
Article 11.1. Companies formed by way of commercialisation shall have a supervisory board. The company's articles of association shall determine the number of members of the supervisory board, although the first supervisory board shall comprise five persons, two of them being employee representatives. In companies created by way of restructuring companies in the agri-food industry, farmers or fishermen as well as employees shall have one representative each in the supervisory board.

2. Supervisory boards do not have to be formed in limited liability companies formed by way of commercialisation. In such a case, the shareholder or person authorised by the shareholder shall exercise the right of supervision.

3. If a company of the kind specified in point 1, where the State Treasury is the sole shareholder, should be declared bankrupt, a general meeting can pass a resolution for the supervisory board to cease operation and for its members to be dismissed.

Article 12.1. During the time that the State Treasury remains the sole shareholder in a company formed by way of commercialisation, the general meeting shall appoint and dismiss members of the supervisory board, bearing in mind that two-fifths of the members of the supervisory board shall be, with the proviso of point 2, persons selected by employees or one-fifth selected by employees and one-fifth selected by farmers or fishermen.

2. Members of the supervisory board shall be appointed from persons who have passed the examination, with the proviso of Article 60(4).

3. The company articles of association or the company regulations created in the manner specified in the articles of association shall specify the procedure for the selection of members of the supervisory board by employees or by employees and farmers or fishermen, with the proviso of point 4. Members of supervisory boards that are representatives of employees or employees and farmers or fishermen shall be elected by direct and secret ballot, with universal suffrage.

4. A general meeting of employees (delegates) shall select employees' representatives for the first supervisory board.

5. At the written request of at least 15% of all the employees in a company,

elections shall take place concerning the dismissal of an employee representative from the supervisory board.

6. Failure to select a representative of employees, farmers or fishermen to take part in the first supervisory board shall not constitute an obstacle for the company to be entered in the register of entrepreneurs and shall not stop the board from passing important resolutions.

7. The Council of Ministers shall specify in a Regulation:

- 1) guidelines for organising training for those selected by employees to be members of the first term of the supervisory board;
- 2) the criteria that candidates for membership of supervisory boards should fulfil, the scope of compulsory subjects for the training and examinations, the procedure for appointing examination committees, guidelines for sitting examinations and the circumstances under which candidates can be exempted from the requirement to sit the examination.
- 3) (repealed)

Article 13.1. While the State Treasury remains the sole shareholder of a company, the members of the supervisory board of that company cannot:

- 1) be employed by the company nor provide work or services to the company under another legal framework;
- 2) hold stocks or shares in enterprises created by the company, with the exception of shares that can be sold in regulated markets;
- 3) be employed by the entrepreneurs referred to in point 2 nor provide work or services to them under another legal framework.
- 4) perform tasks that are contrary to their responsibilities or that might cause suspicion about bias or interest.

2. The restrictions referred to in point 1.3 shall not apply to membership of supervisory boards, with the exception of the supervisory boards of competing enterprises.

3. The ban on employment in a company formed as a result of commercialisation shall not apply to persons elected to a supervisory board by employees.

4. The activity referred to in point 1.4 also includes acting as an elected official in a works trade union.

Article 14.1. As soon as the State Treasury ceases to be the sole shareholder in a company formed by way of commercialisation, the provisions in the articles of association concerning the appointment and dismissal of members of the supervisory board can be amended, provided that employees or employees and farmers or fishermen keep the right to elect:

- 1) two members of the supervisory board in a board comprising up to six members, with the proviso that in companies formed by the restructuring of enterprises in the agri-food sector farmers or fishermen shall keep their right to elect one member of the supervisory board;
- 2) three members of the supervisory board in a board comprising between seven and ten members, with the proviso that in companies formed by the restructuring of enterprises in the agri-food sector farmers or fishermen shall keep their right to elect one member of the supervisory board;
- 3) four members of the supervisory board in a board comprising eleven or more members, with the proviso that in companies formed by the restructuring of enterprises in the agri-food sector farmers or fishermen shall keep their right to elect two members of the supervisory board.

2. Members of the supervisory boards referred to in point 1 shall be elected by direct and secret ballot, with universal suffrage. The result of elections shall be binding on the general meeting.

Article 15. The company cannot dismiss employees of a company that are members of its supervisory board during the term of the board or within a year of its end. In addition, the company may not change the employees' work conditions or their pay to their detriment.

Article 15a. The following persons cannot be appointed by the State Treasury or by other state-owned legal persons to act as members of the supervisory board of a company formed by way of commercialisation:

- 1) persons employed in the offices of members of parliament, senators or Members of the European Parliament under employment contracts, service contracts or other similar agreements;
- 2) persons forming part of the organs of political parties that represent the political party to the outside world as well as those authorised to make commitments on the party's behalf;
- 3) persons employed by political parties under an employment contract.

Article 16.1 In companies formed by way of commercialisation, as also after the State Treasury has disposed of more than half of its shares in a company, employees shall select one management board member, if the company employs, on average, over 500 people over a year. The company articles of association shall specify the rules and procedure for employees to appoint and dismiss a management board member.

2. The provisions of the articles of association about the selection referred to in point 1 shall include principles of universal suffrage, secrecy and direct involvement of employees. The result of the elections shall be binding on the organ that appoints the management board.

3. Failure by employees to select a management board member shall not constitute an obstacle for the company to be entered in the register of entrepreneurs and shall not stop the management board from passing important resolutions.

4. The provisions of Article 15a shall apply, as appropriate, to persons representing the State Treasury or another state-owned legal person in the management boards of companies formed by way of commercialisation.