



## **Statutes of Sveriges Byggindustrier (the Swedish Construction Federation)**

### **Chapter 1-4 (of 8)**

The Swedish Construction Federation is a federation within Svenskt Näringsliv, (SN, the Confederation of Swedish Enterprise), and is the industry organisation for the Swedish construction industry.

#### **Chapter 1 Basic provisions**

##### *§ 1 Purpose*

The purpose of the Federation is to promote the common interests of member companies as employers and entrepreneurs within the construction industry, in accordance with these statutes and that of the Confederation of Swedish Enterprise.

With this in mind, the Federation aims particularly:

- to work for free enterprise, for a well-functioning market economy, and for sound business conditions in the construction market.
- to work for a well-functioning pay setting and regulating system in the labour market.
- to vigorously look after the interests of member companies, and champion common issues.
- to function as a skills centre for member companies.

A service company exists for carrying out company-specific commissions, and for information, advice, training and other services on behalf of member companies.

##### *§ 2 Geographic organisational structure*

The Federation's activities shall be run both locally and centrally. Local activities are co-ordinated within regions.

##### *§ 3 Building association*

For local activities, there shall be a geographic division into building association areas. This division shall encompass the whole country in such a way that no area is encompassed by more than one building association. A building association area shall consist of one or more primary municipalities within a geographically coherent area. The member companies that operate within a building association area shall form the local building association within the Federation.



Member companies belong to one or more building associations within whose area they operate. If there is no actual local connection, building association membership is determined in special circumstances by the Federation's Executive Committee. The division into building associations is determined by the Federation's Executive Committee. The Executive Committee is required to examine whether to form a new building association, or to make some other change in the division into building associations, at the request of a particular building association or at least 20 member companies. Before making a decision concerning a change in the division into building associations, the Executive Committee shall consult the building associations affected. For each building association there shall be a responsible official, answerable to the building association, in accordance with what is stated in more detail about officials within regions under §4.

#### *§ 4 Regions*

For the coordination of local activities, there shall be a division into regions. For the coordination of industry associations collaborating by agreement with the Federation, there shall also be one or more industry regions.

The division into regions is determined by the Federation's Executive Committee. Activities within a region are led by a Regional Director. As a consultative organ for the region, there shall be a Regional Council. The appointment of a Regional Director shall take place in consultation with the Regional Council, and may not be made if a majority of the Regional Council members are opposed to the decision.

Within each building association area a responsible official shall be appointed. Exceptions may be made for building associations set up after these statutes comes into force. Other officials within the region shall be appointed to building associations within the region as appropriate. The appointment of a building association official shall take place in consultation with the Executive Committee of the building association concerned, and may not be made if the board of the building association concerned has previously reached a committee decision opposing this decision.

#### *§ 5 Collaborative agreements with the Swedish Association of Building Contractors*

In the event that the Association of Building Contractors signs a special collaborative agreement with the Federation before these statutes comes into force, more specific provisions will be set out in the regulations about the coming into force of these statutes.

#### *§ 6 The Federation's registered office*

The Federation's registered office shall be in Stockholm.

#### *§ 7 Financial year*

The Federation's financial year coincides with the calendar year.



### *§8 Annual accounts*

For each year, the Federation's Executive Committee shall publish annual accounts with an annual management report, a balance sheet and an income statement. These shall be submitted to the auditors not later than 15 March the following year.

### *§ 9 Auditing*

A review of the Federation's accounts and its general administration shall be carried out annually by the auditors and their deputies, of whom one auditor and one deputy shall be authorised accountants. The auditors and their deputies shall be appointed by the Federation Assembly. Each of these shall examine all the Federation's accounts and other documents. The auditors shall complete their review and submit a report to the Federation's Executive Committee not later than 1 April.

## **Chapter 2 Membership**

### *§10 Member companies*

Any company that is operating seriously within the construction industry in Sweden can be accepted as a member of the Federation. The membership criteria are set by the Federation's Executive Committee.

Federation members are also required to be corporate members of SN and to observe its statutes and also the special agreements reached between SN and the Federation.

Representatives of member companies are required on request to substantiate their right to represent that member company.

### *§ 11 Membership scope*

Membership of the Federation covers all aspects of the company's business that entitles it to join the Federation. Exceptions can be made by the Federation's Executive Committee, provided this is with SN's approval. Companies who seek or have obtained membership are required on request by the Federation or SN to provide details about any other business they are engaged in, and to what extent.

### *§ 12 Admission*

Applications for admission to the Federation are made on special forms, and are handed in to the building association in the area where the applicant company has its main business. The application shall be accompanied by the member company details required by SN, as well as the other documents determined by the Federation's Executive Committee. Applicants shall acknowledge in writing the statutes both of the Federation and of SN.

The building association's executive committee shall submit the application to the Federation's secretariat, together with any comments of its own. If there is no actual connection to a building association, the application shall be submitted directly to the



Federation. The Federation's Executive Committee shall validate and decide on the application for admission. A decision about admission shall then be submitted to SN for approval.

#### *§ 13 Member company undertakings*

It is incumbent on member companies:

- to promote the purposes of the Federation in their business, and to adhere to decisions made by the Federation's Assembly and its Executive Committee
- to observe the Federation's ethical rules
- to pay charges to the Federation and its service company in accordance with the standards laid down by the Federation Assembly, and also to SN in accordance with its statutes
- following the Federation's decision, to submit details required for setting the charges or for assessing the company's financial standing, or whatever is otherwise required in connection with membership. The member company shall submit in writing details about the company's payroll, as stipulated in more detail by the Federation's Executive Committee, firstly when applying for admission to the Federation, and subsequently annually before 15 February
- not to negotiate or reach collective agreements except as expressly permitted in a central collective agreement, or in other cases as approved by both the Federation and SN's Executive Committee
- not to terminate a central collective agreement without the approval of the Federation's Executive Committee
- to apply collective agreements approved by the Federation's Executive Committee, as well as regulations from the Federation's Executive Committee about the interpretation and application of collective agreements, and also about working conditions that are not regulated in collective agreements
- during an ongoing strike, lockout or other labour dispute contrary to what has been decided by the Federation's Executive Committee or SN's executive committee, directly or indirectly, to prepare work for, or in any way support, striking or locked-out workers, or workers otherwise involved in a dispute
- not to resort to a lockout without the consent of SN's Executive Committee
- to adhere to instructions issued by the Federation, and to supply details concerning work and wage conditions as requested by the Federation
- following a decision by the Federation's Executive Committee, to account for the company's handling of a particular situation
- in general to observe closely the Federation's statutes SN's statutes and decisions made with the support of the aforementioned statutes.

Over and above what has been stated above, relevant parts of SN's statutes also apply between the Federation and member companies.

#### *§ 14 Discontinuance of membership*

Membership of the Federation ceases at the turn of the year or half year immediately following six months since written notice of termination by the member, the Federation



or SN. Membership of the Federation ceases even if the member company's connection to SN has ceased in ways other than those specified above.

Membership of the Federation ceases on the same day that the member company is declared bankrupt.

#### *§ 15 Expulsion*

Member companies who breach these statutes or decisions reached in accordance with them, or decisions by the Assembly, are in arrears with charges, or in other ways damage the interests of the Federation, can be expelled by decision of the Federation's Executive Committee, who can thereby also set conditions for the cessation of membership. For breaches envisaged in § 19, the Federation's Executive Committee also has the right to impose damages.

The Federation's Executive Committee shall also examine requests from a building association regarding expulsion and/or damages.

#### *§ 16 Decisions about expulsion*

For decisions about expulsion or damages, at least three quarters of the members of the Federation's Executive Committee must be in agreement. If an expulsion issue does not achieve the prescribed majority of votes, the Federation's Executive Committee can decide, based on what is stated in § 52, to refer the matter for decision by the Assembly.

Decisions about expulsion at the Assembly require a majority of at least three quarters of the votes cast. In decisions in the above-mentioned issues, the usual disqualification rules are applied.

The Federation's Executive Committee can ask the Executive Committee's chairman and Managing Director to decide on the expulsion of membership companies who, despite reminders, have not paid any charges due, and can set conditions for the cessation of membership.

#### *§ 17 Charges paid in*

Member companies whose membership has ceased do not have the right to recover charges or contributions paid in, nor any of the Federation's assets.

#### *§ 18 Change of a member company's business*

In the event of a transfer or closing down of a member company's business, the matter is dealt with in accordance with the guidelines set by the Federation's Executive Committee. The member company is responsible for ensuring that a new owner who has not taken over membership of the Federation nevertheless follows the regulations of the Federation or SN about how to proceed during strikes, lockouts or wage negotiations during the remaining period of membership.



### *§ 19 Damages*

Damages not exceeding 20 Swedish 'prisbasbelopp' (price base amounts) may be imposed on member companies as stated in § 16 in the following cases:

- if member companies breach agreements about lockouts
- if member companies apply working or wage conditions other than those set by the Federation in collective agreements or in some other way
- if member companies, contrary to what has been decided by SN's executive committee or the Federation's Executive Committee, directly or indirectly prepare work for, or in any other way support striking or locked-out workers, or workers otherwise involved in a dispute.

If member companies fail to pay damages, the Federation's Executive Committee shall take legal action to recover such amounts.

By 'prisbasbelopp' (Swedish price base amounts) is meant in these statutes the price base amount specified in the Swedish National Insurance Act at the time of the latest levy of the membership charge.

## **Chapter 3 Charges**

### *§ 20 Overall budget*

The Federation's Assembly sets the overall budget and the proportion thereof to be spent on central activities. Remaining amounts are divided regionally, in relation to each region's membership charges levied.

### *§ 21 Basic provision*

The Federation's Assembly sets annually a basic provision from the activities which are made available to all member companies.

### *§ 22 Membership charges*

The charge paid to the Federation and its service company for the basic provision – membership charge – is based on a percentage of the payroll or turnover, or some other way determined by the Federation's Assembly.

The Federation's Executive Committee is entitled to submit more detailed regulations about how charges are calculated. The aforementioned charges are set by the Federation's Assembly. Decisions relating to this require a majority of at least two thirds of the votes cast.

Charges to SN are paid in accordance with what is specified in SN's statutes.



### *§ 23 Other charges*

Payment for activities over and above the basic provision, as well as commercial services, is charged separately to the companies that use such activities or services.

### *§ 24 Charges paid in*

Charges payable to the Federation or its service company shall be paid in at the times specified by the Federation's Executive Committee. For newly-joined member companies, charges are payable as of the month during which membership was obtained. If a member company fails to pay due charges at the right time, the Federation's Executive Committee is entitled to resort to legal action to recover the amount and/or to take action in accordance with § 15 in these statutes.

## **Chapter 4 Labour disputes**

### *§ 25 Strikes*

If a strike breaks out or threatens to break out in a member company, this is dealt with as prescribed in more detail in SN's statutes.

### *§ 26 Lockout*

If a member company is thinking of resorting to a lockout, notice of this shall be given to the Federation's Executive Committee, stating the reasons and extent of the lockout, following which the Federation's Executive Committee shall proceed in accordance with SN's statutes. If the Federation's Executive Committee considers that there are reasons for a more extensive lockout, the Federation's Executive Committee is entitled to decide to recommend this to SN. For such a decision to be valid, three quarters of the Federation's Executive Committee members must be in agreement with the decision. By a simple majority, the Federation's Executive Committee may refer the matter to the Assembly, which is entitled to recommend a lockout to SN if the decision is supported by three quarters of the votes cast.

### *§ 27 Dispute compensation*

Member companies are entitled to compensation from SN for damage caused by a strike, lockout or other industrial action, under the conditions and to the extent specified in SN's statutes.

Besides this, the Federation's Executive Committee is entitled to decide about compensation from the Federation's funds, in accordance with rules set by the Assembly, to member companies who have been affected by damage through labour disputes. For such a decision to be valid, three quarters of the Federation's Executive Committee members must be in agreement with the decision.