

COMMISSION OF THE EUROPEAN COMMUNITIES

COM(94) 228 final
Brussels, 03.06.1994

94/0113 (PRT)

Amended proposal for a

COUNCIL DIRECTIVE

**on the establishment of European committees or procedures in
Community-scale undertakings and Community-scale groups of undertakings
for the purposes of informing and consulting employees**

(presented by the Commission pursuant to Article 189 A (2)
of the EC-Treaty)

EXPLANATORY MEMORANDUM

The European Parliament has delivered its opinion on the proposal for a Council Directive on the establishment of European committees or procedures in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees. The amended proposal submitted by the Commission to the Council, pursuant to Article 189a(2) of the EC Treaty, takes account of a number of amendments approved by Parliament at its first reading on 4 May 1994. The changes made are designed to enhance the effectiveness of the provisions of the Directive and to clarify the Commission's initial text in the interest of legal consistency.

The Economic and Social Committee has not yet delivered its opinion on this proposal. This is expected to be adopted on 1 June 1994. The Commission may therefore modify this amended proposal, in the light of the Economic and Social Committee's opinion.

Title of the proposal

The change made in the title of the proposal is a purely linguistic one and concerns only the German version, in which the wording "Unterrichtung und Anhörung" is replaced by the wording "Information und Konsultation".

Article 5

In the second paragraph of this Article, the reference to employees representatives is replaced by a reference to "representative body". This change is purely formal and does not alter the content of the provision.

Article 8

By introducing a reference to "objective criteria" (as in earlier Commission texts), protection is provided against possible abuses by central management of the right, under this Article, to withhold information when its nature is such that it would be seriously prejudicial to the undertaking affected is enhanced.

Article 15

The Commission will review the operation of the Directive five years after its entry into force, instead of seven years, as provided for in the initial proposal. Any proposals for amendment will be presented to the Council of the European Union and to the European Parliament.

Annex

The wording of paragraph 1 (c), paragraph 2, second sentence and paragraph 5 is clarified.

This last paragraph is also amended: under the new wording, instead of having the option of informing employees or their local representatives of the content and outcome of the information and consultation procedure, the members of the European committee will be obliged to do so.

Finally, a new sentence is introduced in paragraph 3, which aims at granting the central management the right to meet the entire European committee (and not only its executive committee) in the circumstances mentioned in this paragraph.

Proposal for a

COUNCIL DIRECTIVE

on the establishment of European committees or procedures in
Community-scale undertakings and Community-scale groups of undertakings
for the purposes of informing and consulting employees

THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Agreement on Social Policy annexed to the Treaty establishing the European Community, and in particular Article 2(2) thereof,

Unchanged

Having regard to the proposal from the Commission¹,

Unchanged

In cooperation with the European Parliament²,

Unchanged

Having regard to the opinion of the Economic and Social Committee³,

Unchanged

Whereas, on the basis of the Protocol on Social Policy annexed to the Treaty establishing the European Community, the Kingdom of Belgium, the Kingdom of Denmark, the Federal Republic of Germany, the Hellenic Republic, the Kingdom of Spain, the French Republic, Ireland, the Italian Republic, the Grand Duchy of Luxembourg, the Kingdom of the Netherlands and the Portuguese Republic (hereinafter referred to as "the Member States"), desirous of implementing the Social Charter of 1989, have adopted an Agreement on Social Policy;

Unchanged

Whereas, pursuant to Article 1 of the said Agreement, one particular objective of the Community and the Member States is to promote social dialogue at Community level;

Unchanged

Whereas point 17 of the Community Charter of Fundamental Social Rights of Workers provides, inter alia, that information, consultation and participation for workers must be developed along appropriate lines, taking account of the practices in force in different Member States; whereas the Charter states that "this shall apply especially in companies or groups of companies having establishments or companies in two or more Member States";

Unchanged

Whereas the Commission's proposal for a Council Directive on the establishment of a European Works Council in Community-scale undertakings or groups of undertakings for the purposes of informing and consulting employees⁴, as amended⁵, did not achieve the unanimity required for its adoption despite the existence of a broad consensus among the majority of Member States;

Unchanged

Whereas the Commission, pursuant to Article 3(2) of the Agreement on Social Policy, has consulted the social partners at Community level on the possible direction of Community action on the information and consultation of workers in Community-scale undertakings and groups of undertakings;

Unchanged

Whereas the Commission, considering after this consultation that Community action was desirable, has again consulted the social partners on the content of the planned proposal, pursuant to Article 3(3) of the said Agreement, and the social partners have presented their opinions to the Commission;

Unchanged

Whereas, following this second phase of consultation, the social partners have not informed the Commission of their desire to initiate the procedure which might lead to the conclusion of agreement, as provided for in Article 4 of the Agreement;

Unchanged

Whereas the completion of the internal market should generate a process of concentrations of undertakings, cross-border mergers, takeovers, joint ventures and, consequently, a transnationalization of undertakings and groups of undertakings; whereas, if economic activities are to develop in a harmonious fashion, undertakings and groups of undertakings operating in two or more Member States must inform and consult the representatives of those of their employees that are affected by their decisions;

Unchanged

Whereas procedures for informing and consulting employees as embodied in legislation or practice in the Member States are often not geared to the transnational structure of the entity which takes the decisions affecting those employees; whereas this may lead to the unequal treatment of employees affected by decisions within one and the same undertaking or group of undertakings;

Unchanged

Whereas appropriate provisions must be adopted to ensure that the employees of Community-scale undertakings or groups of undertakings are properly informed and consulted when decisions likely to affect them are taken in a Member State other than that in which they are employed;

Unchanged

Whereas, in order to guarantee that the employees of undertakings or groups of undertakings operating in two or more Member States are properly informed and consulted, it is necessary to set up European committees or to create some other suitable procedure for the transnational information and consultation of employees;

Unchanged

Whereas it is accordingly necessary to have a definition of the concept of controlling undertaking relating solely to this Directive and not prejudging definitions of the concepts of group or control which might be adopted in texts to be drafted in the future;

Unchanged

Whereas the mechanisms for informing and consulting employees in such undertakings or groups must encompass all of the establishments or, as the case may be, the group's undertakings located within the Member States, regardless of whether the undertaking or the group's controlling undertaking has its central management inside or outside the territory of the Member States;

Unchanged

Whereas, in accordance with the principle of autonomy of the parties, it is for the representatives of employees and the management of the undertaking or the group's controlling undertaking to determine by agreement the nature, composition, powers, mode of operation, procedures and financial resources of European committees or other information and consultation procedures so as to suit their own particular circumstances;

Unchanged

Whereas, however, in the event of the central management refusing to initiate negotiations or in the absence of agreement subsequent to such negotiations, provision should be made for certain subsidiary requirements to apply should the parties so decide;

Unchanged

Whereas, moreover, employees' representatives may decide not to seek the setting-up of a European committee or the parties concerned may decide on an alternative procedure for informing and consulting employees;

Unchanged

Whereas, without prejudice to the possibility of the parties deciding otherwise, the European committee set up in the absence of agreement between the parties must be kept informed and consulted on the activities and projects of the undertaking or group of undertakings so that it may assess the possible impact on employees' interests; whereas, to that end, the undertaking or controlling undertaking must be required to communicate to the employees' appointed representatives general information concerning the interests of employees and information relating more specifically to those aspects of the activities and projects of the undertaking or group of undertakings which are liable to affect employees' interests; whereas the European committee must be able to deliver an opinion;

Unchanged

Whereas certain decisions having a particular effect on the interests of employees must be the subject of a special consultation of the employees' appointed representatives as soon as possible to enable them to deliver an opinion;

Unchanged

Whereas the information and consultation provisions laid down in this Directive must be implemented in the case of an undertaking or a group's controlling undertaking which has its central management outside the territory of the Member States by its representative agent in one of the Member States or, in the absence of such an agent, by the establishment or controlled undertaking employing the greatest number of employees in the Member States;

Unchanged

Whereas special treatment should be accorded to Community-scale undertakings and groups of undertakings in which there exists, at the time of entry into force of this Directive, an agreement providing for the transnational information and consultation of employees;

Unchanged

Whereas the Member States must take appropriate measures in the event of failure to comply with the obligations imposed in this Directive,

Unchanged

HAS ADOPTED THIS DIRECTIVE:

Section I: General

Article 1

Objective

1. *The purpose of this Directive is to improve the right to information and to consultation of employees in Community-scale undertakings and Community-scale groups of undertakings.* *Unchanged*

2. *A European committee or a procedure for informing and consulting employees shall be established in every Community-scale undertaking and every Community-scale group of undertakings, where requested in the manner set out in Article 5(1), with the purpose of informing and consulting employees under the terms, in the manner and with the effects laid down in this Directive.* *Unchanged*

3. *Notwithstanding paragraph 2, where a Community-scale group of undertakings within the meaning of point (c) of Article 2 comprises one or more undertakings which are Community-scale undertakings within the meaning of points (a) or (c) of that Article, a European committee shall be established at the level of the group unless the agreements referred to in Article 6 provide otherwise.* *Unchanged*

4. *Unless a wider scope is provided for in the agreements referred to in Article 6, the powers and competence of European committees and the scope of information and consultation procedures provided for by this Directive shall, in the case of a Community-scale undertaking, cover all the establishments located within the Member States and, in the case of a Community-scale group of undertakings, all group undertakings located within the Member States.* *Unchanged*

Article 2

Definitions

1. *For the purposes of this Directive:*

- (a) *"Community-scale undertaking" means any undertaking with at least 1 000 employees within the Member States as a whole and at least 100 employees in each of at least two Member States;* **Unchanged**
- (b) *a "group of undertakings" means a controlling undertaking and its controlled undertakings;* **Unchanged**
- (c) *"Community-scale group of undertakings" means a group of undertakings with the following characteristics:* **Unchanged**
- *at least 1 000 employees within the Member States as a whole,*
 - *at least two group undertakings in different Member States, and*
 - *at least one group undertaking with at least 100 employees in one Member State and another group undertaking with at least 100 employees in another Member State;*
- (d) *"employees' representatives" means the employees' representatives provided for by national law and/or practice;* **Unchanged**
- (e) *"central management" means the central management of the Community-scale undertaking or, in the case of a Community-scale group of undertakings, of the controlling undertaking, or the representative agent referred to in Article 4(2);* **Unchanged**
- (f) *"consultation" means the exchange of views and establishment of dialogue between employees' representatives and central management or any other more appropriate level of management.* **Unchanged**
2. *For the purposes of this Directive, the prescribed thresholds for the size of the workforce shall be based on the average number of employees, including part-time employees, employed during the previous two years, calculated according to national legislation and/or practice.* **Unchanged**

3. *In compliance with the principles and objectives of the Directive, and in so far as the need arises, the Member States may establish special provisions to apply to the crews of seagoing vessels, adapted to their particular working conditions.* *Unchanged*

Article 3

Definition of "controlling undertaking"

1. *For the purposes of this Directive, "controlling undertaking" means an undertaking which can exercise a dominant influence over another undertaking ("the controlled undertaking") by virtue, for example, of ownership, financial participation or the rules which govern it.* *Unchanged*
2. *The ability to exercise a dominant influence shall be presumed, without prejudice to proof to the contrary, when, in relation to another undertaking, an undertaking directly or indirectly:* *Unchanged*
- (a) *holds a majority of that undertaking's subscribed capital,* *Unchanged*
- (b) *controls a majority of the votes attached to that undertaking's issued share capital,*
or *Unchanged*
- (c) *can appoint more than half of the members of that undertaking's administrative, management or supervisory body.* *Unchanged*
3. *For the purposes of paragraph 2, a controlling undertaking's rights as regards voting and appointment shall include the rights of any other controlled undertaking and those of any person or body acting in his or its own name but on behalf of the controlling undertaking or of any other controlled undertaking.* *Unchanged*
4. *Notwithstanding paragraphs 1 and 2, an undertaking shall not be deemed to be a "controlling undertaking" with respect to another undertaking in which it has holdings where the former undertaking is a company referred to in Article 3(5)(a) or (c) of Council Regulation (EEC) No 4064/89⁶.* *Unchanged*

5. *A dominant influence shall not be presumed to be exercised solely by virtue of the fact that an office holder is exercising his functions, according to the law of a Member State relating to liquidation, winding up, insolvency, cessation of payments, compositions or analogous proceedings.* **Unchanged**

6. *The law applicable in order to determine whether an undertaking is a "controlling undertaking" shall be the law of the Member State which governs that undertaking.* **Unchanged**

Where the law governing that undertaking is not that of a Member State, the law applicable shall be the law of the Member State within whose territory the representative agent of the undertaking or, in the absence of such an agent, the central management of the group undertaking which employs the greatest number of employees in the Community is situated. **Unchanged**

7. *Where, in the case of a conflict of laws in the application of paragraph 2, two or more undertakings from a group satisfy one or more of the criteria laid down in that paragraph, the undertaking which satisfies the criterion laid down in point (c) thereof shall be regarded as the controlling undertaking, without prejudice to proof that another undertaking is able to exercise a dominant influence.* **Unchanged**

Section II: Establishment of a European committee or an employee information and consultation procedure

Article 4

Responsibility for the establishment of a European committee or an employee information and consultation procedure

1. *The central management shall be responsible for creating the conditions and means necessary for the setting up of a European committee or an information and consultation procedure as provided for by this Directive in respect of a Community-scale undertaking or a Community-scale group of undertakings.* **Unchanged**

2. Where the central management is not situated in a Member State, the central management's representative agent in a Member State, to be designated if necessary, shall carry out the responsibility referred to in paragraph 1. *Unchanged*

In the absence of such an agent, the management of the establishment or the central management of the group undertaking employing the greatest number of employees in any one Member State shall bear the responsibility referred to in paragraph 1. *Unchanged*

Article 5

Special negotiating body

1. The central management shall initiate negotiations for the establishment of a European committee or an information and consultation procedure on its own initiative or at the written request of at least 100 employees or their representatives in at least two undertakings or establishments in at least two different Member States. *Unchanged*

1. The central management shall initiate negotiations for the establishment of a European committee or an information and consultation procedure on its own initiative or at the written request of at least 100 employees or their representative body in at least two undertakings or establishments in at least two different Member States.


2. The special negotiating body shall be composed in accordance with the following guidelines: *Unchanged*

(a) The Member States shall determine the method to be used for the election or appointment of the members of the special negotiating body who are to be elected or appointed in their territories. *Unchanged*

Member States shall provide that employees in undertakings and/or establishments in which there are no employees' representatives through no fault of their own, have the right to elect or appoint members of the special negotiating body. *Unchanged*

(b) The special negotiating body shall have a minimum of three and a maximum of 17 members. *Unchanged*

(c) In these elections or appointments, it must be ensured: *Unchanged*

- first, that each Member State in which the Community-scale undertaking has one or more establishments or in which the Community-scale group of undertakings has the controlling undertaking or one or more controlled undertakings is represented by one member; *Unchanged*
- secondly, that there are supplementary members in proportion to the number of employees working in the establishments, the controlling undertaking or the controlled undertakings as laid down by the legislation of the Member State within the territory of which the central management is situated. *Unchanged*
- (d) The central management shall be informed of the composition of the special negotiating body. *Unchanged*
3. The special negotiating body shall have the task of determining, with the central management, by written agreement, the scope, composition, powers and term of office of the European committee(s) or the arrangements for implementing a procedure for the information and consultation of employees. *Unchanged.*
4. With a view to the conclusion of an agreement in accordance with Article 6, the central management shall convene a meeting with the special negotiating body. It shall inform the local managements accordingly. *Unchanged*
- For the purpose of the negotiations, the special negotiating body may be assisted by experts of its choice. *Unchanged*
5. The special negotiating body may decide, by at least two-thirds of the votes, not to open negotiations in accordance with paragraph 4, or to terminate the negotiations already opened. *Unchanged*
- Such a decision shall stop the procedure to conclude the agreement referred to in Article 6. Where such a decision has been taken, the provisions in the Annex shall not apply. *Unchanged*
- 

A new request to convene the special negotiating body may be made at the earliest within two years of the abovementioned decision unless the parties concerned lay down shorter periods.

Unchanged

6. *Any expenses relating to the negotiations referred to in paragraphs 3 and 4 shall be borne by the central management so as to enable the special negotiating body to carry out its task in an appropriate manner.*

Unchanged

Article 6

Content of the agreement

1. *The central management and the special negotiating body must negotiate in a spirit of cooperation with a view to reaching an agreement.*

Unchanged

2. *Without prejudice to the autonomy of the parties, the agreement drawn up in writing between the central management and the special negotiating body shall determine:*

Unchanged

(a) *the scope and the composition of the European committee(s), the number of members, the allocation of seats, the election procedures and the term of office;*

Unchanged

(b) *the functions and powers of the European committee(s);*

Unchanged

(c) *the procedure for informing and consulting the European committee(s);*

Unchanged

(d) *the venue, frequency and duration of meetings of the European committee(s);*

Unchanged

(e) *the financial and material resources to be allocated to the European committee(s);*

Unchanged

(f) *the duration of the agreement and the procedure for its renegotiation.*

Unchanged

3. *The central management and the special negotiating body may decide, in writing, to establish an information and consultation procedure instead of a European committee.*

Unchanged

The agreement must stipulate by what method the employees' representatives shall have the right to meet to discuss the information conveyed to them.

Unchanged.

4. *The agreements referred to in paragraphs 2 and 3 shall, not, unless provision is made otherwise, be subject to the subsidiary requirements of the Annex.* *Unchanged*

5. *For the purposes of concluding the agreements referred to in paragraphs 2 and 3, the special negotiating body shall act by a majority of its members.* *Unchanged*

Article 7

Subsidiary requirements

1. *Where the central management and the special negotiating body so decide or if the central management refuses to commence negotiations within six months of the request referred to in Article 5(1), or if, after two years from the date of this request, they are unable to conclude an agreement as laid down in Article 6 and the special negotiating body has not taken the decision provided for in Article 5(5), the subsidiary requirements laid down by the legislation of the Member State in which the central management is situated shall apply.* *Unchanged*

2. *The subsidiary requirements referred to in paragraph 1 as adopted in the legislation of the Member State must at least satisfy the provisions set out in the Annex.* *Unchanged*

Section III: Miscellaneous provisions

Article 8

Confidential information

1. *Member States shall provide that members of special negotiating bodies or of European committees and the experts who assist them are not authorized to reveal any information which has expressly been provided to them in confidence.* *Unchanged*

The same shall apply to employees' representatives in the framework of an information and consultation procedure. *Unchanged*

This obligation shall continue to apply, wherever the persons referred to in the first and second subparagraphs are, even after the expiry of their terms of office. *Unchanged*

2. *Each Member State shall provide, in specific cases and under the conditions and limits laid down by national legislation, that the central management situated in its territory need not transmit information when its nature is such that it would be seriously prejudicial to any of the undertakings affected.*

A Member State may make such derogation subject to prior administrative or judicial authorization.

Article 9

Operation of European committees or information and consultation procedures

The central management and the European committee shall work in a spirit of cooperation with due regard to their reciprocal rights and obligations.

The same shall apply to cooperation between the central management and employees' representatives in the framework of an information and consultation procedure.

Article 10

Protection of employees' representatives

Members of special negotiating bodies, members of European committees and employees' representatives exercising their functions under the procedure referred to in Article 6(3) shall, in the exercise of their functions, enjoy the same protection and guarantees provided for employees' representatives by the national legislation and/or practice in force in their country of employment, especially as regards attendance at meetings of special negotiating bodies or European committees or any other meetings within the framework of the agreement referred to in Article 6(3), and the payment of wages for members who are on the staff of the Community-scale undertaking or the Community-scale group of undertakings for the period of absence necessary for the performance of their duties.

2. *Each Member State shall provide, in specific cases and under the conditions and limits laid down by national legislation, that the central management situated in its territory need not transmit information when its nature is such that it would be seriously prejudicial, in the light of objective criteria, to any of the undertakings affected.*

Unchanged

Unchanged

Unchanged

Unchanged

Article 11

Compliance with this Directive

1. *Each Member State shall ensure that the management of establishments or group undertakings situated within its territory and their employees' representatives or, as the case may be, employees abide by the obligations laid down by this Directive, regardless of whether or not the central management is situated within its territory.* *Unchanged*

2. *Member States shall ensure that the information on the number of employees referred to in points (a) and (c) of Article 2(1) is made available by undertakings at the request of the parties concerned by the application of this Directive.* *Unchanged.*

3. *Member States shall provide for appropriate measures in the event of failure to comply with this Directive and shall in particular ensure that adequate administrative or judicial procedures are available to enable the obligations deriving from this Directive to be enforced.* *Unchanged*

4. *Where Member States apply Article 8, they shall make provision for administrative or judicial appeal procedures which the employees' representatives may initiate when the management requires confidentiality or does not give information in accordance with that Article.* *Unchanged*

Article 12

Link between this Directive and other provisions

1. *This Directive shall apply without prejudice to measures taken pursuant to Council Directive 75/129/EEC⁷ and to Council Directive 77/187/EEC⁸.* *Unchanged*

2. *This Directive shall not prejudice employees' existing rights to information and consultation under national legislation.* *Unchanged*

3. *This Directive shall not affect Member States' right to apply or introduce laws, regulations or administrative provisions which are more favourable to employees or to allow or give priority to the application of collective agreements which are more favourable to employees.* *Unchanged*

Article 13

Agreements in force

1. Without prejudice to paragraph 2, the obligations arising from this Directive shall not apply to Community-scale undertakings or groups of undertakings in which, on the date laid down in Article 14(1) for the transposition of this Directive or the date of its transposition in the Member State in question, where this is earlier than the abovementioned date, there is already an agreement providing for the transnational information and consultation of employees.
2. When the agreements referred to in paragraph 1 expire, the parties to these agreements may decide jointly to renew them. Where this is not the case, the provisions of this Directive shall apply.

Unchanged

Unchanged

Article 14

Final provisions

Member States shall bring into force the laws, regulations and administrative provisions necessary to comply with this Directive within two years of its entry into force or shall ensure by that date at the latest that employers and workers' representatives introduce the required provisions by way of agreement, the Member States being obliged to take the necessary steps enabling them at all times to guarantee the results imposed by this Directive. They shall immediately inform the Commission thereof.

Unchanged

When Member States adopt these provisions, these shall contain a reference to this Directive or shall be accompanied by such reference at the time of their official publication. The procedure for such reference shall be adopted by Member States.

Unchanged

Article 15

Review by the Commission

Seven years after the adoption of this Directive, the Commission shall review its operation and, in particular, examine whether the workforce size thresholds are appropriate with a view to proposing suitable amendments, where necessary.

Five years after the adoption of this Directive, the Commission shall review its operation and, in particular, examine whether the workforce size thresholds are appropriate with a view to presenting to the Council of the European Union and to the European Parliament suitable amendments, where necessary.

Article 16

This Directive shall enter into force on the twentieth day following that of its publication in the Official Journal of the European Communities.

Unchanged

Article 17

This Directive is addressed to the Member States.

Unchanged

Done at Brussels,

For the Council

The President

ANNEX TO THE DIRECTIVE

SUBSIDIARY REQUIREMENTS

1. *The establishment, composition and competence of a European committee shall be governed by the following rules:* *Unchanged*
- (a) *The competence of the European committee shall be limited to those matters which concern the Community-scale undertaking or Community-scale group of undertakings as a whole or at least two of its establishments or group undertakings situated in different Member States.* *Unchanged*
- In the case of undertakings or groups of undertakings referred to in Article 4(2), the competence of the European committee shall be limited to those matters concerning all their establishments or group undertakings situated within the Member States or concerning at least two of their establishments or group undertakings situated in different Member States.* *Unchanged*
- (b) *The European committee shall be composed of employees of the Community-scale undertaking or Community-scale group of undertakings elected or appointed from their number by the employees' representatives or, in the absence thereof, by the entire body of employees.* *Unchanged*
- The election or appointment of members of the European committee shall be carried out in accordance with national legislation and/or practice.* *Unchanged*
- (c) *The European committee shall have a minimum of 3 members and a maximum of 30. It shall elect a chairman and, where its size warrants it, an executive committee from among its members, comprising at most a chairman and four members. It shall adopt its own rules of procedure.* *(c) The European committee shall have a minimum of 3 members and a maximum of 30. It shall elect a chairman and, where its size warrants it, an executive committee from among its members, consisting of four members in addition to the chairman. It shall adopt its own rules of procedure.*
- (d) *In the election or appointment of members of the European committee, it must be ensured:* *Unchanged*

- firstly, that each Member State in which the Community-scale undertaking has one or more establishments or in which the Community-scale group of undertakings has the controlling undertaking or one or more controlled undertakings is represented by one member; Unchanged
- secondly, that there are supplementary members in proportion to the number of employees working in the establishments, the controlling undertaking or the controlled undertakings as laid down by the legislation of the Member State within the territory of which the central management is situated. Unchanged
- (e) The central management shall be informed of the composition of the European committee. Unchanged
- (f) If, at the end of this procedure, the number of employees' representatives on the European committee is less than 30, those establishments or controlled undertakings which did not obtain members under subparagraph (d) shall elect or appoint a member. Unchanged
- (g) Four years after the European committee is established it shall deliberate as to the renegotiation of the agreement referred to in Article 6 or the continued application of the provisions in this Annex. Unchanged
- Articles 6 and 7 shall apply, mutatis mutandis, if a decision has been taken to negotiate an agreement according to Article 6 and "special negotiating body" shall be replaced by "European committee". Unchanged
2. The European committee shall have the right to meet with the central management at least once a year, to be informed and consulted, on the basis of a report drawn up by the central management, of the progress of the business of the Community-scale undertaking or Community-scale group of undertakings and of its prospects. The local managements shall be informed accordingly. Unchanged

Such information shall relate in particular to its structure, economic and financial situation, the probable development of the business and of production and sales, the employment situation and probable trend, investment projects, and substantial changes concerning the organization, the introduction of new working methods or production processes, transfers of production, cut-backs or closures of undertakings, establishments or important parts thereof, or collective redundancies.

3. *Where there are exceptional circumstances affecting employment, more particularly in the event of relocations, the closure of establishments or undertakings or collective redundancies, the executive committee of the European committee - or, where there is no such executive committee, the committee itself - shall have the right to meet, at its request, the central management, or any other more appropriate level of management within the Community-scale group of undertakings, with a view to being informed and consulted on any measure liable to have a considerable effect on the employees' interests.*

This information and consultation meeting shall take place as soon as possible on the basis of a report drawn up by the central management or any other appropriate level of the management of the Community-scale group of undertakings, on which the European committee may put forward an opinion within a reasonable time.

Not foreseen

This meeting shall not affect the prerogatives of the central management.

4. *The European committee or its executive committee shall be entitled to meet before any meeting with the central management, without the management concerned being present.*

This meeting shall relate in particular to its structure, economic and financial situation, the probable development of the business and of production and sales, the employment situation and probable trend, investment projects, and substantial changes concerning the organization, the introduction of new working methods or production processes, transfers of production, cut-backs or closures of undertakings, establishments or important parts thereof, or collective redundancies.

Unchanged

Unchanged

This does not exclude the possibility for the central management, or any other appropriate level of management with the competence to take its own decisions, to fulfil its obligation by meeting the whole of the European committee, in order to inform and consult them on any measure liable to have a considerable effect on the employees' interests.

Unchanged

Unchanged

5. *The members of the European committee shall be entitled to inform the employees' representatives at establishment or at group undertaking level or, in the absence thereof, the body of employees, of the content and outcome of the information and consultation procedure carried out in accordance with this Annex.*

5. *Without prejudice to the provisions of Article 8, the members of the European committee shall inform the employees' representatives at establishment or at group undertaking level or, in the absence thereof, the body of employees, of the content and outcome of the information and consultation procedure carried out in accordance with the provisions of this Annex.*

6. *The European committee may be assisted by experts of its choice, insofar as this is necessary for it to carry out its tasks.*

Unchanged

7. *The operating expenses of the European committee shall be borne by the central management.*

Unchanged

The central management concerned shall provide the members of the European committee with such financial and material resources as enable them to meet and perform their duties in an appropriate manner.

Unchanged

In particular, the cost of organising meetings and arranging for interpretation facilities and the accommodation and travelling expenses of members of the European committee and its executive committee shall be met by the central management unless otherwise agreed.

Unchanged

1. OJ No C
2. OJ No C
3. OJ No C
4. OJ No C 39, 15.2.1991, p. 10.
5. OJ No C 336, 31.12.1991, p. 11.
6. OJ No L 395, 30.12.1989, p. 1.
7. OJ No L 48, 22.2.1975, p. 29.
8. OJ No L 61, 5.3.1977, p. 26.

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