

ACT N° 359 OF 9 MAY 1996

on European Works Councils

Pursuant to a decision of the Swedish parliament, the following is hereby prescribed.

CONTENTS OF THE ACT

SECTION 1

This Act contains provisions for the establishment of European works councils comprising employees' representatives or the introduction of another procedure for informing and consulting employees in Community-scale undertakings and Community-scale groups of undertakings which operate in at least two EEA Member States.

SECTION 2

The information and consultation procedure shall be established in the following manner. A special negotiating body for employees shall be established which, together with the Community-scale undertaking or Community-scale group of undertakings, shall have the task of concluding agreements with respect to European works councils or another procedure for information and consultation. In certain cases, a European works council shall be established in accordance with the provisions of sections 23-35.

DEFINITIONS

SECTION 3

For the purposes of this Act :

- '*EEA Member State*' means the States of the European Union, with the exception of the United Kingdom of Great Britain and Northern Ireland, and the other States covered by European Economic Area Treaty;
- '*undertaking*' means an economic activity under private or public management which is conducted by a natural or legal person;
- '*Community-scale undertaking*' means any undertaking which operates within at least two EEA Member States;

- '*controlling undertaking*' means an undertaking which exercises a dominant influence over another undertaking, the controlled undertaking;

- '*Community-scale group of undertakings*' means a group of undertakings which possesses undertakings in at least two EEA Member States, comprising a controlling undertaking and at least one controlled undertaking.

SCOPE OF THE ACT

SECTION 4

This Act shall apply to the following :

1. Community-scale undertakings with

- at least 1,000 employees within the EEA Member States; and
- at least 150 employees in each of at least two EEA Member States;

2. Community-scale groups of undertakings with

- at least 1,000 employees within the EEA Member States;
- at least two group undertakings in different EEA Member States; and
- at least one group undertaking with at least 150 employees in one EEA Member State and at least one other group undertaking with at least 150 employees in another EEA Member State.

The number of employees in Sweden shall be calculated as the average number of employees during the previous two years of operations.



SECTION 5

Obligations pursuant to this Act shall apply to a Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings which has its registered office in Sweden. The provisions of sections 16 and 26 with regard to the manner of appointment of employees' representatives shall also apply to branch offices and controlled undertakings in Sweden.

Where the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings does not have its registered office in an EEA Member State, obligations pursuant to this Act shall apply to any branch office or controlled undertaking in Sweden, if the Community-scale undertaking or the controlling undertaking has designated the branch office or undertaking in Sweden as liable for such obligations.

Where the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings does not have its registered office in an EEA Member State and has not designated any branch office or undertaking in an EEA Member State, obligations pursuant to this Act shall apply to any branch office or controlled undertaking in Sweden where there are more employees in Sweden than in any other operation conducted by the Community-scale undertaking in the EEA Member States or in any other undertaking belonging to the Community-scale group of undertakings in the EEA Member States.

SECTION 6

Where, at the date of entry into force of this Act, there already exists with respect to Community-scale undertakings or Community-scale groups of undertakings, an agreement providing for the transnational information and consultation of employees and covering the entire workforce in the EEA Member States of the Community-scale undertaking or groups of undertaking, only sections 39-41 shall apply.

Upon the expiry of such agreements, this Act shall apply in its entirety. However, sections 39-41 exclusively will continue to apply in the event of the renewal of such an agreement.

SECTION 7

Derogations to the provisions of this Act may be made through collective bargaining agreements concluded or approved by a central employees' organization, provided that such agreement does not mean that less favourable rules will apply to the employees than set forth in Council Directive 94/45/EC of 22 September 1994 on the establishment of a European Works Council or a procedure in Community-scale undertakings and Community-scale groups of undertakings for the purposes of informing and consulting employees.

 **DIRECTIVE**

SECTION 8

Activities of Community-scale undertakings or Community-scale group of undertakings which are of a religious, scientific, artistic, or other non-profit nature, or which have co-operative, union, political or other opinion-creating goals, shall be excluded from the scope of application of this Act with respect to the goals and direction of activities.

 **DIRECTIVE**

CONTROLLING UNDERTAKINGS

SECTION 9

Unless otherwise proven, an undertaking shall be deemed to exercise a dominant influence over another undertaking where, in its own name or on behalf of other, it :

1. is entitled to appoint more than half of the members of the other undertaking's board of directors or corresponding management body;

2. controls more than half of the votes attached to the shares or interests of that undertaking; or
3. owns more than half of the shares or interests in the undertaking.

▲ **DIRECTIVE**

SECTION 10

Where several undertakings within a Community-scale group of undertakings may be deemed to exercise a dominant influence over another undertaking, such undertaking as referred to in section 9, sub-section 1 shall, in the first instance, be deemed the controlling undertaking, and thereafter the undertaking referred to in section 9, sub-section 2. The aforementioned shall apply unless it is proven that another undertaking exercises a dominant influence.

▲ **DIRECTIVE**

SECTION 11

An investment company such as referred to in Article 3.5 or 3.5c of Council Regulation (EEC) 4064/89 of 21 December 1989 on the Control of Concentrations ⁽⁰¹⁾ between Undertakings shall not be deemed to be a controlling undertaking in relation to other undertakings in which it holds shares or interests, notwithstanding that the requirements of section 9 are fulfilled.

SECTION 12

In the application of this Act, a liquidator in an insolvent liquidation, an administrator in a company reorganization, or a liquidator, who acts in accordance with the provisions of the Bankruptcy Act (SFS 1987 : 672), the Company Reorganization Act (SFS 1996 : 764), the Companies Act (1975 : 1385) or corresponding legislation, shall not be deemed to exercise a dominant influence over an undertaking.

▲ **DIRECTIVE**

THE RESPONSIBILITY OF THE UNDERTAKING

SECTION 13

The Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings shall actively take steps for the establishment of a European Works Council or the introduction of another employee information and consultation procedure.

The Community-scale undertaking or the controlling undertaking shall provide information concerning the number of employees in the operations conducted by the Community-scale undertaking or Community-scale group of undertakings in the different EEA Member States.

▲ **DIRECTIVE**

EMPLOYEE'S SPECIAL NEGOCIATING BODY

ESTABLISHING THE SPECIAL NEGOCIATING BODY

SECTION 14

A special negotiating body shall be established :

1. when the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings, on its own initiative, initiates negotiations for the establishment of a European Works Council or the establishment of another information and consultation procedure, or
2. when at least 100 employees or their authorised representatives in at least two establishments or undertakings in at least two different EEA Member States request in writing that such negotiations shall be initiated.

 **DIRECTIVE**

COMPOSITION

SECTION 15

The employees shall be represented in the employee's special negotiating body by one representative from each EEA Member State in which the Community-scale undertaking is established or in which the controlling undertaking or any controlled undertaking in a Community-scale group of undertakings is established. In addition thereto

1. a supplementary member shall be appointed for each EEA Member State in which at least 25 per cent, but not more than 50 per cent, of the employees of the Community-scale undertaking or Community-scale group of undertakings are situated;
2. two supplementary members shall be appointed for each EEA Member State in which at least 50 per cent, but not more than 75 per cent, of the employees of the Community-scale undertaking or Community-scale group of undertakings are situated;
3. three supplementary members shall be appointed for the EEA Member State in which at least 75 per cent of the employees of the Community-scale undertaking or Community-scale group of undertakings are situated.

The employees' special negotiating body shall inform the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings in respect of its composition.

 **DIRECTIVE**

MANNER OF APPOINTMENT OF SWEDISH MEMBERS

SECTION 16

The Swedish members of employees' special negotiating bodies shall be appointed by the local employees' organization or organizations which is or are bound by collective bargaining agreements in relation to the Community-scale undertaking or one or more undertakings in a Community-scale group of undertakings. Where several local employees' organizations are bound by collective bargaining agreements, the following order for the appointment of members shall apply, unless otherwise agreed upon by such local employees' organizations.

In respect of the appointment of one member, such shall be appointed by the local employees' organization which represents the largest number of the employees in Sweden bound by collective bargaining agreements with the Community-scale undertaking or Community-scale group of undertakings. In respect of the appointment of several members, the order for the appointment of employees' representatives set forth in section 8, second and third paragraphs of the Private Sector Employees Act (SFS 1987 :1245) shall apply ⁽⁰²⁾.

Where the employer is not bound by any collective bargaining agreement in relation to any employees' organization, the Swedish members shall be appointed by the local employees' organization in Sweden which represents the greatest number of employees in relation to the Community-scale undertaking or the Community-scale group of undertakings. The aforementioned shall apply unless otherwise agreed upon by the local employees' organizations.

Local employees' organizations which belong to the same central organization shall be deemed to be one organization.

 **DIRECTIVE**

EXPENSES

SECTION 17

Expenses related to the formation and performance of the tasks of an employees' special negotiating body shall be borne by the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings, to the extent that such expenses are reasonable.

 **DIRECTIVE**

NEGOCIATIONS

SECTION 18

The Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings shall request negotiations with the employees' special negotiating body in order to reach an agreement on a European Works Council or the detailed guidelines for any other information and

consultation procedure.

▲ **DIRECTIVE**

▲ **DIRECTIVE**

For the purpose of the negotiations, the special negotiating body may be assisted by experts of its choice.

▲ **DIRECTIVE**

SECTION 19

The employees' special negotiating body may decide, by at least two-thirds of the votes, not to open negotiations in accordance with section 18 or, in order not to enter into an agreement, to terminate negotiations already opened. A request to convene the employees' special negotiating body in order to open or resume negotiations may be made, at the earliest, two years after such a decision, unless otherwise agreed upon by the parties.

▲ **DIRECTIVE**

SECTION 20

In order for an employees' special negotiating body to enter into an agreement on a European Works Council or any other information and consultation procedure, more than half of the members of the special negotiating body must agree thereon

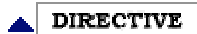
AGREEMENT

SECTION 21

An agreement on a European Works Council shall determine :

1. the undertakings or establishments which are covered by the agreement;
2. the composition of the European Works Council and its term of office;
3. the functions and the procedure for information and consultation of the European Works Council;
4. the venue, frequency, and duration of meetings of the European Works Council;
5. the financial and material resources to be allocated to the European Works Council; and
6. the duration of the agreement and the procedure for its renegotiation, taking into particular consideration changes in the operations of the Community-scale undertaking or Community-

scale group of undertakings.



SECTION 22

In lieu of an agreement on a European Works Council, the parties may agree upon another employee information and consultation procedure. Such an agreement shall contain guidelines for the information and consultation procedure and shall stipulate :

- the right of the employees' representatives to information, in particular in relation to transnational questions which significantly affect workers interests; and
- the right of the employees' representatives to meet to discuss the information conveyed to them.



APPLICABLE PROVISIONS IN THE ABSENCE OF AN AGREEMENT

WHEN THE RULES SHALL APPLY

SECTION 23

A European Works Council shall be established in accordance with sections 24-35 where :

1. the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings and the employees' special negotiating body agree thereon;
2. the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings refuses to commence negotiations with the employees' special negotiating body within six months of a request for negotiations in accordance with section 14;
3. the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings and the employees' special negotiating body have not concluded an agreement on a European Works Council or another information and consultation procedure within three years of the date on which the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings took the initiative for negotiations in accordance with section 14, or within three years of the date of a request for negotiations in accordance with section 14; or
4. an agreement as referred to in section 6, or which has been concluded pursuant to the provisions of this Act, ceases to apply and a new agreement is not concluded within six

months of such termination.

▲ **DIRECTIVE**

COMPOSITION OF THE EUROPEAN WORKS COUNCIL

SECTION 24

The European Works Council shall comprise not more than 30 members.

▲ **DIRECTIVE**

The employees shall be represented in the European Works Council by one representative from each EEA Member State in which the Community-scale undertaking is established or in which the controlling undertaking or any controlled undertaking in a Community-scale group of undertakings is established. In addition thereto :

1. two supplementary members shall be appointed for each EEA Member State in which at least 25 %, but not more than 50 %, of the employees of the Community-scale undertaking or Community-scale group of undertakings are situated;
2. four supplementary members shall be appointed for each EEA Member State in which at least 50 %, but not more than 75 %, of the employees of the Community-scale undertaking or Community-scale group of undertakings are situated;
3. six supplementary members shall be appointed for the EEA Member State in which at least 75 % of the employees of the Community-scale undertaking or Community-scale group of undertakings are situated.

Unless otherwise agreed, the European Works Council shall, every second year, examine whether changes in the operations of the Community-scale undertaking or the Community-scale group of undertakings should result in a new composition of the European Works Council. Upon such examination, the provisions of the first and second paragraphs shall apply.

▲ **DIRECTIVE**

SECTION 25

The European Works Council shall notify the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings in respect of its composition.

MANNER OF APPOINTMENT OF SWEDISH MEMBERS

SECTION 26

The Swedish members of the European Works Council shall be appointed from amongst the employees in Sweden of the Community-scale undertaking or Community-scale group of undertakings.

The members of the European Works Council shall be appointed by the local employees' organization or organizations in Sweden which is or are bound by collective bargaining agreements in relation to the Community-scale undertaking or one or more undertakings in a Community-scale group of undertakings. Where several local employees' organizations are bound by collective bargaining agreements, the following order for the appointment of members shall apply, unless otherwise agreed upon by such local employees' organizations.

In respect of the appointment of one member, such shall be appointed by the local employees' organization which represents the largest number of the employees in Sweden bound by collective bargaining agreements with the Community-scale undertaking or Community-scale group of undertakings. In respect of the appointment of several members, the order for the appointment of employees' representatives set forth in section 8, second and third paragraphs of the Private Sector Employees Act (SFS 1987 :1245) shall apply ⁽⁰³⁾.

Where the employer is not bound by a collective bargaining agreement with any employees' organization, the Swedish members shall be appointed by the local employees' organization in Sweden which represents the greatest number of employees in relation to the Community-scale undertaking or the Community-scale group of undertakings. The aforementioned shall apply unless otherwise agreed upon by the local employees' organizations.

Local employees' organizations which belong to the same central organization shall be deemed to be one organization.

▲ **DIRECTIVE**

RULES OF PROCEDURE AND SELECT COMMITTEE

SECTION 27

The European Works Council shall determine its own rules of procedure.

▲ **DIRECTIVE**

The European Works Council shall, if its size so warrants, elect a select committee from amongst its members, comprising at most three members.

▲ **DIRECTIVE**

RIGHT OF INFORMATION AND CONSULTATION

SECTION 28

The European Works Council shall have the right of information and consultation with respect to matters concerning :

- the Community-scale undertaking in its entirety;
- the Community-scale group of undertakings in its entirety; or

- at least two establishments of the Community-scale undertaking or the Community-scale group of undertakings which are situated in different EEA Member States.

With respect to such Community-scale undertakings or Community-scale group of undertakings as are referred to in section 5, second and third paragraphs, the powers of the European Works Council shall be deemed to refer to matters concerning :

- all establishments or undertakings which are situated in EEA Member States; or
- at least two of the establishments or undertakings which are situated in different EEA Member States.

SECTION 29

The Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings shall, at least once a year, meet with the European Works Council and thereupon consult and provide information in respect of the progress of the business of the Community-scale undertaking or the Community-scale group of undertakings and its prospects.

Prior to the meeting, the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings shall provide the European Works Council with a written report concerning the matters to be discussed at the meeting. [\(SEE ALSO\)](#)

DIRECTIVE

The meeting shall relate in particular to the following matters :

1. the structure of the Community-scale undertaking or Community-scale group of undertakings;
2. the economic and financial situation of the Community-scale undertaking or Community-scale group of undertakings;
3. the probable development of the business and of production and sales of the Community-scale undertaking or Community-scale group of undertakings;
4. the situation and probable trend of employment;
5. investments;
6. substantial changes concerning organization;
7. introduction of new working methods or production processes;
8. transfers of production;
9. mergers;
10. cut-backs or closures of undertakings, establishments or important parts thereof; and

11. collective redundancies.

▲ **DIRECTIVE**

SECTION 30

The Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings shall, as soon as possible, inform the select committee with respect to exceptional circumstances affecting the employees' interests to a considerable extent, particularly in the event of relocations, the closure of establishments or undertakings or collective redundancies.

Where the select committee so requests, the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings shall meet with the select committee in order to inform and consult with the latter regarding such exceptional circumstances as referred to in the first paragraph. Those members of the European Works Council who represent the employees at the establishments or undertakings which are directly affected by the circumstances in question shall also be entitled to participate in such meetings.

Prior to the meeting, the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings shall provide the select committee with a written report concerning the matters to be discussed at the meeting. The select committee shall be entitled to deliver an opinion on the report.

In the absence of a select committee, the aforementioned provisions in relation to the select committee shall be deemed to refer to the European Works Council.

▲ **DIRECTIVE**

RULES RELATINGS TO THE EUROPEAN WORKS COUNCIL

OR THE SELECT COMMITTEE

SECTION 31

The European Works Council or the select committee may be assisted by experts of its choice.

▲ **DIRECTIVE**

SECTION 32

The European Works Council or the select committee shall be entitled, at the expense of the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings, to meet separately prior to meetings with the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings.

▲ **DIRECTIVE**

In addition thereto, the European Works Council shall be entitled, at the expense of the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings, to meet separately once a year.

SECTION 33

The European Works Council or the select committee shall inform representatives of employees at the Community-scale undertaking or Community-scale group of undertakings with respect to the contents of, and expiry of, the information and consultation procedure. In the absence of any employees' representatives, all the employees shall be informed.

 **DIRECTIVE**

SECTION 34

Four years after the European Works Council is established it shall examine whether to open negotiations for the conclusion of an agreement as referred to in sections 21 or 22, or whether sections 24 to 35 shall continue to apply.

Agreements pursuant to sections 21 or 22 shall be concluded by the European Works Council. An agreement may only be concluded by the European Works Council where more than half the members thereof are agreed thereon.

 **DIRECTIVE**

EXPENSES

SECTION 35

The expenses of the European Works Council and the select committee shall be borne by the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings, to the extent that such expenses are reasonable.

 **DIRECTIVE**

MISCELLANEOUS PROVISIONS

SECTION 36

Employees' special negotiating bodies and a European Works Council may acquire rights and assume obligations and pursue claims before courts and other public authorities.

Upon the commencement of the activities of a European Works Council it shall assume all rights and duties of the special negotiating body and shall become a party to the agreement on a European Works Council.

PROTECTION FOR EMPLOYEE'S REPRESENTATIVES

SECTION 37

The provisions of section 3, first paragraph, section 4 and sections 6-8 of the Position of Union Representatives in the Workplace Act (SFS 1974 :358) shall apply, *mutatis mutandis*, to employees' representatives who are employed in Sweden and fulfil functions in accordance with this Act ⁽⁰⁴⁾.

▲ **DIRECTIVE**

DUTY OF CONFIDENTIALTY

SECTION 38

The Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings may prescribe a duty of confidentiality for employees' representatives and experts who fulfil duties pursuant to this Act, where such is required in the best interests of the undertaking.

A person subject to a duty of confidentiality who receives information on behalf of a European Works Council may, notwithstanding the duty of confidentiality, transmit such information to other members of the European Works Council and the European Works Council's experts. The right to transmit information shall only apply where the provider of the information notifies the recipient in respect of the duty of confidentiality. In such cases, the duty of confidentiality shall also apply to the recipient.

The provisions of the second paragraph shall also apply to members of the employees' special negotiating body and other bodies for information and consultant in accordance with this Act.

▲ **DIRECTIVE**

▲ **DIRECTIVE**

DAMAGES

SECTION 39

Whoever breaches this Act or an agreement on a European Works Council or other information and consultation procedure shall compensate for damage which may arise in accordance with the provisions of sections 55, 56, section 57, second paragraph, section 60, first paragraph, 61 and 62 of the Co-determination in the Workplace Act (SFS 1976 :580) ⁽⁰⁵⁾.

In the application of the aforementioned provisions, references to employers shall also apply to Community-scale undertakings or the controlling undertaking in a Community-scale group of undertakings, and references to employees' organizations shall also apply to European Works Councils, employees' special negotiating bodies or other bodies for information and consultation with employers.

In the absence of a European Works Council or an employees' special negotiating body which is able to pursue claims in accordance with this Act, the Community-scale undertaking or the controlling undertaking in a Community-scale group of undertakings shall be liable in damages to the employees' organization affected.

LITIGATION

SECTION 40

Cases in relation to the application of this Act shall be conducted in accordance with the provisions of the Judicial Procedure (Labour Disputes) Act (SFS 1974 :371).

In the application of this Act, references to employers shall also apply to Community-scale undertakings or controlling undertakings in a Community-scale group of undertakings, and references to employees' organizations shall also apply to European Works Councils, employees' special negotiating bodies or other bodies for information and consultation with employers. References to collective bargaining agreements shall also apply to such agreements are referred to in this Act.

Cases in relation to the application of this Act shall be dealt with by the Labour Court as a court of first instance.

Cases in relation to the application of section 38 shall be dealt with promptly.

SECTION 41

Where a party wishes to claim damages in accordance with this Act, the provisions of sections 64, 65 and 68 of the Co-determination in the Workplace Act (SFS 1976 :580) shall apply *mutatis mutandis* ⁽⁰⁶⁾. In the application of section 64, Community-scale undertakings, the controlling undertaking in a Community-scale group of undertakings, European Works Councils, employees' special negotiating bodies and other bodies for information and consultation with employers shall be deemed to have a right to negotiate in accordance with section 10 of the Co-determination in the Workplace Act (SFS 1976 :580) ⁽⁰⁷⁾. The period of time within which claims must be brought pursuant to section 65 shall be eight months.

DIRECTIVE

This Act shall enter into force on 22 September 1996.

⁽⁰¹⁾ " A concentration shall not be deemed to arise where:

a) credit institutions or other financial institutions or insurance companies, the normal activities of which include transactions and dealing in securities for their own account or for the account of others, hold on a temporary basis securities which they have acquired in an undertaking with a view to reselling them, provided that they do not exercise voting rights in

respect of those securities with a view to determining the competitive behaviour of that undertaking or provided that they exercise such voting rights only with a view to preparing the sale of all part of that undertaking or of its assets or the sale of those securities and that any such sale takes place within one year of the date of acquisition; that period may be extended by the Commission on request where such institutions or companies justify the fact that the sale was not reasonably possible within the period set; (...)

c) the operations (direct or indirect acquisition) carried out by the financial holding companies (...), provided however that the voting rights in respect of the holding are exercised, in particular in relation to the appointment of members of the management and supervisory bodies of the undertakings in which they have holdings, only to maintain the full value of those investments and not to determine directly or indirectly the competitive conduct of those undertakings."

⁽⁰²⁾ "If more than four-fifths of the employees bound by the collective bargaining agreement at a company or group belong to the same local employees' organisation, that organisation may appoint all of the employees' representatives. If another such organisation represents at least one-twentieth of the employees bound by a collective bargaining agreement, that organisation may, however, appoint one of the alternates.

"If there is no organisation which represents more than four-fifths of the employees bound by a collective agreement with the company or group, the two local employees' organisations which represent the largest number of such employees may appoint one member each and one alternate. If the employees are entitled to three members and three alternates, the larger of the two organisations may appoint two members and two alternates."

⁽⁰³⁾ "If more than four-fifths of the employees bound by the collective bargaining agreement at a company or group belong to the same local employees' organisation, that organisation may appoint all of the employees' representatives. If another such organisation represents at least one-twentieth of the employees bound by a collective bargaining agreement, that organisation may, however, appoint one of the alternates.

"If there is no organisation which represents more than four-fifths of the employees bound by a collective agreement with the company or group, the two local employees' organisations which represent the largest number of such employees may appoint one member each and one alternate. If the employees are entitled to three members and three alternates, the larger of the two organisations may appoint two members and two alternates."

⁽⁰⁴⁾ Section 3, §1 : "An employer may not prevent a trade union representative from performing his duties"

Section 4 : "A trade union representative shall not be subjected to worse conditions of work or terms of employment as a result of his appointment. Following the completion of the appointment, the employee shall be ensured the same or an equivalent position, with respect to working conditions and terms of employment, as if he had not received any trade union appointment."

Section 6 : "A trade union representative is entitled to time off, as required, for performance of the trade union appointment.

The time off may not, however, exceed what is reasonable taking account of circumstances prevailing at the place of work. The time off may not be scheduled in such a manner as to cause any significant impediment to the proper performance of work.

The amount of time off and the time at which it is to be taken shall be determined following discussions between the employer and the employees organisation.."

Section 7 : "The trade union representative shall be entitled to retain his employment benefits in the event that time off is taken for the performance of trade union activities at place of the work.

If trade union activities at the place of work take place at times outside the trade union representative's normal working hours and this results from a decision taken by the employer, the union representative shall be paid compensation as though the work had been performed on behalf of the employer.

Additional costs incurred shall also be reimbursed, if they are attributable to the employer.

Where, according to law, employment benefits are paid on the basis of the amount of time worked, the time referred to in the first and second paragraphs shall be regarded as equivalent to time worked."

Section 8 : "In the event of dismissals as a consequence of a shortage of work and in the context of redundancies, trade union representatives shall, notwithstanding section 22 of the Employment Protection Act (SFS 1982 : 80), be given priority to continued employment, if it is of special importance for the trade union activity at the place of work. If the representative can only be afforded an opportunity to continue his work after a transfer, his right of priority to continued employment shall be contingent upon his having sufficient qualifications for that employment.

Any dismissal which takes place contrary to the first paragraph shall, upon the application of the trade union representative, be declared invalid. The provisions of section 34, second and third paragraphs, 37, 39, 40 and 42 and section 43, second paragraph, of the Employment Protection Act (SFS 1982 : 80) shall apply in this context."

⁽⁰⁵⁾ Section 55 : "In assessing whether, and to what extent, a person has suffered loss, consideration shall be given to such person's interest in compliance with statutory provisions or provisions in the collective bargaining agreement and to factors other than those of purely economic significance."

Section 56 : "Where an employer or an employee breaches a duty of confidentiality which is referred to in this Act or makes use, without due cause, of any information obtained which is subject to such duty of confidentiality, he shall be liable for any losses incurred as a consequence thereof.

Where any representative of an employer or an organisation is liable for an action referred to in the first paragraph, the employer or the organisation shall be liable for any loss incurred.

No liability under Chapter 20, section 3 of the Penal Code shall be incurred as a consequence of any circumstances referred to in this section."

Section 57, §2 : "The employee's organisation will also be liable for damage suffered by the employer as a result of the abuse by a representative of the organisation of his position as a member of a special decision-making body established by agreement or where such person acts with gross negligence in such a position."

Section 60, §1 : "Damages may be reduced or waived entirely where such is reasonable under the circumstances."

Section 61 : "Where several persons are jointly responsible for losses, liability for damages shall be divided amongst them according to that which is reasonable under the circumstances."

Section 61 : *"Where damages may be payable pursuant to this Act as a consequence of an act or omission by an employee, no other sanction may be invoked against such employee unless provided for by law or by a collective bargaining agreement. The above-stated provision shall also apply in circumstances where no damages may be awarded against an employee by reason of the second paragraph of section 56, or section 59.*

Notwithstanding the provisions set forth in the first paragraph, where a collective bargaining agreement provides for a sanction other than damages, such sanction may also be applied to an employees' organisation which entered into the agreement but who is engaged in the type of work referred into that agreement."

⁽⁰⁶⁾ Section 64 : *"Any person who possesses a right of negotiation pursuant to section 10 and who wishes to claim damages or any other remedy pursuant to this Act or a collective bargaining agreement shall demand negotiations within four months of his becoming aware of the circumstances to which the claim relates and not later than two years after the occurrence of such circumstances. Where negotiations are to take place both locally and centrally pursuant to a collective bargaining agreement, the above-stated provision shall apply to the local negotiations. In such circumstances, central negotiations shall be called for within two months of the conclusion of the local negotiations.*

The provisions contained in the first paragraph shall apply mutatis mutandis where a party referred to therein seeks a declaratory judgment that a legal act or a provision in an agreement is void by reason that it constitutes a violation of the right of association.

Where a party fails to call for negotiations within the time specified, he shall forfeit his right to association."

Section 65 : *"Actions in respect of circumstances referred to in section 64 shall be brought within three months of the conclusion of negotiations. Where both local and central negotiations have taken place, such period shall be calculated from the time at which the central negotiations were concluded. Where obstacles to negotiations have existed which are not attributable to the plaintiff, the period shall be calculated from the latest time at which negotiations should have been held."*

Section 68 : *"A party who fails to commence an action within the time prescribed shall forfeit his right to commence such action."*

⁽⁰⁷⁾ *"An employees' organisation shall have the right to negotiate with an employer on any matter relating to the relationship between the employer and any member of the organisation who is, or has been, employed by that employer. An employer shall have an equivalent right to negotiate with an organisation of employees.*

Employees' organisations shall also have the right to negotiate, as set forth in the first paragraph of this section, with any organisation of which the employer is member, and employers' organisations shall have the right to negotiate, as set forth in the first paragraph of this section, with any organisation of which the employee is a member."