

SCHEDULE 3

Regulations 16(1) and 32

STANDARD RULES ON EMPLOYEE INVOLVEMENT

Part 1:

Composition of the representative body

1. The management of the SE shall arrange for the establishment of a representative body in accordance with the following provisions –

- (a) the representative body shall be composed of employees of the SE and its subsidiaries and establishments;
- (b) the representative body shall be composed of one member for each 10% or fraction thereof of employees of the SE, its subsidiaries and establishments employed for the time being in each EEA state;
- (c) the members of the representative body shall be elected or appointed by the members of the special negotiating body; and
- (d) the election or appointment shall be carried out by whatever method the special negotiating body decides.

2. Where its size so warrants, the representative body shall elect a select committee from among its members comprising at most three members.

3. The representative body shall adopt rules of procedure.

4. The representative body shall inform the competent organ of the SE of the composition of the representative body and any changes in its composition.

5.—(1) Four years after its establishment, the representative body shall decide whether to open negotiations with the competent organ of the SE to reach an employee involvement agreement or whether the standard rules in Part 2 and, where applicable, Part 3 of this Schedule shall continue to apply.

(2) Where a decision is taken under sub-paragraph (1) to open negotiations, regulations 27 to 29 and 31 shall apply to the representative body as they apply to the special negotiating body.

Part 2:

Standard rules for information and consultation

6.—(1) The competence of the representative body shall be limited to questions which concern the SE itself and any of its subsidiaries or establishments in another EEA state or which exceed the powers of the decision-making organ in a single EEA state.

(2) For the purpose of informing and consulting under sub-paragraph (1) the competent organ of the SE shall –

- (a) prepare and provide to the representative body regular reports on the progress of the business of the SE and SE's prospects;
- (b) provide the representative body with the agenda for meetings of the administrative or, where appropriate, the management or supervisory organs and copies of all documents submitted to the general meeting of its shareholders;

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- (c) inform the representative body when there are exceptional circumstances affecting the employees' interests to a considerable extent, particularly in the event of relocations, transfers, the closure of establishments or undertakings or collective redundancies.
 - (a) (3) (a) The competent organ shall, if the representative body so desires, meet with that body without prejudice to sub-paragraph (b), at least once a year to discuss the reports referred to in sub-paragraph (2)(a). The meetings shall relate in particular to the structure, economic and financial situation, the probable development of business and of production and sales, the situation and probable trend of employment, investments and substantial changes concerning organisation, introduction of new working methods or production processes, transfers of production, mergers, cut-backs or closures of undertakings, establishments or important parts thereof and collective redundancies;
 - (b) in the circumstances set out in sub-paragraph (2)(c), the representative body may decide, for reasons of urgency, to allow the select committee to meet the competent organ and it shall have the right to meet a more appropriate level of management within the SE rather than the competent organ itself;
 - (c) in the event of the competent organ not acting in accordance with the opinion expressed by the representative body, the two bodies shall meet again to seek an agreement, if the representative body so wishes.
- (4) In the circumstances set out in sub-paragraph (3)(b), if the select committee attends the meeting, any other members of the representative body who represent employees who are directly concerned by the measures being discussed also have the right to participate in the meeting.
- (5) Before any meeting referred to in sub-paragraph (3), the members of the representative body or the select committee, as the case may be, shall be entitled to meet without the representatives of the competent organ being present.
- (6) Without prejudice to regulations 37 and 38, the members of the representative body shall inform the employees' representatives or, if no such representatives exist, the employees of the SE and its subsidiaries and establishments, of the content and outcome of the information and consultation procedures.
- (7) The representative body and the select committee may be assisted by experts of its choice.
- (8) The costs of the representative body shall be borne by the SE which shall provide the members of that body with financial and material resources needed to enable them to perform their duties in an appropriate manner, including (unless agreed otherwise) the cost of organising meetings, providing interpretation facilities and accommodation and travelling expenses. However, where the representative body or the select committee is assisted by more than one expert the SE is not required to pay the expenses of more than one of them.

Part 3:

Standard rules for participation

7.—(1) In the case of an SE established by transformation, if the rules of a EEA state relating to employee participation in the administrative or supervisory body applied before registration, all aspects of employee participation shall continue to apply to the SE. Sub-paragraph (2) shall apply *mutatis mutandis* to that end.

(2) In the case where an SE is established other than by transformation and where the employees or their representatives of at least one of the participating companies had participation rights, the representative body shall have the right to elect, appoint, recommend or oppose the appointment of a number of members of the administrative or supervisory body of the SE, such number shall be equal

to the highest proportion in force in the participating companies concerned before the registration of the SE.

- (a) (3) (a) Subject to head (b), the representative body shall, taking into account the proportion of employees of the SE employed in each EEA state, decide on the allocation of seats within the administrative or supervisory body;
- (b) In making the decision set out in head (a), if the employees in one or more EEA state are not covered by the proportional criterion set out in head (a), the representative body shall appoint a member from one of those EEA states including one from the EEA state in which the SE is registered, if appropriate;
- (c) Every member of the administrative body or, where appropriate, the supervisory body of the SE who has been elected, appointed or recommended by the representative body or the employees shall be a full member with the same rights and obligations as the members representing shareholders, including the right to vote.