

France

1. La Société Anonyme

Brief overview: Establishment and structure of the company

Statutory basis:

Code des Sociétés (Law on commercial companies, implementation decree) partic. Article 70-250. Founders have the choice between the one-tier model (i.e. General Meeting and Administrative Board) and the two-tier model (i.e. General Meeting, Board of Management and Supervisory Board)

Requirements for establishment

- Formation by at least 7 founders
- Company agreement (= statutes)
- Entry into Commercial and Company Registers

Minimum capital

38,113 euro (a higher minimum capital is required for certain activities)

Organisation

A) One-tier system

1) General Meeting (assemblée générale)

Responsibilities include

- Appointment, deselection and discharge of Administrative Board members and auditor
- Amendments to statutes
- Approval of year-end financial statement
- Decisions relating to disposal of profits

2) Administrative Board (conseil d'administration)

Responsibilities include

- Appointment of a chairman from within its members
- Calling a General Meeting
- Preparation of year-end financial statement
- Preparation of year-end company report
- Approval of certain agreements

Number: at least 3 people; term of office max. 6 years; each member of the Administrative Board must have the qualifying shares stipulated in the statutes; must not have a contract of employment with the company

3) Auditor

Responsibilities include

- Permanent responsibility to inspect
- as well as examination and attestation of year-end financial statement

B) Two-tier system

1) General Meeting (assemblée générale)

Responsibilities include

- Appointment, deselection and discharge of Administrative Board members and auditor
- Amendments to statutes
- Approval and authorisation of year-end financial statement
- Decisions relating to disposal of profits

2) Supervisory Board (conseil de surveillance)

Responsibilities include

- Appointment of Board members
- Supervision of decisions taken by Board of Management
- Inspection of year-end financial statement

Number: 3-24 members

3) Board of Management

Responsibilities include

- Management of company
- Preparation of year-end financial statement
- Year-end company report
- As determined in the statutes: right to approve certain transactions

Term of office: 2 – 6 years

4) Auditor

Responsibilities include

- Permanent responsibility to inspect
- as well as examination and attestation of year-end financial statement

<i>Brief overview: Employee participation at board level</i>
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None.

Exceptions (valid both for the one-tier and two-tier models):

Law 83-675 of July 26, 1983 on employee participation on Administrative and Supervisory Boards of companies active in the public sector; division into two categories:

- 1) In state-owned companies or companies in which the state has owned at least a 50% capital share for more than 6 months and also including companies listed in the appendix to the law:
 - a) between 200 and 1,000 employees: 3 representatives on the Administrative/Supervisory Board
 - b) over 1,000 employees: 1/3 employee representatives on the Administrative/Supervisory Board

(Number of employees must have numbered at least 200 in the last 24 months)

2) Subsidiaries of companies listed under 1)

Note (both for the one-tier and two-tier models):

In shareholder companies which do not come under the exceptions (see above) employee representatives can be elected on a voluntary basis to the Administrative and Supervisory Boards (Law No. 66-537 from July 24, 1966). The employees elect representatives as recommended by the unions. Employee representatives must have had an employment relationship with the company for at least 2 years (unless the company has not been in existence for 2 years), and can have no other mandate as union representative, works council representative or any such position. They enjoy special employment protection and the right to further training in economic affairs.

2. La Société à responsabilité limitée

Brief overview: Establishment and structure of the company

Statutory basis

Code des Sociétés, partic. Art. 34-69, 423-431

Requirements for establishment

- Formation by at least 2 founders
- Company agreement (= statutes)
- Entry into Commercial and Company Registers

Minimum capital

7,623 euro

Organisation

1) Meeting of Company Members / Shareholder Meeting (of company members/shareholders = highest executive body)

Responsibilities include:

- Appointment and deselection of Managing Director
- Inspection and authorisation of year-end financial statement
- Decisions relating to disposal of profits
- Amendments to statutes
- Approval of certain business transactions

Meetings held at least 1x annually, also if 1/4 of company members submit an application for this and have at least 1/4 of the minimum capital

2) Managing director

Responsibilities include

- Management of company
- Representation of company internally and externally

3) Advisory Board/Supervisory Board

Not statutorily required, but statutes allow for voluntary formation

4) Auditor

- Permanent responsibility to inspect
- as well as examination and attestation of year-end financial statement

Brief overview: Employee participation at board level

None.

Source: Büggel, A. (2003) *Company law and existing legislative provision for employee participation in the EU member states*, in R. Köstler and A. Büggel, *The European Company and Company law and existing legislative provision for employee participation in the EU member states*, Brussels: ETUI. Report 79 (to order the whole report, please send an e-mail to etui@etuc.org; price: €20).