

APPENDIX 9.2
(referred to in paragraphs 9.124 and 10.126)

Assurances given to NALGO and GMB by the companies

We understand that further clarification and assurances on certain aspects would be helpful to you. As you know the companies did, at the time of the announcement in July 1989, give certain assurances in connection with the merger. We hope the following clarifies the position:

- (a) The Boards have agreed that there will be no compulsory redundancies arising directly from these merger proposals. They will expect, however, reasonable co-operation in the formulation and acceptance of any reasonable proposals that are made by the companies as to relocation and jobs offered. Appropriate training will be fully provided if required.
- (b) Should there be a need, as a result of the merger, to agree early retirements with individual employees, then terms will be made available in accordance with existing arrangements.
- (c) Existing pension rights and benefits for existing employees will not be affected adversely by the merger.
- (d) The companies have agreed to recognise appropriate trade unions. We are currently in discussions with you on a Procedural Agreement which will enable us to have a formal mechanism for future negotiations and consultations.

We remain, of course, always willing to discuss with you and your local representatives matters of mutual concern

We have sent a copy of this letter to the Monopolies and Mergers Commission for their information.

Managing Director
Lee Valley Water Company

Managing Director
The Colne Valley Water Company

Managing Director
Rickmansworth Water Company

Chief Officer
Three Valleys Water Committee