



NORDISKA FINANSANSTÄLLDAS UNION

Olof Palmes gata 17 Box 720 SE-101 34 Stockholm

Tel +46 8 614 03 00 Fax +46 8 611 38 98

www.nfufinance.org

Reykjavik, 31 October 2007

NFU's response to the European Commission's consultation on a possible statute for a European Private Company (EPC)

About NFU

The Confederation of the Nordic Bank, Finance and Insurance Unions (NFU) is an organisation for co-operation between trade unions that organise employees in the banking, finance and insurance sectors in the five Nordic countries. At present, eight trade unions are affiliated to the NFU, two in Denmark, two in Finland, two in Sweden, and one in each Iceland and Norway. Through these trade unions, the NFU represents 155 000 employees on the Nordic financial market.

General remarks

NFU will refrain from taking a stand on the overall question whether there is a need for a statute for a European Private Company or the following business related issues, since they are all addressing specific matters from a company perspective. We will, however, provide our opinion on the section that deals with employees' involvement.

V. Social aspects – employees' involvement (information, consultation and participation) in the company's decision-making process

Question 13

If EPC's at some point in the future are to be a reality we expect, of course, that satisfactory employee participation rules must be an integral part of the legislation. EPC's must never become loopholes in this respect.

NFU would like to see European principles accompanying European strategies. In particular we call for principles on how to tackle short-term and medium-term social and employment effects. We want one regulatory model that will cover any type of action and any type of resulting company; to have separate rules for European Companies, companies' resulting from cross-border mergers and then again EPC's makes the assessment of a restructuring process harder and less foreseeable for every part involved. NFU's position is that the participation structure from the SE-Directive is preferable since it provides for a clear and

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Finansförbundet, Danmark

Fackförbundet SUORA, Finland

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Samband Islenskra Bankamanna, Island

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Finansförbundet, Sverige

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stable framework for information and consultation, as well as safeguarding national provisions concerning participation rights. Once again; corporate governance and corporate social responsibility must not be seen as isolated issues. This has also been pointed out in the European Parliament's resolution on further consolidation in the financial services industry, where it is stated that market participants should take into account their social responsibility during M&A and restructuring activity.

If the EPC legislation will cover establishments and/or subsidiaries in two or more Member States, it should provide for the setting-up of a European level works council in order to be consistent with existing European legislation.

It is of utmost importance that existing employees' rights are maintained when a national company is converted into an EPC or an EPC into a national company, when the level of existing employees' rights are higher than national requirements before the conversion. Vice versa, the legislation should provide for negotiations in order to increase the level after the conversion, if the then existing rights are less advantageous than national requirements. Good governance is also about developing the inclusion of employees in the decision-making and strategic discussions on the future of the company. The principle of employee participation should, as NFU sees it, be an integral part of the corporate governance agenda. Employees are key stakeholders in the companies, and they also represent the link between the companies and their costumers.

Jan-Erik Lidström
General Secretary

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