

UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF COLUMBIA

UNITED STATES OF AMERICA

Plaintiff,

v.

GENERAL ELECTRIC COMPANY,

and

CVT HOLDING SAS,
FINANCIÈRE CVT SAS, and
CONVERTEAM GROUP SAS,

Defendants.

CASE NO.:

11 1549

JUDGE:

HOLD SEPARATE STIPULATION AND ORDER

It is hereby stipulated and agreed by and between the undersigned parties, subject to approval and entry by the Court, that:

I. DEFINITIONS

As used in this Hold Separate Stipulation and Order:

A. "GE" means defendant General Electric Company, a New York corporation with its headquarters in Fairfield, Connecticut, its successors, assigns, subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

B. "Converteam" means defendants CVT Holding SAS, Financière CVT SAS, and Converteam Group SAS, French corporations with their headquarters in Massy Cedex, France,

and their successors, assigns, subsidiaries, divisions, groups, affiliates, partnerships and joint ventures, and their directors, officers, managers, agents, and employees.

C. “Converteam Electric Machinery Business” means Converteam’s wholly owned subsidiary Electric Machinery Holding Co., a Delaware corporation with its principal place of business in Minneapolis, Minnesota, and its subsidiaries.

D. “Acquirer” means the entity to whom GE shall divest the Divestiture Assets.

E. “Low Speed Synchronous Motors” means medium-voltage synchronous electric motors generating horsepower in the range of 1,500 to 15,000 and operating between 277 to 400 revolutions per minute, which are used to drive reciprocating compressors in the oil and gas industry.

F. “SAP Business Management Server” means Converteam’s SAP business management database, and any related servers and hardware located in Pittsburgh, Pennsylvania, that are used in connection with Converteam’s enterprise resource planning system.

G. “Divestiture Assets” means the Converteam Electric Machinery Business, including:

- (1) The Converteam Electric Machinery Business production facility located at 800 Central Avenue, Minneapolis, Minnesota 55413;
- (2) All tangible assets that comprise the Converteam Electric Machinery Business, including research and development activities; all manufacturing equipment, tooling and fixed assets, personal property, inventory, office furniture, materials, supplies, and other tangible property and all assets used in connection with the Converteam Electric Machinery Business; all licenses, permits and authorizations issued by any governmental organization relating to the

Converteam Electric Machinery Business; all contracts, teaming arrangements, agreements, leases, commitments, certifications, and understandings, relating to the Converteam Electric Machinery Business, including supply agreements; all customer lists, contracts, accounts, and credit records; all repair and performance records and all other records relating to the Converteam Electric Machinery Business; and

(3) The following intangible assets:

(a) All intangible assets owned, controlled, or maintained by the Converteam Electric Machinery Business, including, but not limited to, all patents, licenses and sublicenses, intellectual property, copyrights, trademarks, trade names, service marks, service names, technical information, computer software and related documentation, know-how, trade secrets, drawings, blueprints, designs, design protocols, specifications for materials, specifications for parts and devices, safety procedures for the handling of materials and substances, all research data concerning historic and current research and development relating to the Converteam Electric Machinery Business, quality assurance and control procedures, design tools and simulation capability, all manuals and technical information provided Converteam Electric Machinery Business employees, customers, suppliers, agents or licensees, and all research data concerning historic and current research and development efforts relating to the Converteam Electric Machinery Business, including, but not limited

to, designs of experiments, and the results of successful and unsuccessful designs and experiments.

(b) With respect to any intangible assets that are not included in paragraph II(G)(3)(a) above, and that prior to the filing of the Complaint in this matter were used in connection with the design, development, production, marketing, servicing, and/or sale of any product produced by the Converteam Electric Machinery Business, a non-exclusive, perpetual, worldwide, non-transferrable, royalty-free license for such intangible assets to be used for the design, development, manufacture, marketing, servicing, and/or sale of any of product produced by the Converteam Electric Machinery Business; provided, however, that any such license is transferrable to any future purchaser of all or substantially all of the Converteam Electric Machinery Business. Any improvements or modifications to these intangible assets developed by the Acquirer of the Converteam Electric Machinery Business shall be owned solely by that acquirer.

The Divestiture Assets shall not include Converteam's SAP Business Management Server and related applications, information, and documentation not used primarily by the Converteam Electric Machinery Business.

II. OBJECTIVES

The Final Judgment filed in this case is meant to ensure GE's prompt divestiture of the Divestiture Assets for the purpose of establishing an independent and economically viable competitor that has the intent and capability of competing effectively in the design, development,

manufacture, marketing, servicing, and sale of low-speed synchronous motors in order to remedy the effects that the United States alleges would otherwise result from GE's acquisition of Converteam. This Hold Separate Stipulation and Order ensures, prior to such divestitures, that the Divestiture Assets remain independent, economically viable, and ongoing business concerns that will remain independent and uninfluenced by GE, and that competition is maintained during the pendency of the ordered divestitures.

III. JURISDICTION AND VENUE

The Court has jurisdiction over the subject matter of this action and over each of the parties hereto, and venue of this action is proper in the United States District Court for the District of Columbia.

IV. COMPLIANCE WITH AND ENTRY OF FINAL JUDGMENT

A. The parties stipulate that a Final Judgment in the form attached hereto as Exhibit A may be filed with and entered by the Court, upon the motion of any party or upon the Court's own motion, at any time after compliance with the requirements of the Antitrust Procedures and Penalties Act, 15 U.S.C. § 16, and without further notice to any party or other proceedings, provided that the United States has not withdrawn its consent, which it may do at any time before the entry of the proposed Final Judgment by serving notice thereof on defendants and by filing that notice with the Court.

B. Defendants agree to arrange, at their expense, publication as quickly as possible of the newspaper notice required by the Antitrust Procedures and Penalties Act. The publication shall be arranged no later than five (5) calendar days after defendants' receipt from the United States of the text of the notice and identity of the newspaper within which the publication shall be made. Defendants shall promptly send to the United States: (1) confirmation that publication

of the newspaper notice has been arranged; and (2) the certification of the publication prepared by the newspaper within which the notice was published.

C. Defendants shall abide by and comply with the provisions of the proposed Final Judgment, pending the entry of the Final Judgment by the Court, or until expiration of time for all appeals of any Court ruling declining entry of the proposed Final Judgment, and shall, from the date of the signing of this Hold Separate Stipulation and Order by the parties, comply with all the terms and provisions of the proposed Final Judgment as though the same were in full force and effect as an order of the Court.

D. Defendants shall not consummate the transaction sought to be enjoined by the Complaint filed in this matter before the Court has signed this Hold Separate Stipulation and Order.

E. This Hold Separate Stipulation and Order shall apply with equal force and effect to any amended proposed Final Judgment agreed upon in writing by the parties and submitted to the Court.

F. In the event: (1) the United States has withdrawn its consent, as provided in Section IV(A), above; or (2) the proposed Final Judgment is not entered pursuant to this Hold Separate Stipulation and Order, the time has expired for all appeals of any Court ruling declining entry of the proposed Final Judgment, and the Court has not otherwise ordered continued compliance with the terms and provisions of the proposed Final Judgment, then the parties are released from all further obligations under this Hold Separate Stipulation and Order, and the making of this stipulation shall be without prejudice to any party in this or any other proceeding.

G. Defendants represent that the divestitures ordered in the proposed Final Judgment can and will be made, and that defendants will later raise no claim of mistake, hardship, or

difficulty of compliance as grounds for asking the Court to modify any of the provisions contained therein.

V. HOLD SEPARATE PROVISIONS

Until the divestitures required by the Final Judgment have been accomplished:

A. GE shall preserve, maintain, and continue to operate the Divestiture Assets as an independent, ongoing, economically viable competitive business, with management, sales and operations of such assets held entirely separate, distinct and apart from those of GE's other operations. GE shall not coordinate its production, marketing, or terms of sale of any products with those produced by or sold under any of the Divestiture Assets. Within twenty (20) days after the entry of the Hold Separate Stipulation and Order, GE will inform the United States of the steps it has taken to comply with this Hold Separate Stipulation and Order.

B. Defendants shall take all steps necessary to ensure that (1) the Divestiture Assets will be maintained and operated as an independent, ongoing, economically viable and active competitor in the markets for all products produced by the Divestiture Assets; (2) management of the Divestiture Assets will not be influenced by GE; and (3) the books, records, competitively sensitive sales, marketing and pricing information, and decision-making concerning production, distribution or sale of products produced by the Divestiture Assets will be kept separate and apart from GE's other operations. Notwithstanding the foregoing, GE may obtain access to product designs, drawings, manufacturing techniques, specifications, product bills of materials, and supply chain information that, prior to the filing of the Complaint in this matter, were used by the Convertteam Electric Machinery Business in the design, development, manufacture, marketing, servicing, and/or sale of induction motors, brushless exciters, turbo generators, and/or

synchronous generators, and that will be the subject of a license from the Acquirer to GE as set forth in Section IV.G of the proposed Final Judgment.

C. GE shall use all reasonable efforts to maintain and increase the sales and revenues of the products produced by the Divestiture Assets, and shall maintain at current or previously approved levels, whichever are higher (and, in 2012, at 2011 levels or the levels previously approved for 2012, whichever are higher), all promotional, advertising, sales, technical assistance, marketing, and merchandising support for the Divestiture Assets.

D. GE shall provide sufficient working capital and lines and sources of credit to continue to maintain the Divestiture Assets as an economically viable and competitive, ongoing business, consistent with the requirements of Sections V(A) and (B).

E. GE shall take all steps necessary to ensure that the Divestiture Assets are fully maintained in operable condition at no less than current capacity and sales and shall maintain and adhere to normal repair and maintenance schedules for the Divestiture Assets.

F. GE shall not, except as part of the divestitures approved by the United States in accordance with the terms of the proposed Final Judgment, remove, sell, lease, assign, transfer, pledge, or otherwise dispose of any of the Divestiture Assets.

G. GE shall maintain, in accordance with sound accounting principles, separate, accurate, and complete financial ledgers, books, and records that report on a periodic basis, such as the last business day of every month, consistent with past practices, the assets, liabilities, expenses, revenues, and income of the Divestiture Assets.

H. Defendants shall take no action that would jeopardize, delay, or impede the sale or use of the Divestiture Assets.

I. Converteam Electric Machinery Business employees with primary responsibility for the design, development, production, marketing, servicing, and/or sale of any product produced by the Divestiture Assets or the operation and maintenance of the Divestiture Assets shall not be transferred or reassigned to other areas within GE or Converteam except for transfer bids initiated by employees pursuant to defendants' regular, established job posting policy. GE shall provide the United States with ten (10) calendar days notice of such transfer.

J. GE shall appoint, subject to the approval of the United States, a person or persons to oversee the Divestiture Assets, and who will be responsible for defendants' compliance with this Section. This person shall have complete managerial responsibility for the Divestiture Assets, subject to the provisions of the Final Judgment. In the event such person is unable to perform his or her duties, defendants shall appoint, subject to the approval of the United States, a replacement within ten (10) working days. Should defendants fail to appoint a replacement acceptable to the United States within this time period, the United States shall appoint a replacement.

K. Defendants shall take no action that would interfere with the ability of any trustee appointed pursuant to the Final Judgment to complete the divestitures pursuant to the Final Judgment to an Acquirer acceptable to the United States.

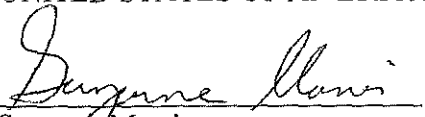
VI. DURATION OF HOLD SEPARATE OBLIGATIONS

Defendants' obligations under Section V of this Hold Separate Stipulation and Order shall remain in effect until: (1) consummation of the divestitures required by the proposed Final Judgment; or (2) further order of the Court. If the United States voluntarily dismisses the Complaint in this matter, defendants are released from all further obligations under this Hold Separate Stipulation and Order.

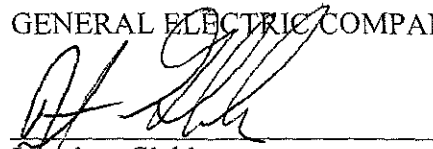
Dated: August 29, 2011

Respectfully submitted,

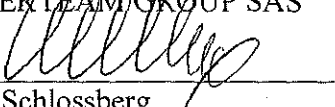
FOR PLAINTIFF
UNITED STATES OF AMERICA


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ORDER

IT IS SO ORDERED by the Court, this ____ day of _____, 2011.

United States District Judge

CERTIFICATE OF SERVICE


I, Suzanne Morris, hereby certify that on August 29, 2011 I caused a copy of the foregoing Hold Separate Stipulation and Order, as well as the Complaint, Competitive Impact Statement, and Explanation of Consent Decree Procedures filed in this matter, to be served upon defendants General Electric Company, CVT Holding SAS, Financière CVT SAS, and Converteam Group SAS by mailing the documents electronically to the duly authorized legal representatives of defendants as follows:

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