENGIE is willing to hire or manage those who are eligible in any one of the following categories: (i) direct ENGIE management employees, (ii) direct ENGIE union employees or ENGIE-managed Ohio State University Classified Civil Service or union employees or (iii) direct ENGIE-managed unclassified Ohio State University employees.

### **Sign-On Bonuses and/or Other Incentive Compensation**

The Consortium is incentivized to maintain continuity of operations and to retain the corporate knowledge represented by the current staff. Therefore, signing or retention bonuses will be a factor for consideration during transition of the Utility System staff. Key management positions (Director Utilities, Manager of Utility Services, Power Plant Superintendent, High Voltage Manager, Technical Director of Utility Management) critical to the success of the operation will merit an offer of a sign-on or retention bonus.



**Figure 1.4 (1): OSEP plans to retain all eligible University employees and add additional high-level support staff**

### Interview Schedule for Existing University Employees

During the transition period, and prior to interviews for employment, the Transition Team will hold information sessions about ENGIE, including the company’s benefits, career opportunities and programs. This meeting will also address the transition timeline, employee transfer process, and expected organization following the transition period. The Consortium expects these meetings to alleviate any employee concerns prior to individual discussions and extension of employment offers. Current ENGIE technical, human resources, and administrative staff will also attend to facilitate informal discussions, which will help to establish a climate of trust between the parties. The Transition Team will constantly coordinate with Ohio State to execute a communication plan for all employees throughout the process.

In addition to the initial meeting, ENGIE’s HR team will conduct a workshop at the University to help employees better understand the details of ENGIE’s benefits plan, company policies, and general employment terms. Following the information sessions, ENGIE will aim to complete individual interviews with each employee, but eligibility for employment will not be determined by the interview process. The interviews will be viewed as a consultation for an open dialogue, allowing Utility System employees to ask questions, raise concerns, articulate individual careers goals, and explore how ENGIE can support them in achieving those goals.

Employee training needs will be assessed through a review of the qualifications and experience requirements in the employee's position description. All employees under ENGIE's management will be introduced to ENGIE's operational philosophy, however ENGIE remains committed to the existing culture at the University. The Consortium expects that this approach will ensure that ENGIE safety procedures and best practices are incorporated into the Utility System operations, and that the University culture is unaltered so that the Utility System employees remain comfortable and content in their work environment.

All employees shall be subject to the management and supervision of ENGIE with respect to work and safety within the Utility System, provided that changes in position descriptions; assignments and duties; compensation (insofar as annual step increases and grades apply); and procedures regarding evaluations, disputes, grievances, discipline, suspension and termination shall be governed by the Collective Bargaining Agreement in effect at the time and/or by applicable prevailing wage laws.

ENGIE is an equal opportunity employer and does not discriminate against employees or applicants for employment based on race, color, sex, religion, national origin, citizenship status, age, physical or mental disability of an otherwise qualified individual, membership or application for membership in a union or other characteristic protected under applicable law. ENGIE will comply with all applicable affirmative action laws.

Subject to its legitimate business requirements, and except as otherwise required by University employment policies required under the Concession Agreement, by the Collective Bargaining Agreement, or by prevailing wage laws, ENGIE shall solely base all personnel actions (including recruitment, hiring, training, promotion, transfer, layoff, recall, compensation and benefits, discipline, termination, and educational, recreational and social programs) on an individual's qualifications, merit and performance.

ENGIE is committed to providing a workplace free from offensive or harassing conduct. To meet that commitment, ENGIE depends on all employees to conduct themselves in conformance with its expectations of a harassment-free work environment and cooperate with investigations of non-compliance with this policy, as required and permitted by law.



**Figure 1.4 (2): In North American operations, plant personnel must respect 43 health and safety procedures and all workplaces must comply with OHSAS 18001**

The Operator is committed to providing a workplace that is free from acts or threats of violence. ENGIE has adopted a zero tolerance policy toward workplace violence and strictly prohibits any employee from threatening or committing an act of violence in the workplace while on duty or company-related business, or while operating any vehicle or equipment owned or leased by ENGIE.

The Operator is dedicated to establishing and maintaining a safe, healthful, and drug- and alcohol-free working environment necessary for efficient and effective business operations, and to protect the safety and health of employees, visitors, contractors, customers, and the public. ENGIE will comply with all applicable drug-free workplace laws, and any University policies in this regard.

ENGIE strictly prohibits the possession or use of weapons on premises or in any location in which the employee represents the company for business purposes. This prohibition applies regardless of whether an employee possesses a concealed weapons permit or is allowed by law to possess a weapon. Except where expressly permitted by state law, and under express conditions permitted by state law, employees are not to transport, possess or store weapons in their personal vehicle on premises, including parking lots. ENGIE will otherwise comply with any and all employment related provisions of the Concession Agreement.

#### **Selection Criteria for Employment of University Employees**

ENGIE will extend offers of employment to eligible University Utility System employees, e.g. those who complete an application; pass a standard employment screening, including driving, criminal background checks and a drug screening; and participate in a formal interview process with ENGIE. The interview process does not determine eligibility for hiring, but fosters a better understanding of employees' goals and needs and will enable ENGIE to better structure training and development opportunities for employees. When an offer of direct employment is extended, it will be accompanied by a competitive compensation and benefits package equal to or greater than the employee's existing salary and benefits. Eligible University unclassified employees and Classified Civil Service employees who want to retain this status (subject to University agreement) will receive compensation and benefits in accordance with the University policies or the Collective Bargaining Agreement upon the date of commencement. In any case, ENGIE will provide employment offers to all eligible employees where such an employment offer is required by any applicable Collective Bargaining Agreement or any other law, or as otherwise provided herein.

#### **Comparison of Existing and Proposed Salary & Benefits for Utility System Employees**

ENGIE provides its employees with competitive employment conditions and a full range of benefits. This approach creates a positive corporate image and reputation, thus helping us attract and retain a qualified workforce. More stable work teams lead to increased efficiency and employee satisfaction, and ENGIE's competitive employee offerings are a key component of maintaining that stability. For convenience, ENGIE has provided a summary and brief overview of its standard compensation and benefits.

	Ohio State	ENGIE
Adoption Assistance	•	
Company 401k Match Program (Immediate Vesting)		•
Dental	•	•
Disability	•	•
Flexible Spending	•	•
Life Insurance	•	•
Medical	•	•
Post Retirement	•	•
Profit Sharing		•
Sick Leave	•	•
Tuition Assistance	•	•
Vacation	•	•
Vision	•	•
Worker’s Comp	•	•
Salary Range	<b>\$31,000-\$165,000</b>	<b>No Change</b>
Average Salary	<b>\$60,290</b>	<b>No Change</b>
Median Salary	<b>\$54,204</b>	<b>No Change</b>

**Figure 1.4 (3): Utility System staff will receive the same pay and benefits at ENGIE with increased pay scaling and growth opportunities over time**

**Room to Grow**

As shown, the current wage structure in place (hourly base and wage ranges) at Ohio State and the wage structure used by ENGIE in operations facilities across North America shows are well aligned. The base compensation for the employees will stay the same as part of the transition from Ohio State employment to ENGIE employment, but the salary bands will also afford University employees a greater number of opportunities and the potential to earn higher wages over time.

In addition to ENGIE’s ability to maintain the existing compensation and benefits programs for the Utility System staff, the compensation for ENGIE employees is higher for employees serving in similar functions across the company. The Consortium hopes that the scale and breadth of expertise of the ENGIE organization provides an enticing long-term employment opportunity, offering upward mobility both at Ohio State and through other opportunities within the company.

ENGIE also offers salaried and hourly non-union employees a Short-Term Incentive Plan (STIP). Its goal is to provide competitive STIP targets that reward employees for contributions to company and business



unit performance. ENGIE's STIPs are designed to provide a linkage between employee pay and performance, which drives the ENGIE parent company's shareholder value. Each participating employee is assigned a STIP target based on their position at ENGIE, expressed as a percentage of base pay. After the end of each year, ENGIE measures its success relative to its goals and awards incentive payment to individuals based on a combination of their business unit and individual success.

Similar to the STIP, ENGIE offers a Long-Term Incentive Plan (LTIP) to non-Union employees designed to provide a competitive total compensation package and link employee pay to the ENGIE corporation's success over a multi-year period. At the beginning of each year, the ENGIE North America compensation committee may approve the creation of a new LTIP, which will cover a rolling three-year period. Each participating employee is assigned an LTIP target based on their position at ENGIE, which is generally expressed as a percentage of base pay. ENGIE Services will also identify the financial goals that will be used to measure the success of the broader ENGIE company for this program. After the end of each three-year cycle, ENGIE Services and its parent company will measure their accomplishments and award a lump sum incentive payment to eligible individuals. Meanwhile, an additional compensation plan for Union employees will be provided for in the Collective Bargaining Agreement.

#### **Summary of Benefits:**

- **401(k):** ENGIE offers a 401(k) retirement plan, matching all employee contributions at 100% up to the first 3% of pay and 50% of the next 2% of pay. Additionally, eligible employees receive a quarterly profit sharing contribution of 1.5% up to the IRS-allowed compensation amount.
- **Medical and Prescription:** ENGIE offers Preferred Provider Organization (PPO) and Consumer Driven High Deductible health plans that provide comprehensive medical and prescription coverage to employees. The flexible system allows employees to select the options that best suit their individual or family needs; medical coverage is currently administered by BlueCross Blue Shield of Illinois and prescription coverage is currently managed by Caremark.
- **Dental:** The Operator offers a Preferred Provider Organization (PPO) that allows participants to use their own dentist or select a preferred network dentist.
- **Vision:** The Operator offers the Vision Service Plan (VSP) to employees.
- **Life Insurance:** ENGIE offers company-paid life insurance equal to two times the annual base salary (up to \$850,000) and voluntary additional life insurance, including coverage for spouses and children.
- **Vacation, Holidays and Sick Leave:** The Operator offers 15 working days of vacation per year, with incremental increases based on years of service. There are ten days per year designated as company holidays for employees, along with two individually selected "floating" holidays; employees are also entitled to 40 hours of sick leave.
- **AD&D, STD and LTD:** Employees receive accidental death and dismemberment coverage (two times base salary up to \$850,000), including business travel insurance and an option to obtain additional coverage; short-term and long-term disability coverage is also provided with an option for employees to purchase additional LTD coverage.
- **Life Assistance Program:** ENGIE offers a comprehensive Life Assistance Program (LAP) at no cost to employees, with free confidential counseling, assessment, referral and follow-up services to help identify and resolve personal problems.

- **Tuition Reimbursement:** Fees and tuition toward work-related degrees or courses successfully completed by employees are refundable, up to a limit, in accordance with applicable department and ENGIE guidelines; this includes 100% reimbursement for examination fees for professional registration/certification programs, with the appropriate approval.

### **Training and Career Advancement Opportunities**

ENGIE recognizes the value in supporting learning and development for all of its employees, regardless of their role and existing skills. ENGIE ensures all employees have the necessary skills and training to undertake their roles and responsibilities, including an orientation program with progress measured methodically over time by their immediate supervisor. ENGIE considers three key categories for the training plan to be developed for this project:

1. Code of conduct, policies and procedures
2. Routine operations and maintenance methods and procedures
3. Advanced operations and maintenance methods and procedures

As part of ENGIE's transition and ongoing SG&A costs, the amount of training hours will vary for each assigned employee based on his/her current knowledge of operational procedures directly related to the Utility System. Over the course of the transition period, ENGIE will work with assigned employees to verify their current understanding of the Utility System and identify areas for potential career advancement.

ENGIE shall provide training to the Utility System workforce on a regular basis with respect to basic and advanced operations of the system, including standard operating procedures; safety, operation and maintenance of existing equipment; operation and maintenance of new equipment that may be installed; fuel handling; and as specifically provided for in the Concession Agreement. ENGIE will also establish employee training and cross-training programs to upgrade skills that provide opportunities for advancement. Employees will learn about new equipment, receive opportunities for on-the-job system operations training, and participate in the testing phase of subsequent ENGIE projects for the Utility System.

### **Process and Terms for Review of Employee Compensation**

Compensation in North America is jointly defined by ENGIE's management and HR teams, and in accordance with industry benchmarks. Performance, seniority and required skills, academic degrees, and professional certifications are all taken into account when assessing salary rates. Bonus payments are non-contractual and related to the profitability of ENGIE Services and its parent company, as well as the performance of the employee relative to individual and team objectives.

ENGIE's yearly performance evaluation process is split into two steps: 1) assessment of employees' performance for the current year and 2) establishment of quantifiable objectives and weighting of these objectives for the following year. The supervisor and the employee each separately complete the Performance Evaluation and Training Needs Identification forms before a meeting is scheduled so they may discuss the results obtained. The final versions of both forms are completed at that time and must be signed by the employee and his/her direct supervisor. Additionally, during this meeting, objectives are set for the following year. Finally, the written evaluation is reviewed and approved by the Managing Director or a senior supervisor, as applicable, and the HR management team.

Subject to availability, market prevalence and company profitability, merit increases are considered for employees each year. They are awarded at the discretion of ENGIE management and must be distributed in a fair and transparent manner, tracking closely with employee performance and contributions toward ENGIE's attainment of safety, environmental and profitability goals.

**Transfer Plan for Employees' Accrued University Benefits and Seniority**

Utility System employees who accept direct hiring offers from ENGIE at Financial Close shall be subject to the University's rules regarding the disposition of accrued benefits in cases of voluntary termination of employment, unless otherwise required by the Union's Collective Bargaining Agreement or negotiated between the Union, employees and the University. If employees are permitted and so choose to retain accrued benefits after the transition, the Consortium will ask that the University pay ENGIE the equivalent amount necessary to cover the future disbursement of these accrued benefits. Prior service with the University will be recognized by ENGIE for accrual purposes and, where permitted, under ENGIE's respective benefit plans.

**Planned Consolidation or Reduction of Positions**

ENGIE is not considering a structured consolidation plan or reduction in the number of positions, and over the long term, plans to maintain labor efficiencies by redeploying existing staff on expansion projects and other opportunities within the Utility System. ENGIE plans on immediately adding 15 full-time employees (FTE) to the existing Utility System staff, including the Managing Director position filled by Mr. Garbesi. Four FTE, including a Metering Manager, will be added under the Managing Director for the enhanced metering responsibilities of the group. Nine FTE, including the Director of ECM Implementation, will be added as a new group responsible for implementing the required energy conservation measures. Lastly, one FTE will be added to act as the Affinity Program Director. Many, ideally all, new FTE will be hired from the local area, adding an additional economic benefit to the region.