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## Editorial

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## Businessmen and Companies – Engines of the Economy

### Simplification and Agility, Wanted.

This *Newsletter* approaches several issues, in a general and simple manner that the format requires, which we consider may be of interest to businessmen and companies, with the purpose to inform them or even to challenge them to new forms of organisation and development of their businesses.

In spite of the adversity of the economic cycle – and even perhaps partially because of it – a high number of company transactions have been made, mainly determined by objectives in the rationalisation of costs, synergies and efficiency gains.

This fact confirms how economic agents have corresponded with a remarkable vitality to the growing demands of the present economic cycle whereby the enterprising spirit, creativity and persistence are determinant for the sustainability and development of companies.

Independently to the establishment of strategic objectives for the Country, there are clear examples of Portuguese companies that have maintained and strengthened their position in the respective markets and have assured a strong competitiveness in relation to their rivals in Europe and elsewhere.

With all that this implies, the confirmed model seems simple: work efficiency, management efficiency, shared ambition – that is to say, an enveloping project, a strong business leadership.

Besides the role of the responsibility of the companies, their life and the economic life of the Country would be easier if they could count on important transformations in the environment where they operate. Among these (many), indispensable for economic growth, we would point out the simplification and agility, at several levels – from legislative to the application of Justice and to the operation of State services.

Repeatedly stated as a determinant value, notwithstanding the declared objectives, the simplification has always been maintained at a distance. Assuming particular importance within the domain of the transparent relation with the State, the simplification is fundamental not only for companies installed in the Country but also as a factor to attract more and better investment because it reflects clarity, security and trust.

Also decisive for the competitiveness of companies and for its future, is the agility of the environment where they operate, which implies an adequately quick performance by the services of public administration on which action, in many cases and instances, its activity depends.

New requirements in a highly competitive global market demands the urgent review of the criteria and procedures which, more than convenient, are indispensable for the life of companies and, consequently, for the creation of wealth.

On our side, we try at each moment to apply the confirmed model and contribute for the objectives of companies we assist. ▪

# *Corporate governance*
# A challenge for the sustainable modernisation of companies

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Corporate governance (or the governing of companies) is the subject on the agenda because the instruments that it provides are understood more and more as necessary for the sustainable economic growth of companies and for its maximum efficiency.

Therefore, the governing of companies is a matter of importance for both shareholders and remaining stakeholders of the company, group that is presently considered as also including administrators, directors, clients, employees, investors, business associates, public administration, local community, the general public and all other entities that interact with the companies.

The role that corporate governance has in companies and, as a consequence, in the economies and, particularly, in the capital markets, has been increasing, mainly in the European Union, not only as a result of the liberalization of the circulation of goods and services or the adoption of the single currency, but also due to the increase in merger operations between European companies and the growing internationalisation of the shareholding structures in companies. Although the debate on corporate governance is relatively recent in Portugal, the "Comissão do Mercado de Valores Mobiliários - (CMVM)" (Securities Market Commission) gave an important step forward in this respect with the publication, in 1999, of a set of recommendations directed at companies listed in the stock exchange, further updated in the subsequent years, jointly with measures imposing information obligations on the fulfilment of the referred recommendations.

But what is corporate governance? The Organisation for Economic Cooperation and Development (OCDE) states that: "*Corporate governance is the system through which business organisations are directed and controlled. The corporate governance structure specifies the allocation of rights and obligations of the different company intervening parties – the Board of Directors, company management, shareholders and other intervening parties – and sets out the rules and procedures for the taking of decisions in business questions. By doing so, it also provides a structure through which the objectives of the company are set and the means of attaining those objectives and monitoring performance are determined*".

Among the issues discussed within the scope of Corporate governance, the disclosure of operation rules of the administration of each company, the allocation of competences among the several directors on several management matters, the forms for settlement of potential conflicts of interest, the position of institutional investors, the duties of directors, the power balances within the Boards of Directors should be highlighted, as well as the form for composition of interests within the the administration body, the remuneration of Directors, the development of the market for the control of companies and, more recently, the corporate social responsibility.

The European Commission, in the Green Paper "Promoting a European Framework for Corporate Social Responsibility", defines the social responsibility of companies as "*the voluntary integration of social and environmental concerns by companies in their business operations and their interaction with other stakeholders*". Effectively, it is the integration of the sustainable development values that allow present generations to satisfy their needs, without prejudicing the same possibility for future generations – in the whole management of companies, that is, management based on the "3P's" – people, planet and profit. The business activity must assume its part in the responsibility to find solutions, in the path of a sustainable development, for the benefit of people, of the planet and of its profits. Energy efficiency and environmental intervention (including, namely, pollution prevention and waste recycling) result in significant cost reductions in the company, in the guarantee of compliance of environment legislation, in the improvement of relations with the local community, in the motivation of employees and in the development of clients' loyalty..

Several existing studies on the issue have shown that companies which activity observes the values inherent to corporate social responsibility, in the ample and demanding sense that the concept implies, have profited in return.

## *Certain aspects of the legal regime of Corporate Governance*

In Portugal, the "Código das Sociedades Comerciais - (CSC)" (Commercial Companies Code) contains the ruling context of corporate governance and, among the several rules, the most important are:

- Protection of shareholders and holders of share convertible values against the watering down of corporate assets and corporate influence;
- Processes of incorporation of a company and increase

of the capital stock that include the compulsory verification by an independent chartered accountant of either any entry of assets other than cash or the acquisition of assets from shareholders;

- Shareholders' right to the periodic distribution of results, which is ruled by the imposition of minimum percentages of compulsory distribution (50%), the derogation of which is subject to qualified majorities;
- Calling and conducting of General Meetings, assuring a minimum prior notice in the summons, its ample disclosure and publication, the attribution of right to minorities, contemplating the institution of a separate body appointed by the shareholders (the Chairman of the Board of the General Meeting) with specific powers for the calling and conducting of the General Meeting;
- Rules with compulsory contents related with of the annual management reports to be submitted to the shareholders;
- Rules regarding access to information by shareholders that include the individual right to request information and place questions in a General Meeting and the right of minorities to apply for written information or even judicial inquiry to the performance of the company;
- Individual right for any shareholder to judicially request the annulment or invalidity declaration of any resolution passed by the General Meeting due to reasons of legality, as well as to apply for a preventive measure with a view to its suspension;
- Possibility for public companies to freely opt between a two-tier form of administration, of a Germanic type of administration with a supervisory body and a management body, and a one-tier form of a sole administration body, under the scope of which the possibility of creation of an executive committee is foreseen (as well as the separation of duties between the presidency of the administrative body and of the executive committee), in order to more clearly divide the general duty of supervision and control from the duty of the administration and management which, within this one-tier structure, co-exist within the same body;
- Determination of the remuneration of members of the administration body, as an exclusive right of the shareholders, which may exercise that right directly, avoke it at any moment or delegate it to committees (which, if applicable, are exclusively composed by shareholders);
- Auditing and conformity with legal rules, which are entrusted to an independent body appointed by the shareholders (the Fiscal Board, in a one-tier structure) with vast powers that include the specific right to attend meetings of the administrative body, in which the minority shareholders also have a right to appoint members;
- Providing of information and prevention of conflicts of interests, which includes the duty of publication of company participations and shares transactions of the members of the administrative body and related persons, the duty of notification of significant participations and the interdiction of participation and voting rights in matters where a personal interest is involved; and,
- General duties of the directors, binding them to diligently conduct the interests of the company, taking into account the interests of other stakeholders such as company creditors and employees.
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### *Corporate governance for whom ?*

As concerns companies with shares listed in stock exchange and, in general, with capital open to public investment (open companies), the Securities Code and related legislation provide corporate governance rules, pointing out the duty of permanent information and immediate public disclosure of any relevant facts, the duty of publication of qualified participations, the providing of periodic information, the penal liability of insider trading and abuse and manipulation of the market and control of acquisition of company owned assets, among other aspects. The CMVM furthermore approved Regulations and Recommendations on the Corporate Governance of listed companies that covers issues related with the rights and meetings of shareholders, Board of Directors and Executive Committee, committees of the Board of Directors, independence of directors, internal control system and disclosure of information. As an example, the CMVM recommends that companies constitute internal control committees within the Board of Directors that permanently evaluate the corporate governance structure and practices and companies must specify in the corporate governance report the level of compliance with this recommendation.

All these guidelines are aimed, as a priority, at companies with shares listed in stock exchanges and institutional investors but are presently also being adopted by companies that do not have shares listed in stock exchanges. The debate has more recently been extended to also concentrate on the adoption of good practices of corporate governance within public administrations of States. In reality, considering that governments provide for and implement the fulfilment of national general corporate governance rules, they have the responsibility and have the public instruments to develop their own governance system in terms that may enhance modernisation and competitiveness .

***Corporate governance, modernisation and* valorisation of companies**

Corporate governance is more and more being understood as an indispensable element of efficiency in business and companies management that aims to guarantee an administration that is responsible and oriented for the creation of value in the company. In fact, corporate governance is subject to an attentive scrutiny of the management system, the distribution of powers and the definition of responsibilities of the members of the company bodies and also the operation of market mechanisms and performance of institutional investors.

Its demanding operationality tends to provide a tighter control of the performance of companies, the strengthening of the protection to investors, the attraction of new investors, the improvement of efficiency and levels of the opening up, integrity, transparency and responsibility of companies in the market.

The adoption of these behaviour standards in business management – accountancy discipline, adoption of clear and objective codes of conduct, more elaborated communication practices, anti-fraud policies, selective choice of personnel, business culture oriented by ethic values – under the aegis of corporate social responsibility, in final analysis results in more efficient administrations, that create and increase profits and valie, contributing for a sustainable modernisation, for the good performance, innovation and global competitiveness of companies. ▪

## Who's afraid of Article 35 of the "Código das Sociedades Comerciais - (CSC)" (Commercial Companies Code)?

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There were several legislative amendments and several threats that were spread in respect of Article 35 of the Commercial Companies Code (CSC).

Basically, commercial companies that had significant accumulated losses – equivalent to more than half of its capital stock – would be faced with the risk of being winded up. This rule was initially foreseen in 1986, at the time of elaboration and approval of the CSC. It was the Portuguese implementation of Article 17 of the 21st EEC Directive. However, fears as to the extent of its scope lead the Portuguese legislator to suspend its enforcement (even if acknowledging a certain protection of creditors). This situation continued during almost 15 years. It was in 2002 that the politicians in power decided that the protection of interests associated to the protection of the capital stock required an end to that suspension.

Since then – in only 3 years – the present version of the Article is already the third, as a result of successive legislative amendments.

During that period, a lot has been said and commented regarding Article 35, which consequently entered the national vocabulary as a familiar term to laymen and obligatory in the reflection of the life of commercial companies.

Article 35 became a kind of "threat" for companies in deficit. The managers / directors responsible for the company, who inclusively could be responsible under criminal liability – with a prison sentence of up to 3 months – were compelled "to propose to the partners that the company be winded up or the capital stock reduced, unless the partners assumed the obligation to proceed with and fulfil the obligation" to recapitalise the company.

Nowadays and since January of this year, the effects of the notorious "threat" caused little or no intimidation. The winding up of the company reverted to a mere obligation of publication of its equity capital.

### A. As concerns the present regime of Article 35

There are significant differences in the present version of Article 35 of the CSC both in relation to the regime initially foreseen and in relation to the regime that was in force between the years of 2002 and 2005. Therefore, we will start by referring to the differences of those regimes to subsequently identify what is new in the regime now in force.

#### 1. As concerns the end of the right of creditors to apply for the winding up of the company

The first important aspect is that the present regime of the CSC does not allow creditors to request the winding up of the company to the court "by proving that subsequent to the time of their contracts, half of the capital stock is lost".

This possibility was feared by companies in deficit and caused vast controversy particularly in regard to companies with public capital in deficit. Considering that the accounts of several companies with public capital that have a relevant role in the economy and in the national public life were well known, a lot was debated as to whether creditors could submit the request for the winding up of those companies.

Without going into the details of this debate, it is certain that a distinction would always have to be made in this regard between the different companies that are part of the business sector of the State – that is, between companies incorporated under the terms of commercial law, in which the State may, directly or indirectly, exert a dominant influence and public business companies (EPE) – created and extinct by Decree-Law. Therefore it seems that it is only in relation to the latter companies that a specific rule is provided for that sets aside the EPE from the general principle of application of private law. In fact and as concerns EPE "the general rules on the winding up and liquidation of companies are not applicable" – as governed by the law that provides for the legal regime of the business sector of the State and of public companies (Decree-Law nr. 558/99, of December 17th – please check Articles 7 and 34, nr. 2). Therefore it seems that, in the business sector of the State, there is only a rule in respect to the EPE that may question the application of Article 35.

Regardeless of the interest of the debate, the truth is that this question cannot be raised regarding the present version of Article 35, considering that the right of creditors to apply for the winding up of the company based on the loss of half of the capital stock was set aside.

## 2. The automatic winding up of the company

In turn, in the amendment made to the Article in 2002, it was determined that at the end of the second consecutive year of loss of half of the capital stock, the company "would immediately be considered as winded up, as from the approval of accounts of that fiscal year, and the directors would assume, as from that moment, the competences of liquidators".

This rule did not provide that the winding up was dependant on any application of the creditors or resolution of the partners, determining that the company would automatically be considered dissolved.

With the new version of Article 35, this consequence was also set aside.

Therefore, we should ask which are the consequences that (still) remain in the verification of loss of half of the capital stock? Does the company nowadays face the risk of being winded up under the terms of Article 35? If not, what is the obligatory range of this legal rule?

## 3. The duty to inform partners

Of the initial version of Article 35 of the CSC, the obligation of the administration body to convene or to request the convening of the General Meeting remains. In this respect, it should be noted that the Portuguese legislator seems to have stepped back in relation to the minimum required by the Community Directive.

Besides this, there is a slight nuance in the contents of this obligation: if it was previously determined that the administration body should propose to the partners one of the possible measures to end the loss of half of the capital stock (through loss of capital, capitalisation of the company or winding up), it is now determined that the administration body must only inform the partners of the situation so that they may "take the measures deemed convenient" (being certain that the summons, when applicable – and outside the universal General Meetings under the terms of Article 54 of the CSC -, should also refer to those possibilities which, at least in the case of quota companies, may by this via lead to a similar result).

Therefore, it seems that the obligation of the administration body is fulfilled by means of information of the situation, fact that is determinant for the purpose to assess the eventual penal liability of the directors or managers.

In truth – and as surprising at it may seem within the perspective of the present regime of Article 35 – the unfulfilment of the duty to inform, to convene or to request the convocation of the General Meeting of partners / shareholders by the manager, administrator or director of the company may be punishable with a prison sentence of up to three months and a fine of up to 90 days.

## 4. The publication of the net worth of the company

In the initial version of Article 35, a legitimate doubt was raised on the consequences of such situation when, notwithstanding the proposal of the administration body, the partners did not decide on this issue. This question was answered with the amendment of 2002, by determining that the company would automatically be considered as winded up if it showed a loss of half of the capital stock during two consecutive years. However, as this imposition has been set aside, does the present regime accept that it is legitimate for the partners / shareholders to do nothing?

The reply seems to be affirmative. In fact, the legislator by proceeding with the most recent amendment of Article 35 of the CSC, also determined an alteration to the regime of references in external acts of commercial companies, under the terms of which there is the obligation to make such a reference. This means that companies, in all contracts, publications and advertisements, and stationary, besides making reference to the name, registered offices, company tax payer number, commercial registry, capital stock, etc. must also indicate "the amount of equity capital as resulting from the last approved balance-sheet, whenever it is equal or inferior to half of the capital stock".

Therefore, we should necessarily conclude that the legislator acknowledges that it is possible and licit that the partners / shareholders, notwithstanding the proposal of the administration body, do nothing, exclusively determining that the situation of the company be included in the references that the company is compelled in its external acts.

### B. As concerns the capitalisation of the company

In spite of the above and even if now not impelled by the "legal threat", the several interests associated with the protection of the capital stock, among which is included the credibility in the market, may encourage companies to alter their capital situation.

For this reason, it is important to consider the several possibilities that companies have to strengthen their account of equity capital.

Therefore and besides the increase of capital stock – that requires a notarial deed and respective commercial registration – we essentially consider two other possibilities: supplementary payment of capital and, in certain situations, accessory payments of capital.

Partners' / shareholders' loans, although also being a form to place funds at the disposal of the company (by the partners / shareholders), are not possible in this case because these are recorded in the liability account and, therefore, do not represent a strengthening of the equity capital.

As concerns the obligations for the realisation of supplementary and accessory payments of capital, one and the other imply the correspondent provision in the Articles of Association of the company and, in the first case, a resolution of the General Meeting. As concerns accessory payment of capital, necessarily paid up in cash, and as concerns supplementary payments of capital, paid up in cash or in assets of another type, these are accounted in the equity capital account.

With regard to accessory payments of capital, these are not expressly provided for in the Official Accountancy Plan. However, it has been understood that an identical treatment should be applied to accessory payments of capital as for supplementary payments of capital.

In this respect and for the purposes of consideration of the measures to be adopted by the partners / shareholders, it should be noted that the reimbursement of supplementary payments of capital can only occur provided that the net worth will not become inferior to the sum of the capital with the legal reserve and the contributing partner / shareholder has already paid up his share capital participation.

The resorting to the use of these measures – in as far as the partners / shareholders are willing to voluntarily make those payments of capital or, in the terms briefly approached, the company requests them to make such payments of capital – allows companies to strengthen their capitalisation and avoid the application of Article 35 even if, in final analysis, this merely refers to the publication of its deficit situation, thus set aside. ▪

## "S.E" CHALLENGE
## The European Public Limited-Liability Companies

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The recent context of the generalized controversy to the political deepening of the European Union should not constitute a significant impediment to the development and progress potential of a European Union that is declaredly intended to be stronger, more cohesive, more solidary and more influent. For that purpose, the valorisation of the paths leading to a consensus and the favouring of the economic convergence of the European area assume particular importance.

Although a company with registered offices in a Member-State is already free to undertake its activity within the whole territory of the European Union, it is certain that the effective realisation of the internal market may be better realised with the competition of Member States for the creation of a common legal framework favourable to the establishment of companies, through the creation of a true single environment, with the approximation of national rules in what concerns companies.

However, the determination of common rules is not easy. Member States frequently procure to safeguard their own rules and are not very receptive to the idea of a total approximation. In this sense, it should be noted that a legislative block recently entered into force in all 25 Member States of the European Union and furthermore in Iceland, in Liechtenstein and in Norway – the adoption of which represented an historical milestone in the European and Community approximation of commercial law, culminating more than 31 years of negotiations – with the purpose to provide companies with the legal instruments that facilitate their cross

border activities, which consists of a eclectic form of approximation and competition between national legal orders.

## A new type of company: the "European Public Limited-Liability Company" – SE

We are dealing with the creation of new type of company called "*societas europaea" or "European Public Limited-Liability Company" (hereinafter* referred to as SE), ruled by two legal instruments that are interlinked: the Regulation related with the Statute for a European Company (SEC) and the Directive that is complementary thereto, concerning the necessary involvement of the employees in the case of incorporation of an SE.

Broadly speaking, the SE may be described as a commercial company solely registered in one of the Member States of the European Union, or European Economic Area (EEA), which may undertake its activity and directly operate in all Countries of the Union or of the EEA under that sole registration. Furthermore, in all cases whereby the Regulation permits the creation of an SE, there is an essential element: the need for a material cross-border element to exist that is shown by the requirement of an effective and continued link of the SE with the economy of more than one Member State. In fact, in any of the legally established forms for the incorporation of an SE, companies of at least two different Member States must be involved, being furthermore indispensable that the registered offices of the SE are registered in the Member State where the effective central administration of the company is located.

## Forms of incorporation

Under the terms of the Regulation, there are four possible forms for the incorporation of an SE:

- Merger of two or more public limited liability companies incorporated in accordance with the law of one of the Member States, with registered offices and effective central administration within the Community, provided that, at least, two of those companies are governed by the law of two different Member States;
- Incorporation of a "holding" SE among two or more limited liability companies (public or by quotas) incorporated according to the law of one of the Member States, with registered offices and effective central administration within the Community, provided that, at least, two of them (a) are already governed by the law of two different Member States or (b) have had, at least for two years, a subsidiary company governed by the law of another Member State, or a branch situated in another Member State;
- Incorporation of a "subsidiary" SE company among two or more companies incorporated in accordance with the law of one of the Member States, with registered offices and effective central administration within the Community, provided that, at least, two of them (a) are already governed by the law of two different Member States or (b) have had, at least for two years, a subsidiary company governed by the law of another Member State, or a branch situated in another Member State;
- Transformation into an SE of a public limited liability company already incorporated in accordance with the law of one of the Member States and with registered offices and effective central administration within the Community, which holds for, at least, two years a subsidiary governed by the law of another Member State.

Besides this, the SEC further provides the possibility of transfer of the registered offices of an SE to another Member State, without such transfer resulting in the winding up of the SE or the creation of a new company.

## Main characteristics

Therefore and in accordance with the SEC, the main characteristics of an SE are (i) the nature of the company (ii) the division of the capital into shares, (iii) the limitation of the liability of each shareholder to the amount of capital subscribed by him; (iv) the duty to adopt the abbreviation "S.E" in its name, (v) the obligation of its founder shareholders being linked to more than one Member State of the European Union, (vi) the registered offices being situated in one of the Member States, (vii) the registration of the SE in the Member State where the registered offices are situated; and (viii) the involvement of employees in the activities of the company, in terms to be defined in special legislation, under the terms of the referred Directive.

As concerns the national legislative framework, Decree-Law nr. 2/2005, of January 4th, contemplates – on one side, the general principle according to which the national rules that govern common public limited liability companies are subsidiarily applicable to SE companies with registered offices in Portugal, namely regarding the structure, the corporate bodies, the operation and the extinction of the company, the appointment, competence, responsibility and termination of duties of the members of the company boards, and the amendments to the Articles of Association, whilst – on the other hand – it fills in the area left to the discretion of the States, namely by contemplating rules that permit the shareholders to exercise a right of withdrawal when they vote against the adoption or the creation of an SE company, adapting the regime related to public limited liability companies to some of the specificities foreseen by the Regulation.

In this perspective, the merger of public limited liability companies, from which results the incorporation of an SE company, will be conditioned to the non-opposition of the Competition Authority and/or

competent monitoring authority within the sector of activity undertaken, namely based on public interest (for instance, in the case of transfer of the registered offices of the SE company to another Member State of the European Union). It is expected that this new form of business organisation may stimulate and strengthen the presence of national companies in markets outside Portugal, contributing to promote the respective internationalisation that, jointly with a system of incentives for the promotion of Portuguese trademarks abroad, encourages the cooperation between companies.

## Approximation or not? The future of the SE company

However, an auspicious future has not been augured for SE companies, in particular because the SEC itself does not effectively contain truly unified regulations for a single European company type. In fact, the SE company will be governed by the legal rules applicable to commercial companies of the Member State where the registered offices are registered, in all areas that are not specifically ruled. As concerns those areas that have not been covered, or are partially regulated by the SEC, the SE company will be ruled by the provisions of national law applicable to public limited liability companies, being treated in the same form as a national public limited liability company of that Member State. In this regard, note (20) of the Introduction of the Regulation should be pointed out, in which it is laid down that it does not cover other areas of law such as taxation, competition, intellectual property and insolvency. Consequently, in these areas, as in others not covered by the SEC, the provisions of national law of each one of the Member States and Community law are applicable.

It does not seem very likely that the Member States will voluntarily abdicate their control over those areas in favour of a legislative unification. This discretion left to the States seems to be in conflict with the intention to contemplate a unified legal regime for SE companies, which run the risk of being demultiplied into 28 different regimes that may be divergent, therefore significantly affecting the primordial objective agreed and which presided in the creation of SE companies.

However, for the European Commission, the SEC permits that companies with establishments in more than one Member State of the European Union may merge and undertake their respective activity within the whole area of the European Union, in compliance with one set of rules and governed by a unified management and accounts presentation system. In this manner, the need to establish a complex network of participated companies could be avoided, the regulation of which by different national laws, would imply important obstacles under the perspective of the respective financial, administrative and bureaucratic cost. In particular, it is considered that the SE company would determine a significant reduction in administrative and legal costs, by allowing the unification and integration of the legal structure and of systems for the presentation of accounts, having been estimated that the rationalisation of the administrative cost could enable an annual savings of more that 30 million Euros.

On a different tone, the European legislator could not be insensitive to the facts and circumstances that affected the trust of operators, having procured to steer the modernisation of European companies law to a course that guarantees an increased protection of shareholders and third parties. The SEC may contribute for a larger convergence of auditing activities, allowing the elaboration of common control procedures and may develop common rules related with, for example, the management of risks, the marketing policies, the equity provision structure and conflicts of interests

Therefore, it seems that the SEC faces a double challenge: to establish rules destined to increase competition and efficiency of European companies, assuring, at the same time, the total compliance to the law. ▪

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*[I] Council Regulation (EC) Nr. 2157/2001, of October 8th, 2001, published in the Official Journal of the European Communities 294, of 10/11/2001.*

*[II] Council Directive Nr. 2001/86/EC, of October 8th, 2001, published in the Official Journal of the European Communities 294, of 10/11/2001.*

*[III] The Directive defines "involvement of employees" as "any mechanism, including information, consultation and participation, through which employees' representatives may exercise an influence on decisions to be taken within the Company" (please check sub-paragraphs h), i), j) and k) of Article 2 of the Council Directive nr. 2001/08/EC, of October 8th, 2001, published in the Official Journal of the European Communities, of 10/11/2001.*

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