

## Decree-Law No. 260/76 on general rules of public enterprises

[...]

6. As regards the participation of employees in the life of public companies, the present decree-law establishes very flexible arrangements in order to prevent the initiative of employees from being constrained by rigid schemes and enable the articles of association of companies to be adapted in line with the solutions which employees consider most appropriate to protect their interests. This objective is clearly expressed in Article 6, which will have to be integrated with the provisions to be laid down in the law on the control of management by employees.

Furthermore, other provisions of this Decree-Law require prior consultation with the employees when the articles of association of the companies concerned are drawn up or amended, and when the members of the management board are elected. The decree-law also provides for the representation of employees on the supervisory board as well as on the general council, where one exists.

[...]

There will therefore be a general framework, expressed in the key options and priorities defined by the development plan, which will become mandatory for public companies...

[...]

### ARTICLE 4

(Establishment)

[...]

4. The drafting of the articles of association of public companies established by way of transformation of existing companies, as well as the amendment of articles of association which are already in force, shall be subject to prior consultation with the employees of the company, who will be entitled to express their opinion within a time limit to be set by the Competent Minister.

[...]

### ARTICLE 6

(Employee participation)

The articles of association shall provide for appropriate forms of employee participation in the development and supervision of the company's activities, taking into account the provisions of the law on the supervision of management by employees.

[...]

### ARTICLE 8

(General council)

1. The general council shall be composed of representatives of the Ministries concerned, of the employees of the company and of bodies or entities associated with the company's activities.

2. Having regard to the nature of the company's activities, representatives of the regional planning bodies or local governments may form part of the general council.
3. The general council shall be presided over by the Competent Minister or his/her representative.
4. The general council shall be responsible for:
  - a) evaluating and approving the multiannual business and financial plans;
  - b) evaluating and approving, by 15 October each year, the annual business plan and budget for the following year;
  - c) evaluating and approving, by 31 March each year, the annual report, the balance sheet, the annual accounts and the proposal for appropriation of profits relating to the previous year, as well as the relevant review of the audit board or supervisory body;
  - d) deciding on any matter of interest to the company and expressing any opinion or recommendation it deems appropriate;
  - e) electing the vice-president and secretary of the council.
5. The general council may request that the management board or the supervisory board provide any information required to perform its duties.
6. Meetings of the general council shall be attended by one or more members of the management board, without voting rights, as well as by the members of the supervisory board.
7. The articles of association shall specify the procedure for designating the members of the council, who may be appointed by the Competent Minister if the represented entities do not designate their representatives within the required time limits.

[...]

- a) ensure compliance with the regulations governing the activities of business undertakings;