

# AVASCOPE

ASSOCIATION OF VOLUNTARY RETIREES & SALARIED SHAREHOLDERS

OF THE GROUP TOTALFINAELF

EDITORIAL

No. 36 October, 2001

## VIEW ON THE WORLD

Few days after the murderous outrage perpetrated in New York and its deadly consequences, the entire editorial board of AVASCOPE, sympathizes with the people of America and share with them the global view of extremism eradication. This horrible aggression that saw every American in her flesh, has to be condemned in its totality. We should not forget that all the dictators have to be made bull's eye: With other nations like the perpetuate that suffering, sorrow and misery.

Meanwhile, according to the old adage "every disappointment is a blessing" and with the passed emotion, a" those responsible no matter their domains of competence, would not escape to reflexes and questioning. It is in fact in adversity that difficulties reappear which till now escaped in the pleat of bliss.

At the analyses of these events, the economic, financial, and social consequences that they induced will appear in the course of next months and nothing shows that a new down is not announced under our eyes. Few subjects will merit great attention and surely heart-rending reoccurrence.

## POLITICAL VISION

This structure will oblige, passed emotion, to be questioned on logic, coherence and the ethics of political action in general. Thus in the "resent situation, irrespective of the personality of Mr. BEN LADEN, one should not forget that he was brought into the scene, armed and trained by the Americans. At this pointing time ,he was seen to be disposed of all virtues. Thought it is true that it was all about fighting the Russians. The same thought could be linked to a certain Mr. HUSSEIN who the same Americans praised, trained and armed ;it is true it was against the IRANIANS. "The alliance with the devil also has it repercussions"

Ethics just like the management of a company, has to be a key value in the management of cities and of the world, where it necessary to observe that compromising and diversified cowardliness are in most cases at work than real dignity and courage. More political, republican administration and its actual representation will have to be equally conscious of the fact that the first world power equally has obligations. The idea of politically intervening in local conflict capable of rescuing world balance. The Isrealo-Paletinian crises is part of these ones mentioned.

## **ECONOMIC AND FINANCIAL VARIATIONS**

The consequences of the crash in economic value, the slowness in growth and recession which can follow this actual wave of attempts, shows that financial markets are places of high risk, capable of facing great financial fullness. Let the capitalists "trained wizards" put into play their savings. It is their own problems. Let the workers and retirees be led into it and risk their monthly revenues, it may be a problems of another amplitude. This new stock maneuver clearly shows once more that one should not confuse SALARIED

## **SAVINGS AND RETIREMENT SUPPLEMENTS.**

At the philosophical Level

Lasting development that blossoms henceforth in the general assemblies of companies has to be seen by the society as an ardent necessity and not as a mere formality to be fulfilled to please government cantors of the company. This procedure more or less aims at putting more life into business, that is to mean respect: partners, competitors, laws of nature and foster-mother / And if mutual respect was to start in simple relationship between social partners when important negotiations are taking place.... with the worry of building something commune rather than wanting at all cost "using force" to reinvent never ceasing and archaic fight of classes to finally impose Law.

Transience and misapprehension are all fantasize The price to pay for the company at time could also be very high.

G. RENAULT  
Vice-President of  
AVAS

17th September 2001

**THE INTERVENTION OF AVAS  
PRESIDENT; DURING THE TOTAL FINA  
ELF GENERAL ASSEMBLY OF 17.05.2001  
AT THE CONGRESS HALL FROM 10 AM  
TO 1.30 P.M**

Ladies and Gentlemen, Mister President,  
I introduce myself: I am Jean-Aymon MASSIE, President of the Association of Salaried Share Holders of Total Fina Elf; created in October 86, 14 Years ago in Elf Group.

We will freely vote with 410.000 Shares, with the Salaried Share Holders' powers, coming from all the Chapters of the Group in France and abroad (Nigeria, Gabon, Angola) despite difficulty in mailing.

This year AVAS did not present any new resolution neither written question, even if resolution No. 4 lacks clarity and is difficult to understand.

We congratulate you for the quality of the annual report of 2000 and the progress in matters of Company governance:

- Delay of the seizure of reduced deeds to a day;
- Reduction of administrators mandate to three years;
- An effort of transparency in tile information given to Share Holders on the remuneration and the stock-option Plans of Managers, but then at the exception of that of the President.

An effort has to be made for an individual presentation of these remuneration. This point will draw our attention in the future. AVAS will vote Yes to all Resolutions, because it receives from deeds, Financial Management answers to a" the Questions raised on Accounts and

Since the General Assemblies of March and May 2000, Mr. President, you put in place innovative measures to preserve the environment and adhere to principal ethics (values of reference for the Company), the whole staff. We will acknowledge the issue of the report "Environment and Security of the year 2000 exercise" realized by Mr. TRAMIER. We also took notice of proposition made by AVAS, during the last General Assembly. We are happy with the nomination of Mr. J. P. CORDIER at the head of Ethnical Community created for the first time at Elf and who today equipped with reinforced means. We trust him and we shall judge from results obtained in a year.

of the most represented Trade Unionist of tile Group. This situation to us, appears to pre-occupy many different sectors; up-stream, down stream and chemical (this last sector has more workers, about 72.000 collaborators); difficulties go beyond the cultural differences between the three groups.

These are mostly the problem of respect for the know-how of each person, harmonies integration of teams in a climate of confidence between men; one observes that, there is big difficulty in internal communication.

Mister President, what do you hope to do, to remedy the merger process? / 2nd question:

What strategy do you have for the chemical

on Project Resolution.

Administrative gentlemen, I wish to remind you as a preamble to my questions, that it is important to re-establish priority of human factor on the economic and financial factor, because Europe is today a social reality.

Minister President, I will ask you two questions:

1st question:

The realisation condition of the merger, at the level of men are not as good as you say. On this point, I will support Mr. PRAXELLE, an Executive of the CFOT, one

#### **ELF AQUITAINE GENERAL ASSEMBLY FROM 25 MAY 2001**

In as-much-as Total Fina Elf withholds 99.4% of Elf Aquitaine's Shares, the presence of minority share holders present or represented necessitates the formal position the General Assembly; with 115 shareholders present or represented, of which AVAS holds a share and had received the power for two other deeds. The quorum was largely constituted.

The consolidated accounts that were presented, have no more significance considering the change in sphere of the companies concerned. The impact of this change, in fact, from 30 G Euros by 84 for the CA and form 4 GE by 84 for the CA

pole? What is the future of Atofina in medium and long term? May I remind you that in this sector we have more than 50% of the total strength of the new group. We are worried about its future, putting into consideration the process in course; consolidation of the European chemical Sector. We are convinced that Atofina has a determining role to play on the side of EON, BASF, DEGUSIA, BAYER... of which the Constitution of a Chemical European Pole could not be realised without Atofina, but from Atofina.

Finally, I will address the Ladies and Gentlemen, the Share Holders, "be careful "so that for a successful merger, it is not enough for Share Holders to decide, workers must make it a reality".

I thank you for your attention.

Jean-Aymon MASSIE  
AVAS President

The president on the other hand contradicts rumors of disengagement at CEPSA, a very renowned Spanish company, in which we keep 45%. A capital, on the side of the BSCH

and from 4 GE by 89 for the operational results.

Among the most significant changes, one should mention the creation of TFE Holdings Europe and Totalfina Management and the attachment of Elf Antar France from Total Refinery Distribution, EAF becoming a minority branch at 43% of Elf Aquitaine, even though it is still being consolidated with EAF with the consent of COB . In any case, the results benefit the same favorable conditions than those of TFE.

The priority of the DG is to follow-up the legal integration of branches parallel to those of the teams on ground. Those of the two parent establishment, then particularly when the question of " Golden share" the state would have received a principal response from the European Commission.

Spanish Bank, of a fond of Abu Dhabi and of a Spanish electrician, 20% being in the public.

Jean Maris Bierme

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REGISTRATION FORM FOR THE VOLUNTARY ASSOCIATION OF OLD AND NEW SALARIED SHARE HOLDERS

\* Yes, I accept to support AVAS

Surname	First Name	Company
Professional Address		Telephone
House Address		Fax
		E-mail

Yes, I renew my membership for the year 2001, I issue a cheque in your name

Date	Signature
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The 2001 contribution includes the subscription to AVASCOPE fixe at 15 euros (100,00F) To be sent to AVAS, Bureau Tour Coupole, 92178 Paris-La Defense.Site:www.escop-avas.org

TOTAL FINA ELF

Paris, 1st October 2001

F  
L Letter to Workers of the Group  
A  
S Our Industrial responsibility  
H

After the incident of Toulouse, we are all in a state of chock, before the terrible count of

human waste and we sympathize with the Victims, their families and mostly our Colleagues who were hit by this explosion.

In this ordeal, I want to acclaim the courage, the devoutness and the professionalism of our teams. In Toulouse, while Criticism and risk did not spare our teams, they continued in very difficult situations to assume their duties that weighs on them. I also want to acclaim the Courage of those who joined their colleagues of Toulouse in facing this difficult task. Finally, I want to say how much I am touched by Solidarity messages I receive on their behalf from all over the world.

I strongly express it clearly and impressively, the Group's position in a passage that you will find attached herein, which is also published by "Le Monde" in her editorial of the 2nd October.

Our Group will know how to overcome this trial and assume all responsibilities which falls on her while preparing its future in Solidarity.

Thierry Desmarest.

**OUR INDUSTRIAL RESPONSIBILITY RESOLUTIONS OF THE PRESIDENT THIERRY  
DESMAREST, PUBLISHED ON THE DAILY OF  
(TUESDAY 2<sup>ND</sup> OCTOBER 2001)**

Remarks made by President Thierry Desmarest in the News Paper Le Monday

After the Toulouse calamity, we are all shocked by the terrible situation of humanity and the level of affliction. Beyond what we can say, our compassion and solidarity to the victims and their families . . .

We are sending our gratitude to all those who mobilized their effort in assisting people in the calamity. Those who suffered a loss (either I injury, death or in material damage). Likewise those who, like us, were shocked by the situation. We can not accept that, economical activities which the purpose is tot contribute in the Development of the community, becomes a source of destruction.

For our Enterprise, also overthrown by the situation. (Haven lost some of our members), a reflection on its part values and Professions is taking place as from today. In that task, with all

the risks and critical, our team working in difficult professions with heavy responsibilities are very devoted. Their courage and Professionalism are to be recognized.

This event is drastically reminding us that, chemistry is a dangerous Profession and that, the Probability of not having any risk is only truth theoretically. Our constant aim is to master the risk with the ambition of getting close to <<Zero risk>>. The absolute priority that we give to the security is once more reinforced.

Our responsibility as industrialists is to clearly understand with transparency what has happened and the cause of the explosion to take immediate reaction and prepare the future in contributing in the reflection in the rapport between towns and industries.

### **UNDERSTANDING:**

Understanding and determining the causes of the explosions, what they are, is the Prime objective for all and particularly for the victims and for the teams of Grande.

**Paroisses:** Priority also to determine necessary measurement for the reinforcement of the Security.

Different investigations have to be conducted with absolute objectivity without giving priority to some parts. In our own side, the internal investigation committee that was set in place by us will work with the assistance of world wide recognized specialists, these conclusions will be made Publicly.

### **REACTION**

Our responsibility is firstly what we have been doing since the calamity. For the humanitarian disaster and Victims, we are making an effort to assist the benevolence, through humanitarian, financial and material support. Our responsibilities is compensating the damages including victims of the damage who were not insured depends on the case.

Our responsibility is also that of our management and our staff, working in delicate conditions securing the site and bringing in supplementary testimonies of their professionalism and devotion to work.

I recognize their effort and, with them, to the seriousness of Grande Paroisse and the Personal of



ATOFINA, the chemistry Branch of our group. Our responsibility is finally shown by the decision immediately adopted by the group Total Fina Elf.

Our Prime Preoccupation is the Security in our Sites. This has to do with the health and life of our staffs and the population surrounding.

We have therefore decided, without waiting for the conclusion of the investigation, to launch a conservative plan on precautions.

We reinforced the security of the site compared to the one of Toulouse by augmenting the effort of the team and reducing the intermediary stocks.

These stocks are products waiting to be utilized.

In time to come, we will conduct, together with state services, a social study on the risks in our industrial site classified (seveso) in order to add more security.

Pre Paring for the Future:

Investigations will determine what are the causes of the explosions no matter what their conclusions may be, after, we might have understand what happened, up must take necessary decisions in order to avoid such calamities from happening again. We need to think about the complex and major problem of co-existence. Between urban and industrial zone. In my own Part, I am seeing three levels of thinking and actions that will lead us in the discussion. They correspond to three essential components of our responsibility as industrialist: Information, security, report between industries and the society.

Firstly on he perception of our profession.

After this tragedy, the population will illegally demand for complete information on their industrial environment and the associated risk.

We have decided to multiply our actions concerning information on the river lines and their associations, the risk involve and the security system.

We are consequently going to organize with our site in the following months, a large information program. Our responsibility is not limited to the respect of the legislation on industrial security educated by countries, were we are implanted, it is also to know how to conduct and to maintain

some confidential relations founded on information and dialogue with those living around our sites.

Security on the chemical Site:

For sure, we are the first operator in France, but, we are not alone, and we will not be able to answer to all question efficiently. We are suggesting to other French chemistry actors to conduct together in connection with social partners, and initiative on industrial security in the sector.

We want to arrive at a preside plan of actions, Proposing concrete solutions that will preserve equilibrium between the security, Economic and Social imperatives.

At last there is coexistence between town and industry.

We cannot accept that there should be a conflict between towns and factories. This question is so complex that, it justifies the mobilization of actors from different analyses: environment, industry, social affairs, but also industrialists, Urbanites architects together with associations and territorial collectivities . . . if is no more time to know who is responsible of the co-existents problems between towns and industries today but who will he be in future. Our will is to be part of those who will build thy future.

We naturally answer present at the round table initiated by the prime minister and we will try our best to make our contribution satisfy the need of the French Society.

### **Towards “NGO’s” Domination?**

Non governmental organizations have a long story. We can even say that, they are part of tradition and older than what they appear to be today, since a long time, some group, cooperation, association, churches have been doing the humanitarian philanthropic, cooperative and community assignments, assisting the scale in some areas, they played constant role in controlling power popular law of 1901 just a century ago, manifested the First measurement of their regulation.

the defense of the principles often attacked like the human-right, protection of environment and patrimony.

These new NGO are today, masters of communication, taking the first position would whole, changing the society, we are now asking what is their real nature, their motivates and their means.

And First, Who Are They?

Veronique Le Billow wrote in the No 643 of

In the recent decades, the situation has changed with the multiplication of organizations, a serious change in social and cultural life. These are mostly oriented towards

A negative definition. Delbonder Logically emerge into an obscure one with different orientations. It may have a solid power with a certain authority often well managed and structured by competent hands, well motivated, they are sometimes managed like real. Companies, with appropriate budgets.

As mentioned recently by Guy Sormon in this Figure (20/04/01) NGO are finally <<Self Managed Enterprises, with unlimited irresponsibility, dealers of good and bad motives>>, and campaigning <<not because the deal is genuine, but because the campaign is going to be lucrative>>.

Initially, their motivations where all humanitarians and environmental oriented and this gave to the entire sable, an excellent image about them, kindly assistance were given to them and so many of them being lobly and at the same time, their objectives were expanded both in time and space they are now unavoidable in the modern Hire.

They are partially <<comfortable in the capitalist would which they are sometime appoint of . . ., they powerful ones are international, comparable to those companies they target said G. Sorman who equally

Expansion (12-25 April 2001) that, these tree letters are used in calling a word with different colors not well defined, but that resemble some thousands of people fighting for power.

Whereas the second always keep in mind the interest of the enterprises which is thy aim of their investment. But the good result of the enterprise is also related to the long span development policy.

### **What Are Their Methods of Action?**

All seems to be good for things to have arrived of this end. Using all means of communication, and particularly the Internet.

N.G.O are more and more giving notice of some multination practices in criticizing the policy of some international institution, to whip (Fastiger) a good number of governments, trying to modify (inflation) some choices.

They have right to look into social and environmental policies of some enterprises, on their prices and on the quality of their suppliers, some do so with authority and exaggeration and offers are trying to apply diplomacy and good way of lively hood.

Some of them need to be invited, they operate as they want, example of Green

noticed that the <<are swallowed up with success in the empty space created by the failure of some ideologies and some states inefficiency>> they occupy any space existing between the environment and investment funds. For sure, the first, when entering into politics, abandon more and more, all what has to do with environment for social revendication.

What can be the contribution of the "NGO" in the society?.

Initially, as we saw, NGO that were not called this way were associations dealing essentially with human or philanthropic problems their radiation was well recognized. Sometimes, they were assisting the public sectors. Due to their progress, they were called to protect the society and some elementary laws.

This succeeded in putting in order, some societies not well organized and equally help them to achieve their objective and to motivate the staff in some companies. But today some NGO have become important that, they are even trying to promote laws for their entire population.

We are arriving, at admixture of different types, completely ignorant of the reasons and methods of managing some enterprises, these are the ones (NGO) that are not helping the development of the society.

We are now experiencing unpredictable

peace against La Peyre, utilized all sort illegal means some N.G.O are even becoming partners in companies so that they can destabilize the real partners.

Some of those actions are contradicting, but some people easily solve this problem by making use of theoretical solve WWF is against DDT in order to protect the American eagle, without thinking of the recrudescence of malaria in Africa that is as a result.

considering the reaction of the society said ELIECOHEN.

Their first reaction is to follow the common laws sometimes neglected by people they pre-moral conduct by putting in place a commented which means to make their policy succeed. The attitude of their NOG is not the same in all cases some of them are systematic, others accept a danger if we neglect their importance), said B. collomb, but they represent an opportunity if they are used as means of progress.

The environment investment is a quality investment and it is Lucnative.

Reactions from enterprises are not the same equally, since they don't have the same target while some are trying to assist the society, other are looking at ways to become rich in a limited period time. B Tramiet said (Green reach is radical, I am

complicates between these NGO and some groups of workers. The regular case with COGEMA is a typical example. The one with Britons farmers also.

**In this situation, what is the reaction of the enterprises?**

**LAFARGE** President mentioned this in expansion (enterprises have to manage their relations with clients, administrations, shareholders, but equally with the general public). They can no longer stay without

Examination and to give the go – ahead to reputable NGO.

Lafare and unlever are in partnership with WWF to preserve the nature.

Collaborations, or partnership with some NGO are possible. On certain matters. Others enterprises like triumph are rather playing the politics of employment against certain protest.

In fact, there are some situations one can not compromise. Some NGO are behaving as if they want some companies to collapse.

NGO have contributed more than ecologist parties, in making people to become aware of the environmental problems w. it is equally the case of some NGO, their right in some ignorant countries.

not seeing what can be the return with WWF. Partnership are expensive, they don't give us any value therefore our speaker is France nature environment) that is having a good numbers of local associations.

There are some enterprises that have accepted to co-operate with the NGO by having a good system of communication, for example, Peugeot has started a large comparing on plantation. In Amazony with the collaboration of a Brazilian – (III) – NGO.

Monsanto, particularly consulted, for works on the OGM, be equally organized a committee of technologists in charge of projects

This will produce a good democratic system.

Some NGO with a problematic representative system are have hands in politics this may result into destabilizing democracy.

Shake holders and workers, we can not stay without reacting to this positive development. But which might destabilized our enterprises le us learn to recognize and separate the good ideas from bad ones.

**P.S.:** Among the numerous articles recently published on NGO, particularly the

The problems that petroleum companies are having is that they are working in those destabilized countries, with enough mineral resources. Therefore, they are in difficult situations with NGO what they have to do is to see if they can co-operate.

To tackle the problem, NGO have to collaborate with some of the governments and multinationals. Others, having easily succeeded with the help of some media and the general public, are pressing on victims without regretting. In all enterprises, it is necessary to oppose power.

NGO can represent the medians. But, they have to avoid excel.

(L'ANAF, the letter from partners N:539;17 September 2001).

Terrorism – Catastrophe of New . York.

Total, annulment of the road shows.

On the 11<sup>th</sup> of September, in the morning time, Thierry Desmarest, chairman of Total Fina Elf, Left New York for Boston when the attacks were made: He is in the United States for road shows program, the previous day the was commenting the result of his group with the wall street analysts.

He decided to cancel the American shows because of the days spent in Boston.

The French petroleum group is having 13000 collaborators in the United States. But all

ones in courier international (No 555 – 21 / 27 June 2001). (Very strong NGO)

**ALAIM PERRODON**

**PRESS REVIEW**

### **TOTALFINAELEF**

The group is continuously gaining from the worldwide and favorable system (Dollars and exchanges always favorable).

But president Desmarest has insisted on the effort of the group, which represents 95% of the improvement.

Deeds of the group (31%) given to Synthelabo, contributed to increase the net profit. 2001 must equally be successfully like 2002 for the group share holders - << maintaining the title of 164 Euro, which was one of the rare to realize in a market like this and the environment may become less favorable.>>

serious problem in which the public sector is involved, just like the industries.

The township question is in the hands of the administration and authority.

The general Management put in place an investigating committee, to investigate and

even those in New York are save in the Tour Total. Televised images are emotionally followed by the teams and their American visitors.

A security Unit was set the following day, the group was trying to install peace, security measurements were reinforced.

Ten days after, Thierry Desmarest managed another major calamity on the industrial site: The Toulouse explosion AZF (Total Fina Elf group) that killed 30 persons and destroyed in side of the agglomeration. (J. M. / Expansion 21/09-10/10/2001)

Toulouse Calamity – the future of the Site.

This question was not supposed to come out yet. It will be necessary to first of all find out every thing about the installations

It is a It is necessary that the investigations take place with absolute objectivity. They will determine what are the causes of the explosion, and we will take necessary instruments in order to avoid a calamity like this.

The populations will be sure of the actions taken they will know the level of our activities and our security systems will be based along with the Riverain Associations.

He will propose to all French actors in the chemistry system to initiate together with

determine the causes of the accident in the Grande Paroisse of Toulouse. The investigation committee started working on the 22 September. It is about a long investigation; complex and difficult.

Specialists are going ahead with their tasks.

The actual state of things does not allow any conclusion for the moment. (La COM, 28 September, 2001).

Toulouse calamity – Our responsibility as industrialist (letter to workers of the group).

In that letter, the President Desmarest Well come the courage, serenity and professionalism of some teams of the group that continued taking heavy responsibilities in difficult situation. He expresses the position of the group, Reminding people that, chemistry is a dangerous profession and that, the risk is always there.

The responsibility of the industries is to understand what took place and causes of the explosion, to react and prepare the future and at the same time contribute in developing relationship between industry and town.

socials participants a security system in the industrial sector. (Words of Thierry Desmarest, President of Total Fina Elf, for Le Monde newspaper <<edition of 2<sup>nd</sup> of October 2001>>)

- The Minerals – Merger

Effects of the fusion are always noticeable at the end of the first semester.

Total Fina Elf offers to the investors, favorable advantages Thierry Desmarest is sure of the following years.

The amelioration of the result at the end of the semester, comes from internal factors, mostly in the division of refinery – Distribution. In the second semester, priced of minerals will not change.

But, the returns in the sector might rather progress (S. A. investing, 10/09/2001, No 1442) France may have more than 6 millions share holders.

(Solange MAULINI, EDWIGE Murget, Marie Jeanne Pasgnette, to invest . 10 September 2001, NO.: 1442).

The new wind of Salaried Savings:

The advantageous and excellent placement of Fiscality. The Saving Plan for Company will further concern workers through

According to the investigation made possible by La Banque de France and published by Echos on Monday 11<sup>th</sup> July, the number of share holders in France might have increase from 5.6 to 5.7 between 2000 and 2001.

The movement was amplified by the Development of trade on internet, this brought a reduction of prices in some transactions. Almost 40% of the share holders <<action>> are now buying through internet. (Le monde 12/07/2001).

Savings on Salaries, how can workers become partners: An occasion not to miss.

When creating PEI (international saving plan, the Fabine law of 19<sup>th</sup> February 2001 permits the small industries to come together, so that, their workers will have access in the workers saving system. Four enterprises are exploiting this idea with success : Linedata services think that, the Fabius Law could make them have 2 to 3 millions more workers to manage in the next three years.

Altedia has an increment of 50% in the sector, Natexis Banquets Popularizes, a branch BRED has accepted the idea and they are the lead in France and hey have a good experience of the market with 5000 small industries, 8,500 enterprises as clients.



the help of a reinforcement in dispositions installed by "the Fabius act". The four tools already available are: interest, participation, company saving plan (PEE), salaried shareholding. This last measure was created on the 27th of December, 1973 act instituting the share holders' plan (abrogated by the Fabius act) It allows share holders form their company with 20% tax relief compared to the average session of the last session of stock, if the securities are paid into PEE. Another advantage is the exoneration tax in the added value, in manner to conserve shares for at least five years.

Thierry de Beysac, the cabinet director of Hewet ,stresses that ,the salaried savings Vis a vis of the participation of financial systems" with this line of action, share holders are ready to share power with workers, not only interest. But for the moment share holding only exist in one third of the highly rated companies, where it only holds an average of 3% of the capital. (Serge FLORENTIN, Investment Magazine, Sept., 2001).

Salaried Savings: despite the stock crises, Laurent Fabius wants to be assured. The putting in place on the 19<sup>th</sup> of February the act of 2002, which refunds the salaried servings, intervenes at a troubled period.

⇒ Small salaried share holders fool shore holders (special document in investor No 1431 – 23 – 29/06/2001)

DAB Bank wants to offer access to a good support and wish to gain from the system.

On founds of the crises in the United States brings a new, incertitude, risking the slowing down of development in salaried savings and most importantly shareholding savings in companies.

Called upon to open the conference by "ECHOS" on the new salaried savings, the minister of Economic and finance promised that the aranllar with the details of reforming will be published on the 15<sup>th</sup> of October and he announced a campaign of communication to promote her law. (C. A. T. LES Echos 24 September 2001).

"Investor" lunches the first observation of shareholding. The objective is to contribute to the aeration ration of reports between company and shareholders. Road table on ideas and observations of five defenders of share holdings. Colette Neville of Advance and Chartal Cumunel of the observation, the lawyer Al..... Ceintean, Pierre Hery Leroy of Proxinvest and Fabrics Remon de Deminor. This round table helped in establishing a "Chatter of respect of the shareholder" in seven key points

(\* On this last point that censors us particularly, the deed stipulates.

- ⇒ Privilege individual note for salaried share holders to the collective note
- ⇒ Create the erection of an association for salaried share holders
- ⇒ Communicate the objectives of companies in matters of salaried share holding. Cc Reflection of AVAS)

Active individual share holders:

Individual active share holders give importance to the long term vision. The second edition of the yearly investigation carried out by the TLB cabinet, on the individual shareholders, shares that, the reversal situation of the stock market did not divert individual investors from the markets. Rather, the population of small share holders continued to receive to 6.1 million perom... being a level comparable to what it was is the movement of privatization's before the 1987 re.....

The TLB investigation was realized last June and July. In their great majority, individual share holders expressed the wish to co..... or increase their investment to favor in decree in price.

- ⇒ Allow the marketing laws play
- ⇒ Favour share holders' vote at the general assembly
- ⇒ Brocert a transparent financial information, accessible to all
- ⇒ Eliminate the manipulation of information
- ⇒ Regret the minorities law for equitable operators
- ⇒ Privilege the smooth pavement of companies

It is true that the TLB cabinet achieved this investigation at the beginning of summer, before the dramatic event of September 11. :It is not sure that the remits will be different from today" as estimated the TLB patron.

It is severely not worthy that individual share holders appreciate the efforts of engaged communication by Champagnes. (Philippe. Guillaume, La Echos 03/10/2001 - Le Figaro Economic 03/10/2001).

The repurchase of Shares

The high technology companies repurchase their depreciated shares.

To support their costs, about thirty Companies of high-tech lunched a program of repurchase of shares. A beautiful operation for them, a bad one for share holders.

Based on an analyses Ernst & young in the

Despite the character movement of titles at the stock market of a good number of big companies workers conserve their titles waiting for better days. As many companies as possible are multiplying their chains of security. The last date for example, are the two thirds of the salary of France Telecom invested like a man a lone, their hearty participation in the company's shares, in spite of a session less challenging. For many salaried share holding remains a use good deal as it is confirmed by a manager of Telecom, an opinion that seem to be shared, since 92% of the workers in France Telecom are share – holders of their company.

The shares of Allocated passed through difficult times since the beginning of the years under the line of 20 Euros after reaching 100 Euros in 2000. But then there was no withdrawal. The specialists of financial markets can not lose the consistency of workers. They believe in their company and see their interest in long term. When the session are on the decrease, nothing stops workers from selling their securities.

After all, their savings is often blocked for five years.

According to the federation of salaried share holders associations of France, 1.2 million

actual repurchases of technological companies shares are far from the initial spirit of this type of operation. Three years ago, companies that launched the repurchase of shares had a lot of cash that was refunding to share holders than investing in projects. Because, with the help of the repurchase of shares, companies were necessary anchoring their benefit per action and were displaying their prices.>> (Engue'rand RENAULT, La Echos Net 24 September 2001).

### Salaried Share Holding

The Yo-yo of the stock market do not terrify the share holders.

In France Telecom, they withhold 3.27% of capital, 5.3% at Credit Lyonnais, 3.7% at Adventist.

Workers can move fast up to the capital of their company subscribing through a voluntary payment at an offer of shares paid into them, through common placement funds of the Company (FC PE) or directly. They can also stake their participation and their interest in a savings plan of the company invested in savings house.

It can freely exercise their options of attribution of their rights of shares purchases and conserve the acquire securities. There is no question for

companies to question the plans of salaried shareholding or the distribution of stock options. "Politics of share holding is constructed in long term et not in an opportunities manner, let the share rise or falls" Affirms Gerard Gruet Masson. "There is not effect in the modality of salaried shareholding, by the judgement of Chartal Cumuel. Big companies today develop the same international reflection on the issues>> (Catherine Levi, Liaisons Social Magazine, September 2001).

Participation of Mr. J. A. Massie at the 7<sup>th</sup> annual conference of the International Corporate Governance Network in Tekyo U-14 107. Discussion with the president of Toyota and meeting with bankers and University students who are interested in the French type of salaried share holding, its development in Elf Aquitaine and the role of the association AVAS since 15 years.

Regular contacts with the management of the financial commission and the management commission of the Group.

Discussion with the management of the financial Group meeting of the CA of AVAS on the 25<sup>th</sup> June 2002.

Participation of AVAS in the GA of Sanofi Synthelabo on the 27 of May 2002

Discussion with Mr. Dehecq at the new head office of Sanofi. Several working – meetings in London at the ministry of finances with the person in charge of inland Revenue, so as to establish a judicial and fiscal frame work of plans for salaried share holders.

On Monday the 21 September after the announcement of the explosion of the AZF factory, mister MASSIE sent the following passage to the president of Grande Paroisse Company, mister PERRATZI:

Mister president and dean colleagues,

The executive of AVAS, Jean – Marie BIRME and I, sympathize with you, considering the pairs you all are under going in this terrible situation.

We address to the families of the victims our sincere condolences.

**SAVINGS PLAN FOR ELF AQUITAINE GROUP**

**SHARE – HOLDING PLAN**

Placement of Common Fond  
through salaries

Cash Value

For accounts shares acquired

21/05/2001 04/10/2001

Purchasing

Price in F in Euros

in Euro in Euro

(Equiv.TFE)

Aug. capital 1992

336.43 51.29

Elf-Actions TotalFina	176.17	151.96	Privatization 1994	308,00	46,95
Sanofi-Synthelabo	72.37	70.46	Aug. capital 1996	280.20	42.72
Diversified values	130.54	103.88	Aug. capital 1997	551.20	84.03
Obligations	105.43	108.99	Aug. capital 1999	606.76	92.50

Last partition of Elf share, November, 1999

## AVAS EXECUTIVE (2221)

J. A. Massie President, B. Butori and G. Renault Vice President, E. Liard General Secretary, J. M. Bierme' et D. Ruble see gen (Assistant), R. Benoit du – Rey Treasurer, Adusers B Bornette, Financial and Technical community, Y Bouger site web, L. Dubarry judicial and fiscal, J. Georger industrial strategiste, M. Gouble New principals of management, G Heit regional poles, A. Perrodon Editorial board, R. Rodgold, Relation officer fina / Bruxelles H. Magne' assistant to the president and the AVAS assembly.

## FEED BACK

Don't hesitate in consulting our web site, if it is possible to give us a feed back on your thoughts and to ask us questions on the subjects that border your mind.

Don't also hesitate in sending us an E-mail on the intranet, to inform us and raise subjects that seem to make topics in the next AVASCOPE. Finally think of creating strong membership among you.

The Editorial.

AVASCOPE NO. 36  
 3500 ex. Printed  
 on the 17/10/00  
 Reserved only to members and sympathizers.

## **REINFORCEMENT OF SALARIED SHARE HOLDING IN PERIOD OF CRISES AVAS**

Considers that in period of crises, it is

- On one hand, the very weak capitalization of stock market of some companies that become

necessary to reinforce salaried share holding, inform and remain faithful to it.

No one can deny the evidence: we are in a period of crises (of the editorial of Renault). It is not by undermining the Group's image that one will be aware that Total Fina Elf is confronted by double crises: in one hand the expected consequences of international companies in Crises, on the other hand changing the image of the Group after the disaster of Toulouse. This will call for a lot of talent and courage on the part of the members of the Group's commission. We expect that administrators will cooperate with our president, and will give some advice. The administrative council has to face its responsibilities, when strategic decisions will be taken, we shall satisfy them together, we shall close ranks.

Meanwhile justice shall follow its course.

International and economic crises, accelerated by the frightening tragedy of the world Trade Center where innocent civilians perished, already has grave consequences for European companies, for men and women working there.

We have already raised there issues in our presiding editorials, we will not come back to it. It is high time, the human took its primacy on economic and financial considerations. In addition to our conviction in that, the process of (merge – acquisitions) in Euro-land will speed – up by the conjunction of 2

targets.

- On the other hand the weak cost of lending, of which the interest rates have never been as low as this, encourage groups that are weakly indebted “to make their market” at the least price.
- Holders of small shares could loose confidence and some institutional share holders, investors on long and short terms could also reinforce their position at the detriment of shares. And Salaried share holders? They cannot move, their salaried savings are blocked (5 years); in a security perspective (obligations, diversified values). Meanwhile their confidence could be at stake, because, a worker or a retiree of TFE is a share holder of his Group, but also a share holder of other companies, or his family is. This worker is them subject to the pangs of holders of small shares.

He will not be appease by there comforting adages << As far as one has met solo, one have not lost>> or “It is tire to buy>> But with what money?

The incident of Touloure has come to stay with its search of victims, protests and cases are multiplying . . . against the Group Total Fina Elf. Everything is being added : << The ERIKA and



factors:

problem of the ERIKA was resolved in transparency and equity. But everything is becoming flustered, same as the image of the Group. These crises situation are not easy to manage, and the principles of Risk Management appear to be easy to apply for many, which were not expected. How can one control everything when the Company in systematically resorting to subcontract and to the externalization of vital functions for its security.

In an article published by Le Novel Economists (26/01/01, P. 16). We observe that the most precious good for a company was the confidence of its shareholders. Those who were smiling at the moment will hate to meditate today on this observation.

This is why AVAS considers that it is important to reinforce salaried share holdings. As Salaried share holders, we have a determine role to play during those double crises which threatens the development of an enduring Group.

Salaried share holding constitutes a stable and faithful share holding. It is a share holding of reference, around which individual or industrial share holding anticipates itself. It is by holding on to this faithfulness of this stable share holding that the president can build her strategy in period of crises like in period of expansion. Self control cannot play

Toulouse?, to build up an explosive mixture. We believe that the

Speculations like << hedges funds >> play a falling role before solidifying the company and favoring a “render” carpet in the shadow. But then salaried share holders remain stoics, like holders of optional stock. But the confidence of share holders does not impose itself, it is merited (Avascope n. 34).

It is now (or never) for TFE like for all the companies that adopted the principles of sustainability and corporate Governance, to accelerate the development of their salaried share holding, a determine factor for a sustainable development. It is time to invest in man so as to pass the crises and them renounce back. It is share holders who will give allow the company to resist to attacks and bourses back. It is share holders who guaranty its everlastingness.

The AVAS proposals are as follows:

- 3 Organize before the end of the year 2002, an increment in the reserved capital, accessible to all workers and retires, at conditions stipulated by the law. Think of local workers of branches (for example Nigeria), needless, putting up magic formulas “For the propose of leverage” which enriches the banks.

than role; it is a deception, we should not make mistake about it. While small share holders are tempted to liquidate their PEA and some industrial share holders also who are tempted to sale their shares to buy bonds, the Group repurchases her real shares to sustains the course.

- 1 Negotiate with management firms of our salaried savings, the possibility offered to share holders in a situation of lack of liquidity, to obtain a loan by giving security to their part of PEG. This system will function with inter savings. At a condition that interest rate be within the neighborhood of 4% and the costs reduced.
- 2 Create an internal communication with salaried savings, regular and open to there ones.

All there arrangements are on the elasticity of the DRHC, who teaming are functional, apt to fast realization, if the president and the CA of the Group shall oppose them. Since we don't have a representative at the CA, we are forced to come to a compromise with its members. Because compromise today, reinforces the weight and the role of salaried share holders by making them maintain their confidence by listening attentively to one voice and by

- 4 Lunch a free distribution operation (for example 1 share for 10), in view of the shares now blocked in the PEG; free shares would reinforce the PEG and would be blocked for 5 years.

an internal adapted voice. By so doing, be faithful to them by adopting waiting measures, which makes up for the present erosion of their savings and the incertitude of her valorization.

Faithfulness like confidence go hand in hand, they have a price. The mechanism which governs human being appear mostly after complex merger. Salaried share holders have to be reassured on the outcome of their savings, know their right, their duties as share holders. But they mostly need a little respect, to be listened to and be considered.

Let us not forget "for a merger to succeed, it is not for the share holders to decide it, it is necessary for workers to realize it". It has become the slogan of AVAS, your association that pursues her teaching action and which represents your interest, despite material difficulties.

**J. A. Massie**

AVAS President