

COLLECTIVE AGREEMENT



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Pursuant to Article 150 paragraph (3) of Labour Law ("Official Gazette of Montenegro" numbers 31/14 and 53/14), Executive Director of Crnogorski elektroprenosni sistem AD – Podgorica and Trade Union Organization of Crnogorski elektroprenosni sistem AD – Podgorica, conclude the following

COLLECTIVE AGREEMENT OF CRNOGORSKI ELEKTROPRENOSNI SISTEM AD – PODGORICA

I BASIC PROVISIONS

Article 1

- (1) The Collective Agreement of Crnogorski elektroprenosni sistem AD – Podgorica (hereinafter: Collective Agreement) shall govern the rights, obligations and responsibilities of the Employees and Crnogorski elektroprenosni sistem AD – Podgorica (hereinafter: Employer) stemming from labour relations, manner and procedure of exercise thereof, and address other matters of importance for mutual relations of the parties to the Collective Agreement.

II EMPLOYMENT RELATIONSHIP

2.1. Conditions for entering into an employment relationship

Article 2

- (1) An employment relationship may be entered into by an individual fulfilling general conditions envisaged by this Law, as well as specific conditions envisaged by this Law, other regulations and the employer's systematization act.

2.2. Labour contract

Article 3

- (1) Employment relationship is established by labour contract.
- (2) Labour contract regulates rights, obligations and responsibilities of employees and the Employer in accordance with the Law, the Collective Agreement and general enactments of the Employer.
- (3) Amendments the agreed working conditions are performed by conclusion of an Annex to Labour Contract based on the offer for conclusion of Annex to the Labour Contract.

2.3. Referral to work for another employer

Article 4

(1) Apart from the cases stipulated by the Law, an employee may, with the consent thereof, based on the agreement of the employer, be temporarily referred to work for another employer, to an adequate job, for longer than one year, for the period of duration of the reasons for the referral thereof, and to another place of work in accordance with the Labour Law, and in following cases:

- 1) if it is in the Employer's interest that the employee during his/her work for another employer gain new skills and experience;
- 2) work on a specific project for the needs of the Employer

(2) Labour contract with another employer shall not grant lower rights from those previously granted.

2.4. Precedent Working Ability Testing

Article 5

(1) Precedent working ability testing for those positions shall be performed for which it is defined under systematisation act as a special condition for employment.

(2) Precedent working ability testing of candidates is carried out through interviews, tests, practical tests of knowledge and skills or a combination of these methods.

(3) Prior testing referred to in paragraph (1) of this Article shall be performed by the commission established by the Executive Director, composed of persons who have at least the same degree of qualification and at least the same profession as the person whose skills are tested.

(4) The Commission referred to in paragraph (3) of this Article shall check the working ability of candidates in a most suitable manner for objectively determining the working ability of the candidates and their views in writing. Submit to the Executive Director within the timeframe established by the decision on the establishment thereof.

2.5. Probation period

Article 6

- (1) Probation period, as a special condition for employment is defined by the Employer's systematization act and shall not exceed six months.

Article 7

- (1) During the probation period, the performance and professional skills of the probationary Employees shall be monitored and assessed by their immediate superiors.
- (2) The immediate superior shall report to the director in writing on the professional and working abilities of the employee on probation who based on the presented results decides on further status of the probationary employee.
- (3) The employment of the employee who fails to satisfy the requirements of the job during probation period shall end as of the date of expiry of the deadline stipulated by the Labour Contract.

2.6. Trainees***Article 8***

- (1) The employer may conclude with first -time employee as a trainee Labour Contract on fixed-term basis for the positions requiring certain qualification degree and type of profession.

Article 9

- (1) Traineeship shall last :
 - 9 months for the positions that require university degree.
 - 6 months for the positions that require secondary education.

Article 10

- (1) The method of professional training, the modality of taking the professional examination and composition of the examination commission is determined in the decision of the Executive Director
- (2) Members of the Commission under paragraph (1) shall have at least the same level of qualification, and at least one same profession as the trainee who takes the exam.

2.7. Types of labour contracts***Article 11***

- (1) Depending on the need, the employer may conclude other types of labour contracts in compliance with the law.

III EDUCATIONAL VOCATIONAL AND ADVANCED TRAINING

Article 12

- (1) The Employer shall provide the employee with the possibility to undergo education, vocational and advanced training when so required by the needs of the work process due to introduction of the new manner or organization of the work especially when it comes to implementation and applying new methods in work organization and technology.
- (2) The Employer by its general Act governs the manner and procedure of exercising the rights of employees referred to in paragraph (1) of this Article.
- (3) Cost of vocational training that is requested by the Employer is born by Employer.

IV WORKING HOURS

4.1. Work schedules

Article 13

- (1) Regular working hours begin at 7.00 a.m. and ends at 15.00 p.m.

Article 14

- (1) Work schedule can be differently defined, when required by the nature of work and the needs of the Employer.

4.2. Extended Working Hours – Overtime

Article 15

- (1) Apart from cases determined by the law an employee shall work extended working hours (overtime) also for the following needs:
 - completion of already started job duration of which was not possible to predict in order to avoid significant material damage to the Employer or other entities if interrupted
 - if works are performed on the field in single full –time working hours, without being able to provide the necessary replacement staff,
 - in the case of works that must be completed within the deadlines that cannot be met in regular working hours

- to replace an Employee on unplanned absence in order to prevent disturbance of work process;

Article 16

- (1) The decision on the work schedule, rescheduling, extended working hours, shift work, home standby shall be enacted by the Executive Director or by him/her authorized employee.
- (2) The procedure and manner of introduction, recording and calculating overtime, home standby and shift work shall be regulated by instructions, issued by the Executive Director.
- (3) The Instructions referred to in paragraph (2) of this Article shall be adopted not later than 60 from the day of conclusion of the Collective.

V VOCATIONS AND LEAVE

5.1. Recess (breaks)

Article 17

- (1) An employee is entitled to a day break, daily and weekly recess and annual leave in accordance with the law.

5.1.1. Annual leave

Article 18

- (1) The extent of an annual leave shall be defined by adding days to the legal minimum of 20 days based on:
 - 1) Contribution to work:
 - For average performance – one working day and
 - For work results beyond average performance – two working days.
 - 2) Job expertise and complexity:
 - For Company's body and management members – seven working days,
 - For employees having VII 1 and VI education level – six working days,
 - For employees having V and IV2 education level – five working days,
 - For employees having IV 1 and III education level – four working days,
 - For employees having I/1, I/2 and II education level – three working days.
 - 3) Special working conditions:
 - For $K_2 = 1,05 - 1,15$ – two working days,
 - for $K_2 = 1,15 - 1,25$ – four working days and
 - for $K_2 = \text{over } 1,25$ – six working days.

4) Length of service:

- from 5 to 15 years - one working day
- from 15 to 25 years - two working days,
- from 25 to 35 years - three working days and
- over 35 years - five working days.

5) Health condition of an employee:

- Disabled worker- three working days and
- Employee with mentally and physically handicapped children - three working days.
- Single parent with children under the age of 15-two working days

Article 19

- (1) The time of use of the annual leave is set under the Annual Leave Schedule issued by the Executive Director on a proposal from the head of organizational units.
- (2) The schedule and length of annual leave may be varied depending on the needs of the work process, no later than five working days prior to the commencement of the use of annual leave.

5.2. Absence from work***5.2.1. Paid leave******Article 20***

- (1) An employee is entitled to absence from work with wage compensation (paid leave) up to 7 working days during a calendar year in case of:
 1. matrimony- five working days,
 2. matrimony of their children or adoptee -one working day;
 3. birth by employee's wife- three working days,
 4. moving -two working days;
 5. care of child with physical and mental disabilities -three working days,
 6. death in the extended family to the third degree of consanguinity-one working day,
 7. death of a spouse's parent-one working day;
 8. serious illness in the immediate family-seven working days,
 9. protection from and removal of consequences of natural disasters in the household- three working days,
 10. participation in industrial production competitions - two working days

11. voluntary blood donation—one working day,
 12. tissue and organ donation – three working days.
- (2) In addition to the absence referred to in paragraph (1) of this Article an employee is entitled to paid leave up to seven working days in case of death in the immediate family.
 - (3) Immediate family member within the meaning of paragraph (2) of this Article are a spouse, children, (children born in and out of wedlock, adopted and step-children), brothers, sisters, parents, adoptive parents and guardians.
 - (4) The employee shall submit evidence of the reason for his/her absence, unless the reason is generally known.
 - (5) Decision on granting paid leave shall be issued by the Executive Director at the request of an Employee.

Article 21

- (1) An employee is entitled to paid leave for the purposes of education, professional and advanced training programs designated by the Employer, as follows:
 - 1) taking exams with the higher education institution – two working days per exam;
 - 2) taking of the professional exam for acquiring the professional title – two working days per exam;
 - 3) bar exam – 15 working days;
 - 4) taking of exams on specialized and postgraduate studies – four days per exam;
 - 5) defence of the thesis – ten working days;
 - 6) defence of the doctoral dissertation – 15 working days;
 - 7) other forms of professional and advanced training for the period which is defined in the professional training contract.
 - 8) the employee may use the right to leave under paragraph (1) of this Article only for taking exams for the first time.

5.2.2. Unpaid leave

Article 22

- (1) Assuming that the work process is not affected thereby, the Employer may grant unpaid leave to employee up to the following maximum of 30 days during a single calendar year, in the following cases:
 - 1) looking after a sick member of the immediate family,
 - 2) treatment paid by Employee

- 3) education, professional and advanced training programs outside the scope of the Employer's interest;
 - 4) works related to construction of their own individual housing unit;
 - 5) participation in cultural, sports or other public events.
- (2) For cases of leave from paragraph (1) items 1) and 2) herein, the employee may be granted unpaid leave longer than 30 working days.
- (3) The employee shall submit evidence of the reason for the requested leave.
- (4) Decision on employee's request for unpaid leave shall be issued by the Executive Director.

VI EARNINGS

6.1. Earnings

Article 23

- (1) Earnings shall include the following:
1. start-up earnings
 2. earnings for the work performed and the time spent at work (hereinafter: base earnings),
 3. incremented earnings
 4. performance based earnings
 5. earnings compensation
- augmented
- (2) Earnings are paid once a month by the 15th of each month for the previous month.

Article 24

- (1) Employee earnings are calculated using the formula:

$$Z = Sdz + Ovk \times K1 \times K2 \times K3 \times Kou$$

where:

- Z – earnings (earnings compensation) of an employee ,
- Sdz – start-up earnings,
- Ovk – calculated value of coefficient for the average of 176 hours,
- K1 – coefficient of expertise and complexity of work,
- K2 – coefficient of special working conditions
- K3 – accumulated years coefficient,
- Kou – performance coefficient.

6.1.1. Base earnings**Article 25**

- (1) The base earnings of an employee is obtained by multiplying the coefficient benchmark determined by the collective agreement for full-time and average performance and coefficient of expertise and complexity of work – K1.

Article 26

- (1) The start-up earnings is part of the earnings paid to employees based on the allowance for meals at work and 12.1 vocation allowance.
- (2) The start-up earnings is not included in the base for calculation of augmented earnings.
- (3) The start-up earnings in the part related to a meal in the gross amount, for a full-time engagement shall be determined on a monthly basis in the amount of 50% of the coefficient benchmark as defined in the Collective Agreement.
- (4) The start-up earnings in the part referring to the 1/12 vocation allowance in the gross amount, shall be determined on a monthly basis in the amount of 25% of the coefficient benchmark as defined in the Collective Agreement.

Article 27

- (1) The coefficient benchmark cannot be lower than 103 euros.
- (2) The coefficient benchmark is the basis for determining the lowest hourly wage for an average of 176 hours per month.
- (3) The coefficient benchmark referred to in paragraph (1) of this Article, the parties are determined at least once a year, based on:
 - (1) realized and planned financial and operating results,
 - (2) achieved level of earnings and their relation to earnings with other employers in the same business field,
 - (3) the rising cost of living and
 - (4) share of earnings in operating expenses.

Article 28

- (1) Coefficients of expertise and complexity K – 1 shall be established by the act on systematization of the Employer for all jobs within the following values:

Level of education or professional qualification	Description of level of education	Minimum number of credits	Minimum coefficient of expertise and complexity (K1)	Maximum coefficient of expertise and complexity (K1)
I/1 level	Does not require qualification level	0	1.80	2.09
I/2 level	Requires qualification level acquired through primary education	0	2.10	2.44
II level	Requires qualification level acquired through lower vocational education	120 ECVIT	2.50	2.90
III level	Requires qualification level acquired through 3 –year secondary vocational education	180 ECVIT	3.20	3.90
IV level	Requires qualification level acquired through 4 –year secondary vocational education	240 ECVIT	3.70	4.55
IV/2 level	Requires qualification level acquired through Master Craftsman’s Exam	180+60 ECVIT	4.10	4.76
V level	Requires qualification level acquired through post–secondary vocational education	120 ECTS or 240+120 ECVET	5.10	5.92
VI level	Requires higher education qualification–Bachelor degree (3– year study programme)	180 ECTS	5.51	6.10
VII/1	Requires higher education qualification obtained through completion of four or more year–study programme	240 ECTS	6.10	7.20

Article 29

- (1) The Employer may agree the amount of salary with an employee whose work is of special importance for the Employer, in accordance with the Law.

6.1.2. Augmentation of earnings**Article 30**

- (1) Base earnings shall increase for work in special working conditions.
- (2) Jobs with elements of the special working conditions are determined by the Employer's Systematization Act.
- (3) Elements of special working conditions are expressed by coefficient – K_2 :

Elements of special working conditions	Coefficient of special working conditions K_2		
	low	medium	high
The influence of the environment (air, noise, vibration, radiation, moisture, dust, harmful gases and the like)	1.030	1.090	1.150
Psychophysical load (load of the senses, and the physical effort)	1.025	1.045	1.065
danger to health and life in the workplace (risk of tools and objects of labour, means of transport, waste, hot objects, corrosive substances, explosions, proximity to electricity and working at height)	1.030	1.090	1.150

- (4) The level of individual impact is determined in proportion to the time spent at work under the influence of special working conditions:
- 30% of the time – low level,
 - from 30% to 60% of the time – medium level and
 - over 60% of the time – high level.

Article 31

(2) Earnings are increased for each commenced year of employment by the coefficient of years of service – K3 as follows:

- up to 10 years of service 0,50%,
- 10 to 20 year of service 0,75% and
- over 20 years of service 1,00%,

except for employees whose earnings are determined in accordance with Article 29.

Article 32

(1) Hourly wage is increased for:

1. work in night shifts (from 22h to 06h of the following day) 40%
2. work during the state and religious holidays 150%
3. overtime work 40%
4. for each hour of home stand-by during non-working day 20%

(2) For each hour of home stand -by in the working days, working hours shall be rearranged in the free hours in the amount of 10% of realized standby working hours.

6.1.3. EARNINGS BASED ON PERFORMANCE**Article 33**

- (1) Actual performance of an employee – actual performance coefficient – APC is expressed by the criteria and benchmarks for evaluating the achieved performance.
- (2) Based on the resulting lower or higher performance employee may be increased or reduced his/ her earnings by 20%.

Article 34

- (1) The employer shall, within 30 days of the conclusion of this Collective Agreement update the existing criteria and benchmarks for evaluating actual performance of employees.

Article 35

- (1) An employee who has achieved outstanding results in the calendar year and thus contributed to the business success of the Employer, may be paid an annual award for contribution to work, on the reasoned proposal of the

immediate supervisor.

- (2) The decision on the payment and the amount of award referred to in paragraph (1) shall be made by the Executive Director in accordance with the Company's financial possibilities.

Article 36

- (1) The Employer can incentivise organizational parts to 5% of the funds planned for gross earnings, if they deliver results above planned, based on the following parameters:

- 1) achieved operational readiness of the EES;
- 2) reduced network losses and
- 3) reduced operating costs and internal economy.

- (2) The right to incentive and the amount of incentive Employer will be determined quarterly by the Employer.

6.1.4. Trainee salary

Article 37

- (1) Trainee salary shall be 80% of the lowest coefficient of expertise and complexity within the group activities requiring professional qualification level of the trainee.

6.1.5. Earnings compensation

Article 38

- (1) Employees are entitled to earnings compensation of 100% of their hourly wage during absence from work in the following cases:
 - 1) state and religious holidays,
 - 2) use of annual vacations,
 - 3) use of paid leave,
 - 4) responding to the summons of state and judicial bodies,
 - 6) refusal to work when the prescribed health and safety measures are not implemented,
 - 7) during notice period in which the employee is exempt from work obligation,
 - 8) temporary disability caused by an occupational disease or an injury sustained at work
 - 9) during pregnancy maintenance,

- 10) if an employee has been isolated as a carrier during isolation period;
 - 11) during inability to work due to donating blood, tissues and organs, and
 - (12) to a blind and handicapped employee during inability to work.
 - 12)za vrije
- (2) Employees who work in shifts are not entitled to earnings compensation referred to in paragraph (1) item1).

Article 39

- (1) Employee during temporary inability to work due to illness is entitled to compensation of earnings as follows:
- for the first 10 days 80% of the compensation base,
 - for 10 – 60 days 90% of the compensation base.

VII OTHER ALLOWANCES

7.1. Vocation allowance, winter bonus, severance pay and jubilee awards

Article 40

- (1) Employer shall pay out vocations allowance to employees in the amount of three calculated value of the coefficient established by this Collective Agreement through an appropriate start-up salary part

Article 41

- (1) Employer shall pay out winter bonus to employees in the amount of three calculated values of the coefficient established by this collective agreement in the month preceding the month in which payment is made.
- (2) The right to winter bonus referred to in paragraph 1 of this Article is exercised by employees who was at least six months employed with the employer in the respective calendar year and that on the day of issuance of the decision on payment of winter bonus was employed with the same.

Article 42

- (1) Employer shall pay out to employee a severance pay upon retirement in the amount of six average wages of the employee, or six average wages with the Employer if this is more favourable to the employee.
- (2) Basis for calculation of severance pay in paragraph (1) above is the wage of an employee, i.e. the average wage with the Employer, earned during the six months preceding the month in which payment is made.

- (3) The severance pay under paragraph (1) of this Article shall be paid out on the retirement day.

Article 43

- (1) Jubilee awards shall be paid out to employee for 10, 20, 30 and 40 years of service with the employer as follows:
- 1) for 10 years of service– 2 calculated values of the coefficient t,
 - 2) for 20 years of service – 4 calculated values of the coefficient,
 - 3) for 30 years of service – 6 calculated values of the coefficient,
 - 4) for 40 years of service – 8 calculated values of the coefficient.
- (2) A basis for payment of jubilee awards under paragraph (1) of this Article shall be a benchmark coefficient established by the Collective Agreement in the month preceding the month in which payment is made.
- (3) The years of service with the Employer within the meaning of paragraph (1) of this article shall include the years of employment with Elektroprivreda Crne Gore up to the date of the Employer's separation from EPCG.

Article 44

- (1) The employer may on its Jubilee day, in cooperation with trade unions, reward an employee for a special engagement and specific results of the work in the amount of one average wage in the Company in the month preceding the month in which payment is made.

7.2. Compensation of increased costs

7.2.1. Compensation of food and transport costs

Article 45

- (1) Employee shall be disbursed a monthly compensation for food during work (hot meal) in the amount of 50% of the calculated value of coefficient determined by this Collective Agreement through the start-up earnings.

Article 46

- (1) Employee shall be disbursed costs of transport to work and from work in the amount of ticket prices in public local transport by the 10th of the month for current month.
- (2) Compensation of costs of transport to work and from work, in the amount of ticket price in public intercity transport, have the employees:

- who established an employment with pre-determined right by the employment contract for compensation of these costs;
- who, due to needs of the Employer, are temporarily allocated for performing activities to another job, and the Employer did not organise transport of employees.

7.2.2. Daily allowances and costs of business trip

Article 47

- (2) During a business trip in the country, employee shall receive a daily allowance in the amount of 23% of the calculated value of coefficient determined by this Collective Agreement, as well as travel costs and overnight stay costs, according to enclosed invoices.
- (2) During a business trip abroad, employee shall receive a daily allowance in the amount determined by the competent state authority.
- (3) Employee sent by the Employer to professional training shall receive the amount of 50% of daily allowance from items (1) or (2) herein.
- (4) Employee shall receive compensation of costs in the amount of 25% of the price of one litre of gasoline per passed kilometre if he/she uses, as approved by the Employer, his/her own car for needs of the Employer.

Article 48

- (1) During the time spent on a business trip, employee shall receive:
 - the full amount of daily allowance for each 24h, i.e., for the rest of the time over 12 and up to 24h,
 - half of the daily allowance for the time over 8h, and up to 12h.
- (2) For days when he/she is on business trip with the right to daily allowance, employee does not have the right to compensation for food during work and transport costs.

7.2.3. Compensation for work in the field

Article 49

- (1) During work outside the head office of the Employer, employee shall receive a field allowance if he/she stays in the field continuously longer than 72 hours, namely:
 - 1) if accommodation and food is not organised in the field, 30% of the calculated value of coefficient determined by this Collective Agreement on daily basis,
 - 2) if only accommodation is provided, 20% of the calculated value of coefficient

determined by this Collective Agreement, and

- 3) if accommodation and food are provided, 5% of the calculated value of coefficient determined by this Collective Agreement.
- (2) Employee has the right to compensation of travel costs for visit to the field and return after the work is done, as well as for coming to work during days of weekly break in the place of residence.
- (3) Field work in terms of paragraph 1 herein is introduced by a special decision of the Employer. Decision from paragraph 3 herein is adopted and submitted to employee before sending him to field work. Exceptionally, due to the nature of work or urgency and other unforeseen circumstances that may occur in the work process, the decision from paragraph 3 herein may be adopted also by verbal order of the competent authority of the Employer, provided that it confirms it in writing within 48 hours.

Article 50

- (1) Daily allowance and field allowance mutually exclude each other.

7.3. Aid

Article 51

- (1) The Employer shall disburse aid to employee, i.e. his/her close family, in the following cases:
 - 1) longer or serious illness, health rehabilitation of employee or member of his/her close family in the amount of 20 calculated values of coefficient,
 - 2) purchase of medicines and treatment of employee or member of its close family up to the amount of expense for such purpose, i.e. up to 40 calculated values of coefficient,
 - 3) removal of consequences of natural disasters in the amount of 40 calculated values of coefficient,
 - 4) death of employee in the amount of 30 calculated values of coefficient and funeral costs according to submitted invoices,
 - 5) death of close family member 20 calculated values of coefficient.
- (2) Calculated value of coefficient from paragraph (1) herein is the calculated value of coefficient determined by this Collective Agreement in the month preceding the month in which the disbursement is performed.
- (3) Member of close family in terms of paragraph (1) herein are considered spouse and children born in marriage, outside marriage, adopted and foster children.

Article 52

- (1) Decision on exercising right of employee, i.e. member of its close family, to aid from Article 51 of this Collective Agreement is adopted by the Executive Director based on criteria for awarding aid to employees.
- (2) The Parties shall determine criteria for awarding aid to employees within 30 days from the day of conclusion of this Collective Agreement.

7.4. Awarding scholarships to scholars and students***Article 53***

- (1) In case of death of employee occurred due to injury at work or occupational disease, the Employer shall award scholarship to one of its children on regular education.
- (2) Amount of scholarship from paragraph 1 herein is determined for:
 - eight-year education in the amount of 80% of calculated value of coefficient,
 - secondary education in the amount of 120% of calculated value of coefficient,
 - higher or university degree in the amount of 160% of calculated value of coefficient

determined by this Collective Agreement.

- (3) Rights and obligations of scholarship beneficiary are regulated more closely by the scholarship contract.

VIII SOLVING HOUSING NEEDS OF EMPLOYEES***Article 54***

- (1) The Employer undertakes, on a monthly basis when paying salaries, to earmark on a separate account funds in the amount of 5% for solving housing needs of employees.
- (2) The basis for calculation of funds from paragraph (1) herein is the mass (gross salary) of funds disbursed for salaries of employees in the accounting month.
- (3) The Employer may provide funds for solving housing needs of employees also from other sources.
- (4) The procedure for allocation of funds from paragraph (1) herein is regulated more closely by the Rules for solving housing needs of employees.

IX RESPONSIBILITY OF EMPLOYEES FOR VIOLATIONS OF DUTIES AT WORK***Article 55***

- (1) Employees which at work do not comply with obligations prescribed by the Law, this Collective Agreement and labour contract, or do not act in accordance with decisions and instructions of the Employer, shall be responsible for violations of duties at work.

9.1. Measures for violations of duties at work***Article 56***

- (1) For violations of duties at work, one of the following measures can be pronounced against an employee:
- 1) pecuniary fine,
 - 2) employment termination.
- (2) Pecuniary fine can be pronounced for less serious violations of duties at work.
- (3) Employment termination can be pronounced for serious violation of duties at work.

9.1.1. Less serious violations of duties at work***Article 57***

- (1) Less serious violations of duties at work are the following:
- 1) noncompliance with working hours,
 - 2) unjustified omission of employee to inform, within three days from the moment when it occurred the inability to work, the Employer thereof,
 - 3) unjustified absence from work two days during the month,
 - 4) providing false data which have an impact on decision making by the competent authority of the Employer,
 - 5) untimely performance of work if consequences are of less importance,
 - 6) unauthorised issuance of work orders without serious consequences,
 - 7) unjustified refusal to cooperate with other employees without severe consequences,
 - 8) failure to give notification of a serious violation of duty at work, i.e. bigger damage made or caused by another employee,
 - 9) unprofessional attitude toward parties, co-workers and other employees,
 - 10) performing private activities at work during the working hours without serious consequences for the Employer,

- 11) untimely notification of failures on working assets that did not have serious consequences,
 - 12) untimely submission of data and documents upon request of the competent authority of the Employer and state authorities,
 - 13) improper and conscienceless keeping of official documents that do not have confidentiality character.
- (2) A pecuniary fine may be pronounced in the amount up to 20% of the advance payment of the monthly salary of employee, for a period up to 3 months.
- (3) As a basis for setting the amount of pecuniary fine, it is taken the employee's salary realised in the month in which the decision on imposition of measure was adopted.

9.1.2. Serious violations of duties at work

Article 58

- (1) Serious violations of duties at work are the following:
- 1) untimely, conscienceless and negligent performance of duties;
 - 2) unjustified absence from work from two to five days during the month,
 - 3) failure to achieve envisaged work results for unjustified reasons during three months,
 - 3) breach of regulations on protection from fire, explosion, adverse effect of toxic and other dangerous substances, regulations on environmental preservation,
 - 4) noncompliance with prescribed measures of safety at work,
 - 5) abuse of official position and/or overstepping authority,
 - 6) disclosure of business secret of the Employer,
 - 7) obstruction of one or more employees in the work process, thereby significantly aggravating work performance,
 - 8) causing disorders and participating in brawls in premises of the Employer or in the field,
 - 9) if employee came to work under influence of alcohol or other narcotics, or he brought the same in order to consume them in the workplace and during working hours,
 - 10) if employee refuses to undergo a corresponding test in order to check the presence of alcohol and other narcotics;
 - 11) unauthorised use and appropriation of assets and materials of the Employer, as well as hiring an employ during work in order to perform

- private activities for third persons,
- 12) taking gifts, bribe or obtaining other greater benefit related to work,
- 13) preventing employee to perform insight in deeds and documents needed for exercising his rights based on work,
- 14) preventing and/or disturbing executions of orders by the Employer,
- 15) illegal moving in an apartment of the Employer,
- 16) psychological abuse or humiliation of another employee in order to endanger his/her reputation, personal dignity and integrity (mobbing)
- 17) committing a felony at work and related to work, and
- 18) other violations of duties at work resulting in tort or other responsibility of the Employer or responsible persons of the Employer.

9.2. Disciplinary procedure

9.2.1. Initiating a disciplinary procedure

Article 59

- (1) The Executive Director (hereinafter referred to as: Disciplinary Authority) shall initiate a disciplinary procedure based on the request for initiating a The disciplinary procedure, which can be submitted by any employee.
- (2) The Executive Director may transfer the authorisation from paragraph (1) herein to other employees.

Article 60

- (1) Disciplinary procedure is initiated by a decision of the Disciplinary Authority.
- (2) The Disciplinary Authority shall adopt a decision on initiating a disciplinary procedure within 8 days from the day of submission of request for initiating a disciplinary procedure.
- (3) The Disciplinary Authority is obliged to allow participation of the representative of the trade union in the procedure for establishing the responsibility of employee.
- (4) The decision on initiating a disciplinary procedure shall contain: personal name of employee, name of the job to which he/she is allocated, description and time of violation of work duty, and evidence that indicate the violation of duty at work.
- (5) The decision from paragraph (1) herein shall be submitted to the employee against which it is initiated a disciplinary procedure, submitter of request and representative of the trade union, within 15 days from the day of submission of request, i.e. from the day of discovery that a violation of duty at work has been

committed.

9.2.2. Conducting a disciplinary procedure

Article 61

- (1) Disciplinary procedure is urgent.
- (2) The Disciplinary Authority shall submit an invitation for hearing to the submitter of request, witnesses (if any), and the representative of the trade union, no later than eight days before scheduling a hearing.

Article 62

- (1) Upon his/her request, the employee in the disciplinary procedure may be represented by the representative of the trade union.
- (2) The employee has the right to hire an attorney.

Article 63

- (1) The employee must be heard in front of the Disciplinary Authority.
- (2) If the employee against which it is initiated a disciplinary procedure, which was regularly invited, does not respond to the invitation, and does not justify the reason for absence, the hearing can be held also without his/her presence.

Article 64

- (1) Minutes shall be kept on the course of the disciplinary procedure, in which are inserted information on the Disciplinary Authority, time and place of the hearing, participants in the hearing with information on the employee against which the disciplinary procedure is conducted, content of the request for initiating a procedure, statements of the employee, representative of the trade union and other derived evidence, which is signed by the Disciplinary Authority, the employee against which the procedure is conducted and the keeper of the minutes.

9.2.3. Issuance of disciplinary measure

Article 65

- (1) After the conducted procedure, the Disciplinary Authority shall pronounce the employee responsible and issue a disciplinary measure, or shall absolve him/her of responsibility, i.e. suspend the disciplinary procedure, with a rationale and instruction for legal remedy.
- (2) When pronouncing the disciplinary measure, it is taken into consideration the

seriousness of the violation and its consequences, level of responsibility of the employee, his/her previous work and work behaviour, and other circumstances that may impact on the type and level of measure.

- (3) The Disciplinary Authority is obliged to submit the decision to the submitter of request, employee and representative of the trade union, no later than eight days from adoption of decision from paragraph 1 herein.

Article 66

- (1) The Disciplinary Procedure shall be suspended if:

- 1) the procedure is time-barred;
- 2) if the employment contract between the Employer and employee is terminated;
- 3) the violation for which the employee is charged does not represent a violation of duty at work;
- 4) there are circumstance that exclude the disciplinary responsibility;
- 5) there are no evidence that the employee committed a violation for which he is accused of;
- 6) the submitter of request abandoned the request;
- 7) a final decision has been already made with reference to the violation of the duty at work itself.

- (2) Statute of limitations of disciplinary procedure:

- 1) Initiating a procedure for determining violations of duties at work becomes time-barred within three months from the day of knowledge of such violations and the offender.
- 2) If violation of work at duty contains elements of criminal offence, initiating a procedure becomes time-barred after the expiry of six months from the day of discovery of such violation and the offender, i.e. after the expiry of the statute of limitations period for such criminal offence.
- 3) Conducting a procedure for determining violation of duties at work becomes time-barred after the expiry of three months from the day of initiating a procedure for determining work obligation.

Article 67

- (1) Decision of the Disciplinary Authority from Article 65 paragraph (1) herein is final.

X TERMINATION OF EMPLOYMENT

10.1. Notice period

Article 68

- (1) In case of termination of employment contract by the employee, the employee is obliged to stay at work 30 days from the day of submission of the decision on termination of employment contract, in case termination by the employee may cause disturbances in the work process of the Employer.

Article 69

- (2) In case of termination of employment contract by the Employer, the employee has the right to stay at work 30 days from the day of submission of the decision on termination of employment contract, i.e. 15 days of the contract was terminated due to reasons in favour of the employee.

Article 70

- (3) During the notice period, the employee has the right to be absent from work five hours per week in order to seek a new employment.

XI TERMINATION OF NEED FOR WORK OF EMPLOYEES

11.1. Severance pay

Article 71

- (1) The Employer is obliged to disburse a severance pay, in the amount of minimum 24 salaries, to the employee whose work is no longer needed, and who was not ensured any of the rights envisaged by the Law.
- (2) The Employer is obliged to disburse to the employee with disability whose work is no longer needed, and who was not ensured any of the rights envisaged by the Law, the following severance pay:
- 1) minimum in the amount of 32 salaries, if the disability was caused by an injury at work or disease,
 - 2) minimum in the amount of 36 salaries, if the disability was caused by an injury at work or occupational disease.
- (3) Salary in terms of paragraphs (1) and (2) herein is considered the average salary of the employee, i.e. with the Employer, if this is more favourable for the employee in the month preceding the month in which the employment contract of the employee is terminated.

Article 72

- (1) The employee which fulfils one of the requirements for exercising the right to age retirement, and it does not have to use such right by force of law, is incentivised to an earlier retirement by paying a compensation in the amount of 3 (three) salaries for each year of early retirement, the longest up to 5 (five) years, with the right to a severance pay from Article 42 herein.
- (2) Salary in terms of paragraph (1) herein is considered the average salary of the employee, i.e. with the Employer, if this is more favourable for the employee in the month preceding the month in which the payment is effected.

XII OCCUPATIONAL SAFETY OF EMPLOYEES***12.1. General occupational safety******Article 73***

- (1) The Employer is obliged to provide and implement prescribed occupational safety measures in order to protect life and health of employees, as well as the work environment, in accordance with the Law and general acts of the Employer.
- (2) The Employer is obliged to apply and abide by the prescribed occupational safety measures at work.

12.2. Safety of women, employees under 18 and employees with disability***Article 74***

- (1) Employees under 18, employed women and employed disabilities, as special categories of employees, exercise the right to special safety in accordance with the Law.

XIII PROTECTION OF EMPLOYEES' RIGHTS***13.1. Protection with the Employer******Article 75***

- (1) The Executive Director shall decide on rights and obligations of employees arising from the employment, i.e. the employee which he/she authorises.

Article 76

- (1) The employee which considers that some right arising from the employment has been violated may submit a request to allow him exercising this right.
- (2) The Executive Director is obliged to decide upon employee's request within 15 days from the day of submission of request.

- (3) The decision from paragraph (2) herein is final and it is submitted to the employee in written form, with a rationale and instruction for legal remedy.

XIV TRADE UNION OF EMPLOYEES

14.1. Conditions for work of the Trade Union

Article 77

- (1) The Employer commits to provide to the Trade Union the following work conditions:

1. right to use appropriate premises and use of room in the head office of the Employer for holding meetings, upon prior notice;
2. use of vehicle with prior notice for needs of the Trade Union representative;
3. administrative-technical assistance (copying material, use of computer, sending invitations, notices and similar);
4. use of telephone and fax;
5. use of webpage of the Employer in order to inform members;
6. earmarking the amount of 0,7% on gross salaries monthly for financing union activities;
7. calculation and suspension of union membership fee based on individual written consent of employee;
8. calculation and suspension of other union obligations;
9. right to participation, upon invitations, in state and international union activities;
10. per one hour during the year for employee for union education and performing union activities.

Article 78

- (1) In case of technological, economic and restructuring changes, the Employer commits to include the Trade Union in the procedure of development of programs of exercising rights of employees whose work is no longer needed.

Article 79

- (1) The Trade Union undertakes to submit the list of members of the Trade Union Organisation with necessary information and individual written consents of members for suspension of union membership fee, within 30 days from the of conclusion of this Collective Agreement.

Article 80

- (1) The Trade Union commits to submit a report to the Employer, within 60 days from the expiry of calendar year, on the purposeful expenditure of funds from Article 77 item 6 herein.

14.2. Conditions, manner and procedure of professionalization of work of the Trade Union representative

Article 81

- (1) The Employer accepts to provide professionalization of work of the Trade Union representative upon request of the Trade Union, during the period of its mandate.
- (2) The Executive Director shall sign with the Trade Union representative a separate agreement – contract which stipulates rights and responsibilities of the Trade Union representative and sets the amount of the compensation for work.
- (3) The compensation for work of the Trade Union representative is paid at the expense of funds of the Employer.
- (4) The agreement from paragraph (2) herein shall be signed no later than 30 days upon the conclusion of this Collective Agreement.

XV EMPLOYEES' RIGHT TO GO ON STRIKE

Article 82

- (1) Employees have the right to organise a strike in order to protect their professional and economic interests based on work.
- (2) Employees shall freely decide on participating in the strike.

Article 83

- (1) The strike can be organised if particular requirement for exercising the right to go on strike in activities of public interests are fulfilled, determined by the Law on Strike.

XVI INFORMING OF EMPLOYEES

Article 84

- (1) The Employer is obliged to provide a regular and timely informing of employees on all significant issues, and especially on:
 - 1) operating results,
 - 2) development plans, introduction of new technologies and organisational and ownership changes,
 - 3) measures for improvement of work conditions, occupational safety and health, and
 - 4) other issues of relevant importance for professional, material and social

position of employees, such as the economic status of employees in case of privatisation, i.e. Program of measures for resolving the status of employees whose work is no longer needed.

Article 85

(1) The Employer shall inform employees by:

- 1) immediate submission of written information;
- 2) the Employer's webpage;
- 3) displaying a notice on the Employer's notice board.

XVII CONCLUSION AND APPLICATION OF THE COLLECTIVE AGREEMENT

Article 86

(1) This Collective Agreement shall be considered concluded once accepted and signed with the identical text by the authorised representative of the Employer and authorised representative of the Trade Union.

Article 87

(1) This Collective Agreement is concluded for an indefinite period.

Article 88

- (1) The Collective Agreement may cease to exist by agreement or termination by the Parties, with a notice period of three months from the day of submission of termination.
- (2) Termination of the Collective Agreement shall be submitted in written form with a rationale.

Article 89

- (1) In case of termination, this Collective Agreement shall be applied no longer than 6 months from the day of submission of termination.
- (2) The Parties are obliged to initiate a negotiation procedure no later than 30 days from the day of submission of termination.

XVIII FINAL PROVISIONS

Article 90

- (1) Amendments to this Collective Agreement shall be performed according to the procedure envisaged for its conclusion.
- (2) This Collective Agreement will be published on the Employer's webpage, and will enter into force on the eight day from the day of publishing.

Podgorica, _____2017

On behalf of the Trade Union,

On behalf of the Employer,
