



AVAS & SICTAME keep you informed

One fight, one goal: a company serving people

Free shares for everyone ?

It is possible : Sign the Petition !

For the past 3 years, Total has been allocating free shares to a privileged category of personnel. This was made possible by a law passed in 2005¹. The necessary authorisations are voted at AGMs. The list of beneficiaries is drawn up by Management and approved by the Board of Directors.

For the same 3 years, AVAS and SICTAME have been demanding the distribution of free shares to all Total personnel without distinction. We propose that these free shares should be allocated in one or several instalments to a value of up to 25% of the gross annual salary of each employee². In our view, the salary of an employee represents the least unfair way of judging his or her performance and contribution to the smooth running of the company. Linking share allocation to salaries enables everyone to receive a substantial amount and also enables all employees to benefit while avoiding any disproportion caused by the difference in remuneration from one country to another.

At present, the Company uses the allocation of free shares as a complement to the remuneration of the favoured few whereas it should be a means of participation for all. In place of all or part of the share options previously distributed, the Company now awards free shares, thus maximizing the profits for the recipients while diminishing the risks. Free shares remain a perk almost exclusively for top management and company executives although a few shares have been sparingly distributed among a small number of other employees³.

AVAS and SICTAME consider that free shares should under no circumstances constitute a complement to salaries or a substitute. They should be a means of associating all personnel in company capital.

Currently, this is possible only:

- through share options or free shares: this risk-free means of access to company capital is reserved for an exclusive minority. What is more, the differential between the best-served and everyone else is much greater than the salary differential.

¹ The free shares distribution plan was introduced in the 2005 Finance Act, then written into Commercial Law (art. L. 225-197-1 to 5. It was then improved by the Act of 30/12/2006 " in order to develop employee participation and increase employee share ownership".

² See AVAS-SICTAME leaflets entitled '*Que faire de tant d'argent – Des actions gratuites pour tous*' circulated in March 2005 and '*Favoriser l'accès au capital de l'entreprise ? Oui,, certes ! ... mais pour tous et de façon équitable*' dated November 2005. These are accessible on the internet at:

<http://www.sictame-unsatotal.org/communication/archivestracts2005/20050308quefairedetantdargent.pdf>

<http://www.sictame-unsatotal.org/communication/archivestracts2005/20051122favoriseraccesaucapital.pdf>

³ See the December 2007 SICTAME leaflet entitled '*Plus de transparence et de meilleurs salaires, c'est possible !*' which can be accessed on the internet at:

http://www.sictame-unsatotal.org/communication/archivestracts2007/2007_12_11_%20NAO_%20salaires.pdf

- through an increase in capital reserved for employees : this is open to all and is far from risk free. It requires a financial outlay which is not possible for many employees. This is also used by the beneficiaries of share options to make maximum profit as they are able to sell them at the highest price. Remember that the main beneficiaries are company management and executives!

In order to establish equitable access to company capital by all employees, free shares must be distributed to ALL members of personnel. Many companies, including those quoted in the CAC 40, already do this.

What's stopping Total ? Lack of social courage ? Here is an area where the « Total Attitude » can be put into practice by showing solidarity across the board. All they have to do is listen to what the personnel have to say.

Furthermore, distribution of free shares would make it possible to "prime the pump" of share purchase by those who have little or no capacity to save. This is possible every two years when increases in company capital are open solely to personnel.

We need put an end to the "social fracture", i.e. the gulf between those who receive an ever-increasing risk-free part of company capital and the majority who are unable to access it or can only do so by paying a high price.

The allocation of free shares to all personnel that we demand has been authorised by AGMs and would represent a much smaller amount than that spent last year in buying back company shares. Moreover, it would open the door to tax reductions for the company.

We believe that enabling all personnel to have an investment in company capital is a means of fostering cohesion, motivation and commitment to the company, thus contributing to its stability and to sustainable growth in net value.

We need to get back to the basics of participation:

- Participation in **results** (with a mandatory essential element, i.e. financial participation based on profits plus an optional agreement on profit-sharing)
- Participation in **company capital** (fostering the development of employee share ownership)
- Participation in **management and in the decision-making process** (through Works Councils, Board of Directors, Supervisory Board, etc.)

The principles of participation were first outlined by Turgot in 1775 and became one of the primary concerns of the *Conseil National de la Résistance* (National Council of the Resistance) in 1942 before appearing in the preamble to the French Constitution of 1946: *“Every worker participates, through collective bargaining by its representatives, in the determination of working conditions as well as in the management of the company.”* (*Tout travailleur participe, par l’intermédiaire de ses délégués, à la détermination collective des conditions de travail ainsi qu’à la gestion des entreprises.*)

From 1948 onwards, General de Gaulle developed his ideas on the association of capital and labour to promote a “third way” that refused to choose between “*liberalism that doesn’t liberate and interventionism which does not intervene.*” (“*le libéralisme qui ne libère personne et le dirigisme qui ne dirige rien*”). This association, which later became “participation”, is nothing less than a social project, a vision of business and working people that serves to protect the dignity of the latter. It refers to the idea of “citizenship in the company”.

Participation also implies sharing, which should be equitable and comprehensive and apply to risks as well as to benefits. It was therefore with good reason that in their report of September 2005 entitled “*An ambition: participation for all*”, the members of the French National Assembly Cornut-Gentile and Godfrain underlined that “*the sharing of assets comes about through the sharing of knowledge and also through a measure of power sharing in a form respectful of the final decision-making body*” (“*le partage de l’avoir passe par le partage du savoir et selon des formes respectueuses de l’unité de décision, par un certain partage du pouvoir*”).

