

Table: Worker board-level participation in the EU-27

by Norbert Kluge and Michael Stollt, European Trade Union Institute (ETUI-REHS, 05/01/2007)

| | LEGISLATION | CRITERIA | NUMBER OF WORKERS' REPRESENTATIVES ON THE COMPANY BOARD | NOMINATION OF CANDIDATES | VOTE BY EMPLOYEES/ APPOINTMENT | ELIGIBILITY CRITERIA FOR WORKERS' REPRESENTATIVES ON THE BOARDS | STRUCTURE OF RELEVANT COMPANIES |
|-----------------------|-------------|----------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------|-----------------------------------------------------------------------------------------------------------------------|---------------------------------|
| AUSTRIA | yes | limited liability C > 300 and JSC | 1/3 of SVB | appointment by WC | | only members of WC (having active voting rights, i.e. only E) | D |
| BELGIUM | no | | | | | | M |
| BULGARIA | no | | | | | | M+D (choice) |
| CYPRUS | no | | | | | | M |
| CZECH REPUBLIC | yes | JSC > 50E and state-owned C | 1/3 of SVB | <u>private C</u> : TU / WC, E (10%), management <u>state-owned C</u> : electoral regulations established by employer in agreement with TU | vote | <u>private C</u> : E and external TU officials <u>state-owned C</u> : only E | D |
| DENMARK | yes | C > 35 E | 1/3 of board (at least 2 members) | no legal procedure | vote | only E | D |
| ESTONIA | no | | | | | | D |
| FINLAND | yes | C > 150 E | agreement between employer and personnel groups on <u>number of representatives</u> (max. 4 members / 25% of number of other members) and <u>choice of board</u> (employer may ultimately decide between SVB / board or management groups) | by personnel groups in WC procedure | vote if no agreement between personnel groups | only E | M+D (choice) |
| FRANCE | yes | a) state-owned C (> 50% of capital, and subsidiaries) b) privatised C c) private JSC (voluntary) d) C where a board and a WC exists | a) 200-1000 E: 3 members of SVB/board >1000 E: 1/3 of SVB / board b) 2 members if SVB/board < 15 members; if >15: 3 members c) max. 1/3 of SVB/board d) WC representatives (in general 2) can participate in the board meetings (no voting right, only advisory say) | a) E b) E c) E d) Selected from among the elected WC members | a) vote b) vote c) vote | a) only E (and no other mandate) b) only E (and no other mandate) c) only E (and no other mandate) d) only E | M+D (choice) |

Legend :

TU = trade union

WC = works council / elected worker representatives

E = employees

C = companies

JSC = joint stock companies

SVB = supervisory board

MB = management board

board = board of directors

M = monistic structure (board of directors)

D = dualistic structure (management board and supervisory board)

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| GERMANY | yes | a) C 500-2000 E b) C > 2000 E c) C in the iron, coal and steel industry (>1000E) | a) 1/3 of SVB b) 1/2 of SVB (chairman is appointed by shareholder reps. in the SVB; in the event of a tied vote, the chair's vote is decisive) c) 1/2 of SVB (plus a "neutral external person"; chairman is appointed by shareholder reps. in the SVB) + de facto: 1 member of MB (blocking minority in appointment of labour director) | a) WC, E (10% or 100) b) E (20%), TU have right to nominate 2/3 candidates c) some by WC, some by TU | a) vote b) direct vote or vote by delegates assembly (if more than 8000 E) c) appointment by General Meeting of shareholders | a) only E (for not less than 1 year) b) only E (for not less than 1 year) / TU nomination for the TU seats c) only E (for not less than 1 year) / TU nomination for the TU seats / extra members: neither E nor TU officials | D |
| GREECE | yes | state-owned C | 2-3 board members (right to withdraw this right if <50% public capital) | by law: E de facto: TU fractions | vote (appointment by the minister responsible) | only E | M |
| HUNGARY | yes | JSC + limited liability C > 200 E | D: 1/3 of SVB M: agreement between the board of directors and the works council | WC (duty to ask opinion of TU) | | only E | M+D (choice) (only public limited companies can choose M) |
| IRELAND | yes | 20 state-owned C and agencies some privatised C | mostly 1/3 of board but ranging from 1 to 5 directors | TU, bodies recognised for collective bargaining | vote | only E (for not less than 3 years) | M |
| ITALY | no | | | | | | M+D (choice) |
| LATVIA | no | | | | | | D |
| LITHUANIA | no | | | | | | M+D (choice) |
| LUXEMBOURG | yes | a) C > 1000 E b) state-owned C (min. 25% of capital); C with a state concession | a) 1/3 of board b) 1 director per 100 E (min. 3 members, max. 1/3 of board) | appointment by staff representatives iron and steel industry: the most representative national TU have the right to directly appoint three directors | | only E (for not less than 2 years) (exception: iron and steel industry) | M |

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| MALTA | yes | 10 mainly state-owned C | 1 member of board of directors | TU | vote | no restrictions | M |
| THE NETHERLANDS | yes | C where equity capital > 16 Mio. € + existence of a WC + > 100 E incl. subsidiaries (some exceptions) | max. 1/3 of SVB | WC | appointment by General Meeting of shareholders | no E | D |
| POLAND | yes | privatised C (former state owned C) [state-owned C continue to be governed by 1981 Act on workers' self-management] | a) if state holds > 50% of shares: 2/5 of SVB b) if state holds < 50% of shares: 2-4 members of SVB (depending on SVB's size) Additionally in privatised C > 500 E: 1 member of MB | E, TU | vote | no restrictions | D |
| PORTUGAL | yes | state-owned C (only if 100% public capital) but: law has very rarely been implemented! | 1 member of board (but: law is not implemented) 1 member of council of auditors (implemented only in some C) | [WC/ E (10% or 100)] | [vote] | [only E] | M |
| ROMANIA | yes | all state-owned <u>and</u> private companies where a TU exists | at least one TU representative (agreement between management and TU) No voting right, only advisory say | TU | | no restrictions | M |
| SLOVAK REPUBLIC | yes | JSC > 50 E and state-owned C | <u>private C</u> : 1/3 of SVB <u>state-owned C</u> : 1/2 of SVB | E (10%), TU in <u>state-owned C</u> : 1 SVB member directly nominated by TU | vote | only E | D |

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Source: Norbert Kluge and Michael Stollt (eds.) - *The European Company – Prospects for board-level participation in the enlarged EU*. Brussels 2006. Updated.

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| SLOVENIA | yes | a) D: JSC with a SVB (= practically all JSC) b) M: JSC fulfilling at least two of the following conditions: 1. average number of employees > 50 2. sales turnover > EUR 7,300,000 3. asset value > EUR 3,650,000 | a) D: 1/3 - 1/2 of SVB (defined in statutes of C) / <u>Additionally</u> in JSC > 500 E: 1 member of MB (labour director) b) M: 1/5 - 1/3 of board (depending on boards size) | a) D: SVB members are appointed by WC / labour director is proposed by WC and appointed by shareholders b) M: Board members are appointed by WC → in C > 500 E one employee representative may, on the proposal of the works council, be nominated executive director | | no restrictions | M+D (choice) |
| SPAIN | yes | 26 state-owned C, 46 saving banks | 2 members | the two most representative TU can designate one representative each | | | M |
| SWEDEN | yes | most C > 25 E | < 1000 E: 2 members > 1000 E: 3 members (but never majority) of board | appointment by TU (with which collective agreement concluded) | | should be E (no formal obligation) | M |
| UK | no | | | | | | M |

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