

COLLECTIVE AGREEMENT 2007

concluded between ČESKÁ RAFINÉRSKÁ, a.s.,
represented by

Ing. Ivan Souček,
Chief Executive Officer

and

the Local Labor Union
of Česká rafinérská, a.s.
represented by

Jan Klimeš,
Chairman of Local Labor Union
of Česká rafinérská, a.s.

CONTENT

1. THE SUBJECT OF AGREEMENT, PARTIES, VALIDITY, EFFECTIVENESS AND SPECIFICATION OF PARTIES	3
2. RELATIONS BETWEEN THE PARTIES	5
3. WORK LAW ENTITLEMENTS	8
4. REVIEW OF FULFILMENT OF COMMITMENTS.....	14
5. THE PARTIES' RIGHTS AND OBLIGATIONS	15
6. PAYROLL	18
7. STAFF NURTURE AND SOCIAL WELFARE	33
8. WORK SECURITY AND HEALTH PROTECTION	35
ANNEXES.....	41

LIST OF ABBREVIATIONS

BMCLU – Bohemian & Moravian Confederation of Labor; **CA** – Collective Agreement; **Coll.** – Collection of Laws; **CRC** – Česká rafinérská JSC; **CSO** – Czech Statistical Bureau; **FC** – Fiduciary Committee; **FMFA** – Federal Ministry of Foreign Affairs; **ECHO LU** – ECHO Labor Union; **FPS** – Fire Protection Services; **GD** – Government Decree; **ILO** – International Labor Organization; **LC** – Labor Code; **LUC** – Labor Union Chairman/ Labor Executive Board; **LLU** – Local Labor Union; **LU** – Labor Union; **LUC** – Labor Union Chairman; **LUCW** – Labor Union of Chemistry Workers; **MAC** – Maximum Allowable Concentration; **MLSA** – Ministry of Labor & Social Affairs; **NS** – Night Shift; **NS12** – Twelve-hour night shift; **PPA** – Personal Protective Aids; **SWH** – Safety & Work Hygiene; **WS** – Work Security; **WSHP** – Work Security & Health Protection.

1 Purpose of CA, Parties to the Agreement, Validity, Effectiveness and Specification of Parties

1.1 In the Agreement, the contractual Parties are represented by

Česká rafinérská, a.s.: Chief Executive Officer
 Labor Union
 of Česká rafinérská, a.s. Labor Union Chairman (LUC)

1.2 The Agreement regulates the relationship

between Česká rafinérská, a.s. (hereinafter only: “the Employer”) and the Local Labor Union of Česká rafinérská, a.s. (hereinafter only: the LLU”), stipulating the rights and obligations of the contractual Parties and Employees in the area of work law (i.e. areas such as working, payroll & social welfare conditions, security & hygiene of work), building on the provisions of Act No. 262/2006 Coll., Work Code (hereinafter only: “the WC”), Act No. 2/1991 Coll., on collective bargaining, and other labor-law provisions, as subsequently amended, and respecting the higher-rank collective agreement concluded between ECHO Labor Union¹ and the Association of Chemical Industry of the Czech Republic.

Through the collective Agreement, the Parties declare their common will to sustain and enhance the Employer’s prosperity whilst concurrently meeting the needs and interests of the staff.

1.3 Period of validity

Unless a new Collective Agreement is signed by 29 February 2008, the operation of the present collective Agreement is – in parts regulating individual staff entitlements in areas such as labor-law, social welfare & remuneration - is extended by two additional calendar months.

1.4 Obligatory force of the Collective Agreement

The Collective Agreement has a binding force for the Parties entering into it. Unless otherwise expressly stated, the rights and obligations agreed herein appertain all Employees employed in a work relationship with the Employer. The Collective Agreement is moreover binding for the Parties’ legal successors.

1.5 Alterations and amendments to the Collective Contract

Alterations and amendments to the Collective Agreement are carried out in writing, upon approval of both Parties. They become valid and effective after

¹ **Translator’s Note:** ECHO Union Association – i.e. an association of manufacturer’s and distributors of electric and thermal Energy, of chemical and pharmaceutical industry, crude processing, rubber-making and plastics industry, and of other labor union organisations that show interest becoming members of the Association.

being signed by authorized representatives thereof. Proposals for Collective Agreement amendments dealing with labor law and payroll issues shall be addressed by no later than fifteen (15) days upon submission.

1.6 Conclusion of a new Collective Agreement

The Parties undertake to launch negotiations on the conclusion of a new Collective Agreement by no later than sixty (60) days prior to expiry of the present Collective Agreement - compliant with the provisions of legal regulations in force.

1.7 Financial means for LU activities

Financing of the Labor Union is regulated through a separate agreement, compliant with Section 277 of LC, to be signed by no later than on the day of the present CA signature.

1.8 Staff awareness

CRC management and the Labor Executive Board (hereinafter only: "the LUC") undertake to familiarize the Company staff with the Collective Agreement and amendments thereto, if any, by no later than fifteen (15) days after signature thereof.

2 Relations between the Parties

2.1 Rights of Employees

The Parties undertake to guard against discrimination due to race, ethnicity, language, sex, social origin, age, religion, political or other views, membership/activities in political or labor organizations and other corporations, national or social allegiance, property, ancestry, state of health, age, conjugality or marital status, or due to family commitments. In addition, banned are indirect discriminating practices resulting in discrimination.

The Employer shall make arrangements for all staff to be given equal treatment in terms of working conditions - including remuneration, other monetary fulfillments, and the fulfillment of monetary value, professional training and opportunities to reach professional advancement or some other type of promotion in his/her job. The discharge of rights and duties ensuing from labor-law relations shall be in harmony with rules of decency & civil coexistence. Those shall not be abused to the detriment of the counterparty, labor-law relations, and/or co-workers.

2.2 Observance of elementary labor rights

As a fundamental prerequisite to establish and nourish social harmony, the Employer undertakes to be observing elementary Labor rights. Involved are elementary Labor rights guaranteed by conventions of the International Labor Organization (ILO).

2.3 LLU CRC members at all levels entitled to make joint decisions

with designated Employer representatives enjoy enhanced protection. Such members are LUC members and Fiduciary Committee (FC) members. Upon the signature of CA, LU chairman shall provide the Employer - without undue delay - with a list of abovementioned officials, and will upgrade it whenever deemed necessary. Under Item 2.4 hereof, partners for negotiations held on relevant levels are:

POSITION in CRC	POSITION IN LU STRUCTURE
General Affairs Director	LUC
Head of HR section	LUC
Specialist Director	LUC
Section Head	Designated Fiduciary Committee

2.4 Labor Union vs. Employer relationship

The relations between LU and the Employer are governed by principles set forth below:

2.4.1 The right to make joint decisions

By *joint decision-making*, a relationship between LU and Employer is understood whereby - for a certain act to be effected, or for a new provision to be adopted on the part of Employer - the consent of LUC or, alternatively, of LU Board (LUC) is required. The LUC or, alternatively, LUC are then entitled to carry out joint decisions in instances as follows:

1. Scrutiny of the fulfillment of undertakings entered into (Act No. 2/91 Coll.)
2. Setting of principles applicable for the distribution of statutory social expenses
3. Setting the vacation leave schedule
4. Drawing mass holiday, namely within a time period not extending 14 days prior to the date of designated reporting for job
5. Work Code issuance and amendments thereto
6. Identification of date and point of payment of wage or of wage compensation, including exceptions to the above
7. Immediate termination of employment of a LU official authorized to make joint decisions with the Employer.

2.4.2 The right to a hearing

By the term "hearing", talks held between the Employer and Employee representatives - as a way of reaching consensus - are meant. In particular, LUC - and bodies confided thereby - are eligible to share the negotiation of the following issues with the Employer:

1. Issues set out in Sections 280 and 287 of LC
2. Notice or immediate termination of employment on the part of Employer
3. Layout of weekly working hours
4. Irregular "layout of working hours within the week
5. Workday start and end times, work breaks
6. Payroll domain
7. Indemnification claimed - if exceeding 1,000 CZK;
8. Industrial injury compensation
9. Fundamental alterations due to implementation of new technology & engineering, and life/health and environmental protection
10. Setting up, identifying the purpose and services rendered by health, rehabilitation, recovery, social, catering, cultural, sports & recreational facilities with Employer acting as provider or operator.
11. Setting conditions for night work.

2.4.3 Right to information (LC, Section 18)

By the collocation "keeping someone informed", the provision of information is meant from which the status of announced actuality is clearly, and/or based on which a stance can be taken. It is the Employer's obligation to provide information bits well ahead and in a way allowing the staff to assess

those, and – if deemed necessary – prepare for the negotiation thereof, and voice their position prior to a measure is being put in place. In particular, the LUC is entitled to be provided (by the Employer) with information bits listed herebelow:

1. Information on mass layoffs under way. Such information shall be conveyed - in writing - within the required statutory time limit
2. Information on major issues of Employer's development, including personnel development, profit figures, and perspectives
3. Key economic figures , i.e. the Balance Sheet, Profit & Loss Statement – to be submitted on a no less than a quarterly basis
4. Monthly information on workplace relations entered into and ended
5. Information needed for collective bargaining purposes, i.e.
 - * Monthly, quarterly and annual analyses of payroll management;
 - * payroll balances of remuneration of operators, lab staff, and of staff paid a salary - other than managers and directors

2.4.4 Right to control

The right to control means that the Employer shall provide - within the scope of LC - all necessary documentation needed for the pursuit of the right to control. Findings made pending the check will be negotiated (by the Employer) with LUC.

Basically, the LUC and bodies entrusted therewith, have the right to carry out checks in two areas:

- * Observance of labor-law rules, wage rules, and of commitments ensuing from the Collective Agreement
- * Safety & health protection

3 Rights and obligations ensuing from labor-law relations

3.1 Rise and cessation of a job relation

3.1.1 Employment contract

By principle, employment contracts and all amendments thereto are, by principle, concluded in writing.

3.1.2 Right to apply for a vacancy

Prior to a vacancy is offered to a newcomer, Company staff are entitled to apply for it. The time limit for the job swap is two (2) months. By agreement of the Parties, the time limit may be shortened. Information on vacancies shall be posted on the website, and on notice boards listing vacancy bids. A vacancy shall not be filled with an external applicant within a period of fourteen (14) days after disclosure.

3.1.3 Employment termination by notice

In case that employment is terminated through Employer notice, the Employee shall be provided with basics of his rights ensuing from labor law provisions, Employer's commitments thereto, as well as on job-seeker obligations.

3.1.4 Period of notice

The period of notice takes two months, and is tantamount for both Parties.

3.2 Tackling personnel matters relating CRC organization changes

3.2.1 Submission of lists of changed or elapsed job positions

The Employer shall submit to LUC, and discuss therewith, lists of staff & job positions deemed to be changed or abolished, inclusive of proposed staff placements, in no less than a one-month lead time prior to such change. Also, a list of potential employment terminations effected due to organization changes shall be submitted to LUC.

3.2.2 Decisions requiring preliminary LUC approval

without prior negotiation with LUC, the Employer shall not terminate the employment with

- * a one-parent family member raising a non-provided for underage offspring;
- * a physically challenged person;
- * an employee who had reached the age of seven (7) or less years to legal entitlement for retirement annuity;

- * an employee who is - together with his/her spouse - stricken by an organization change occurring concurrently or within an interval of less than twelve (12) months.

3.2.3 Employee's entitlements within notice period

Pending dismissal notice period /as per section 52 (a) through (e) of LC/ or - if applicable - in case of dismissal by agreement under the abovementioned provisions, each Employee is entitled to four (4) hours of paid leave per week – to be able to look for a new job. Individual leaves can be concatenated.

3.3 Working hours

3.3.1 Company working hours

Within the Company, a system of maximum 37.5 working hours per week is in place.

3.3.2 Fluctuating working hours

are worked on the basis of concrete decisions made by CEO in shift schedules upon negotiation with LUC. Working hours shall not exceed twelve (12) hours a day. Implementation of 12-hour shifts requires approval of the public health officer.

3.3.3 Length of work shifts

The length of work shifts is laid down in approved company shift calendars (schedules) including breakdowns listing respective shift rotation modes, the number of shifts & hours worked per month, and adjusted shift length.

The shift schedule sets out days considered as rest days & non-business days. For those, no wage compensation is paid. Assignment to a particular shift is mandatory and amendments are only possible as at the first day of next calendar month.

Shift time-off are non-work hours rendered to the staff as a way of meeting the legal requirements of maximum working hours. Shift-working staff are eligible to draw relevant non-work hours in compliance with the respective shift schedule. In the shift schedule, non-work hours are set out only tentatively – to be applied for early morning shifts. The exact date for drawing non-work hours is determined by the superior – with due reference to each staff needs.

3.3.4 Workday start and end times

Decisions concerning workday start and end times, shift switches, shift allocation, fine-tuning of staff breaks and other alterations - if any - are within the manager's competency upon prior negotiation with LUC.

For shift staff, workday start and end times is set out in the shift schedule. To be able to cope with traffic problems, and ensure after-shift cleansing & gowning of staff, the set working hours may be postponed by up to 30

minutes ahead of the end set by the shift schedule, the only precondition being a smooth shift change at worksite.

Flexitime is pursued - at Employer-designated worksites - upon negotiation with LUC. Explicit terms thereof are fixed (by the Employer) in the Work Code, having made the staff familiar therewith in advance.

3.3.5 Rota staff and sticking to shift roster

The number of hours worked by rota staff per month must be consistent with the number of hours set by the man-hour schedule in force for the relevant month.

The Parties acknowledge that - as a way of ensuring smooth round-the-clock operation - shift-to-shift transfers of staff are unavoidable, particularly in terms of sustaining quality, efficiency, and qualifications improvement. Shift changes are within the competency of the Employer with the stipulation that he shall take into account justified interests of the staff involved in such shift change.

Temporal short-term² shift transfers are regarded as working-hour transfers or overtime work – the latter being applicable in case that staff has worked a total of work hours exceeding the work-hour fund allocated to the permanent assignment of such staff.

3.3.6 Staff breaks

Staff breaks are not part of working time. After four-and-half (4,5) hours of continuous performance, the staff are eligible to a min. 30-minutes food & rest recess.

Should work exceed nine-and-half (9,5) hours, staff are entitled to another 30-minutes food & rest recess. Neither that, however, is taken as part of their working time.

In Amendment No. 1 to the Collective Agreement, the Employer shall - with due accuracy - specify worksites where work cannot be suspended and where - consequently - taking a food & rest recess is unfeasible. In that case, the shift is not suspended, and the entire shift period is rated as job performance. Even without operation/work stoppage, staff shall be provided with a reasonable time for food & rest recess.

At round-the-clock worksites, food & rest recess are taken as per time schedule negotiated with LUC, and upon senior executive's awareness.

3.3.7 Personal cleansing time

Pending shift change, shift staff are provided with an 18-minutes time allowance to carry out cleansing. The allowance is included in the working hours. As compensation for reported extended hours at work, staff are provided with leave of absence for overtime.

² i.e. not exceeding one (1) month

Leave of overtime shall be drawn within no longer than three (3) months after the rise of the entitlement. Shift lab personnel is not provided with any cleansing time.

3.3.8 Shorter working hours

Unless grave working reasons are against, the staff may be temporarily allowed to work shorter working hours. These are applicable to staff who

- a) attend to underage offsprings;
- b) cite health reasons (upon GP recommendation);
- c) are pregnant;
- d) attend to a family member;
- e) indicate other serious personal reasons.

The manager shall take into account the reason quoted, and fix the shift length hours and work pattern with the pertinent staff. The rule is that staff enjoying a reduced work hours scheme typically work the full number of work days per week.

Upon approval, the application becomes part of the employment contract. Staff enjoying working reduced work hours are eligible to all and any work law entitlements proportionate to their short hours.

3.4 Overtime

means work that is imposed by or performed upon Employer's awareness in excess of agreed working hours. It may only be administered in extraordinary instances – in response of the Employer's pressing interest.

On non-business days, i.e. on Saturday, Sunday, on a holiday or on off-days³ overtime can be administered as exception only, upon Employee's consent, and upon prior negotiation with LUB.

In case that, for different reasons, prior negotiation is unfeasible, the imposition of overtime is put on the agenda of the next LUB meeting.

3.4.1 Overtime limits

- a) No Employee shall be imposed overtime exceeding eight (8) hours per week.
- b) Within the calendar year, a maximum of 150 hours may be imposed upon an Employee.
- c) Pursuit of overtime exceeding the limits set out under a) and b) above is only possible by way of exception, and upon the Employee consent.
- d) The length of period within which overtime does not exceed 8 weekly hours is set to take up fifty-two (52) weeks.

³ as per work schedule

3.5 Availability for duty

An Employee may only be ordered to be on call within the extent agreed on in his employment contract.

3.6 Business trips

If the Employer so decides, the Employer may be sent to a business trip, given however that it is laid down in his Employment contract or otherwise. Upon change in conditions on his part, the Employee is entitled to pull out of the business trip provisions fixed in his Employment contract.

The Employer shall not send an Employee to a business trip if and when there is an impediment on his side that is prejudged by labor-law provisions, or giving rise to eligibility to excused absence in work.

3.7 Work relief & embarrassment in work on the part of the Employee

3.7.1 Paid work relief

Employees are rendered work relief in instances set out in standing legal rules (Government Orders and suchlike).

Beyond and above the limit set by legal regulations in force, the Employer shall provide paid work relief within the scope outlined herebelow:

- * Employee's own wedding - one day;
- * birth of child to spouse or common-law wife – one day;
- * when acting as an escort - within the time period urgently needed - to escort a challenged child to a social welfare facility or boarding school for challenged youth;⁴
- * death of Employee's spouse, common-law husband/wife, and/or of child – two days;
- * death of Employee's parent, sibling, or spouse's parent and/or sibling – one day;
- * death of Employee's grandparent, grandson/grand-daughter, and/or spouse's grandparent or a person who – though not being a close relative had lived in the relevant Employee's household – one day;
- * removal of Employee with own furnishings, within the municipality – one day; to a different place – two days.

3.7.2 Unpaid work relief

The Employer shall provide the Employee with unpaid work relief in the extent of one (1) shift per month with the proviso that the Employee applies for it at least three (3) days ahead.

On serious operation grounds, however, unpaid work relief may be turned down.

⁴ only **one** member of such family is entitled to the work relief totaling max. six (6) days in a calendar year.

A more amply scope of unpaid work relief can be rendered in extraordinary instances only. Unless otherwise agreed between the Employee and Employer, in such case, the Employee himself pays his statutory health insurance normally reimbursed by the Employer.

3.8 Work at night

The terms and conditions necessary for being allowed to perform night work are as follows:

- a) Availability of hot meals or of facilities to prepare those.
- b) Mandatory breaks between respective shifts must be made – compliant with Section 90 of LC.
- c) Free medical examination of staff working at night is ensured by Employer, namely:
 - * prior to assignment for work at night;
 - * on a regular basis as deemed necessary, no less than on a yearly basis;
 - * any time pending night work assignment provided that a health disorder occurs;
- d) Mandatory endowment of workplace with appropriate hygienic and sanitary facilities.
- e) Mandatory endowment of workplace with First Aid Kit, including the option of ringing the Emergency Health Service.

3.9 Vacation leave

The basic length of vacation leave is extended by one (1) week. As a result, Employees are eligible to five (5) weeks. Shift-work staff in 24x7 operation are entitled to an additional week; so, they are eligible to a total of a 6-week vacation.

Vacation leaves are taken compliant with vacation schedule set up with LUC or, alternatively, FC prior approval. When being drawn up, the vacation schedule takes into account both the justified interests of Employees and the Company requirements.

3.9.1 Vacation leave of staff working 12-hour shifts

In terms of vacation, one twelve-hour shift is seen as an equivalent to a standard 1,5 work day – both in terms of taking a leave, and vacation pay compensation.

4 Review of fulfillment of commitments

4.1 Settling collective disputes

Collective disputes, if any, are tackled by the Grievance Board to which each of the contractual Parties nominate their two (2) representatives.

4.2 Failure to agree on a uniform interpretation

Disputes over the interpretation of the Collective Agreement provisions, and over the fulfillment of CA commitments, are tackled in the sense of Collective Bargaining Act.

4.3 Responding to proposals

The Party facing the counterparty's proposal shall respond to the opposed parts thereof by no later than fifteen (15) days from receipt. When applicable, a counter-proposal to the contradicted items is brought forward.

4.4 Statutory measures for settling collective disputes

In the abovementioned case, statutory measures for settling the dispute may only be applied if and when the dispute fails to be fixed (by the Grievance Board) within fifteen (15) business days after start of the hearing.

4.5 Unimpairment clause

The above provisions are without prejudice to the right of the Employee to enforce his or her claims at a court.

4.6 Technicalities preceding negotiations

Prior to the start of proceedings, the agenda order and on the Minutes clerk are agreed on by the Parties.

5 RIGHTS AND OBLIGATIONS OF THE PARTIES

5.1. The Employer undertakes to

5.1.1 Respect Union powers

ensuing from legal regulations and conventions in force. At the point of closing the present CA, the Employer recognizes - compliant with standing legal regulations - the CCR Labor Union Organization as the Employees' representative. Should a Labor Union other than the one mentioned hereabove come into existence, mutual relationships shall be resolved through negotiations held between CRC management and the respective Labor Unions with the stipulation that - in such negotiations with CRC management - the LU shall act as one single partner.

5.1.2 Provide for conveyance of information

to newcomers to CRC on LLU activities pursued within the Company.

5.1.3 Provide paid leave to elected LU officials

to - upon prior agreement - attend labor education & training sessions directly attributable to the discharge of their office.

Other LU members may be provided short-time leaves based on individual agreements between the Parties through the respective Heads - particularly for the discharge of their respective LU office agendas, to sit in Labor meetings, attend conferences, congresses, and conduct reviews as per LC.

Expenses associated with collective bargaining are covered by the Employer.

5.1.4 Provide LU with premises

including equipment – all under a special agreement regulating moreover usage costs thereof.

5.1.5 In membership fee payment matters, the Employer undertakes to

- * ensure that, upon an LU member request, a regular 1% membership fee is deducted (by the payroll office) from each member's monthly net income;
- * acknowledge current written statements of Employees filed in CRC archives - provided that compliant with Act No. 101/000 Coll., on personal data protection, as subsequently amended;
- * be requiring a written statement to be produced by solely newcomers to LU;
- * transfer LU dues to the Labor account on a monthly basis;
- * provide CRC LU on a regular monthly basis with a list of payers of dues plus with a total amount thereof;

- * make accessible to CCR LU data needed for membership registration and fee collection, i.e. staff entries, departures, job switches, and suchlike.

5.1.6 Provide for a LUC and FC wall case to be installed

and allow for the placement of LU notice boards for FC use on relevant worksites.

5.1.7 Allow access to CRC LU office

Namely even on rest days - to work on Labor agenda , provided that safety and regime regulations are duly observed.

Allow access to the CRC LU office to other officials, provided that safety and regime regulations thereof are duly observed, and given that the visit is - in compliance with Employer's internal rules – approved by a responsible official authorized thereto by the Employer.

5.1.8 Respond without undue delay

To reservations raised by the Labor authority.

5.1.9 Send authorized LU officials to meetings

Upon LU request, send an entrusted CRC Employee with authorization to negotiate and provide information relating the agenda addressed to a LU meeting, membership meeting or conference.

5.1.10 Work release

CRC undertakes to provide work release for the LU official who maintains his work relationship with the Employer, is paid a salary set – upon agreement with FC - by the LU, and whose work relationship does not end upon expiry of the election period, suspension from office, or resignation. Upon discharge of the office, the job title thereof abides by LC.

The Employer undertakes to - pending incumbency - pay health & social insurance fees for the released LU officials, including the state employment policy fee.

5.2 Inclusion of service years

Offset are years of employment endorsed by CHEMOPETROL, a.s., and KAUČUK, a.s., or rather the legal predecessors thereof – in connection with the staff transfer effected from the abovementioned companies to the Employer.

5.3 Electronic distribution of CA

The Employer shall ensure electronic distribution of the CA and the storage thereof within EDMS system. The same applies for alterations and amendments invariably made to the CA - unless otherwise agreed by the Parties.

Each Party shall obtain one (1) counterpart of CA in Czech - each having the force of the original.

The originals will be filed in LU Office and the Employer.

5.4 THE LABOR UNION MOREOVER UNDERTAKES TO

5.4.1 Organize Labor activities

in a way and at a time non-interfering with Company working hours - conditions permitting.

5.4.2 Hold talks with Employer bodies

if so requested by an Employee - on alleged discrimination or curtailment of Employee's rights.

5.4.3 Maintain confidentiality

on matters caught up during incumbency, should the breach of confidentiality result in violation of Act No. 148/98 Coll. (Secrecy Protection Act) as subsequently amended, and relevant legislation, Employer's justified interests. Unless stipulated otherwise by a special provision, the above obligation continues one year upon expiry of LU incumbency.

5.4.4 Oversee and advise the Employer of matters such as

- a) Conditions of safety and health protection
- b) Worksite and social conditions
- c) Maintenance of production facilities
- d) Observance of work law & wage entitlements.

6 Payroll

The Employer shall pursue a payroll policy providing the individual staff with the option of wage increase depending on knowledge, efficiency and personal drive for further development, and establish conditions allowing the Employee to accomplish such goal. The *"equal wage for equal work performed"* principle shall be adhered to.

The Employer undertakes that real wages be maintained in any and all staff categories.

6.1 Talks on wage level change

Talks on wage level change can be initiated by any of the Parties. In case that inflation within 1H of 2006, or within three quarters of 2007 - given in an average growth of consumer prices - exceeds 3.5%, the Parties shall open negotiations on an CA amendment covering a pay increase.

6.2 Minimum monthly wage

The minimum monthly wage in CRC for a 37,5-hour working week equals that set by commonly binding legal regulation (Government Order) enhanced by 10%.

6.3 Remuneration principles

Within the HAY system, the Employer's remuneration policy rests upon a comparison of wages/salaries on respective job positions within both the Company and on the Czech Republic labor market.

Wages of lab staff, operators and manual laborers are covered by a separate tariff system.

The Employer and LUC will - on a no less than semiannual basis – address the wage issue. On negotiations, developments on the job market, costs of living, and economic strength of the Employer will be taken into consideration.

6.4 General terms of remuneration

6.4.1 For work performed, Employees are entitled to remuneration

6.4.2 Employer remuneration is governed by

relevant LC provisions, as subsequently amended, by sequential general binding legal regulations, and by the higher-rank Collective Agreement.

In the present CA, concrete remuneration terms and conditions applicable throughout the life of CA are set forth as binding.

6.5 Forms of wage payment

6.5.1 Basic wage forms

As the basic form of wage, the Employer pursues remuneration per hour, serving as a basis for both

- a) tariff payment paid to operators, lab staff, and manual laborers;
- b) contractual payment paid to other Employees as per individual contracts.

Tariff-paid staff are allocated to tariff ranks pursuant to Operator Catalogue or Lab Technician Catalogue, appended as Enclosure No. 2 and Enclosure No.

4

hereto.

Contractually-paid staff are allocated to wage grades in accordance with Staff remuneration internal regulations.

Wage allotment shall be negotiated with the relevant staff. Wage allotment is made in writing, on a prescribed form featuring data such as wage allotment, job description or – where applicable – reference to the relevant Job Task Catalogue, or a wage agreement shall be concluded with the Employee.

The Employer will familiarize the LUB with the number and the circle of positions designated for individuals receiving contractual payment, as well as with the policy applied for awarding thereof, with the stipulation that

- contractually agreed payments do not include allowances and suchlike benefits paid according to the present CA, other than the shift bonus;
- the conclusion of a contractually agreed payment is deemed to be each staff's free decision.

6.5.2 Supplementary forms of remuneration

A variety of supplementary forms of remuneration, such as those listed below, are used by the Employer:

- a) Variable part of wage provided in the form of Employer incentive payment (EIP).
- b) Annual fixed bonus.
- c) Annual variable bonus tied with the fulfillment of targets and goals by all Employees.
- d) Extra bonuses determined by Company management

6.5.3 Overtime remuneration

For overtime work, the Employee is eligible to an emolument increased by 35% of his average hourly wage.

In case that overtime worked on days-off and/or overnight, the average hourly wage is increased by 55%.

Overtime delivered on a public holiday is remunerated in the form of the wage surplus normally paid for overtime work, plus a bonus paid for work performed on a public holiday.

6.5.4 Public holiday and 31 December emolument (remuneration surplus)

Staff on duty on a public holiday and on 31 December (N12) is eligible to a payment increased by 110 % of his average wage.

6.6 Tariff payments**6.6.1 Tariff classes used for operators and lab staff**

For operators and lab staff, the following tariff classes and respective monthly base pays are used:

TARIFF CLASS IDENTIFICATION	BASIC SALARY PER MONTH
1	9 886
2	11 468
3	13 050
4	14 632
5	16 214
6	17 796
7	19 378
8	20 960
9	22 542
10	24 124
11	25 706

6.6.2 Operation requirements for competency attainment

Employees fall into two categories:

1. Operators in production units, stores, loading and dispatch facilities
2. Laboratory staff

To respective tariff classes, Employees are allocated as per qualifications, theoretical and practical savvy produced, and length of service.

Minimum qualification requirements, the scope of theoretical and practical savvy required, and the length of practice are listed in *Operator Catalogue* and *Lab Technician Catalogue*.

6.6.3 Initial conditions

Within the probationary period, each newly acceding operator or lab staff is assigned to Tariff Class II.

The Employer undertakes to establish conditions for Employees to be able to acquire relevant theoretical know-how and savvy needed for the acquisition of necessary qualifications.

6.5.4 Staff assignment rules

Employees are assigned to relevant tariff ranks compliant with theoretical know-how and savvy produced, on the basis of competencies acquired. Any competency attained under Art. 6.6.9 hereof equals an increase in tariff payment by one (1) tariff rank. By the re-test day, the Employee shall meet the requirement of having acquired a minimum working experience. The proposer of the tariff increase is the Employee's line manager. He stands guarantor for such Employee's level of comprehensive awareness, savvy and work habits. Also, the line manager has the responsibility for the due length of such Employee's practical training received on appropriate technological units.

6.6.5 Operator competency domains

Operators gain competencies in domains as follows:

Litvínov:

- NRL / CAR
- PSP / VBU
- AVD / OHC / OXAS / LPG / SRU / REFINING
- Fuel storage & blending, dispatch terminals

Kralupy:

- PS 25, PS 26, PENEX, and MTBE production units
- Fuel storage & blending, dispatch terminals
- FCC

6.6.6 Minimum time limit required for skill acquisition

For picking up requisite competencies, a minimum time limit equaling six (6) and three (3) months is required for operators and lab staff, respectively. Justified exemptions, if any, are decided on by the Head of the respective section.

6.6.7 Verification of theoretical know-how & savvy

Theoretical know-how & savvy are checked by putting the Employees to tests. Examinations take place in the presence of the Proposer – shift manager, Employee's instructor, and Head of operation and maintenance support who chairs the exam.

As for lab staff, the exam takes place in the presence of Proposer – senior lab staff officer, instructor, and Head of relevant lab section, chairing the exam.

While the theoretical part consists of ten (10) questions/problem areas, the practical part entails 5 questions/tasks. Successful applicants are supposed to win no less than ninety (90) percent points in both the theoretical and practical parts. The operators' command of the lab agenda is tested by the Head of relevant laboratory. Further members of the exam panel are the senior lab official and a HR representative. Upon the consent of the Employee examined, exams may be conducted in the presence of an LU representative acting as observer.

The testing record sheet is drawn up in two (2) counterparts. Whereas one is filed at HR section, the other appertains to the Employee.

6.6.8 Re-takes

Failed lab staff and operators are entitled - following a period of one (1) and two (2) months, respectively - to sit for a re-take.

6.6.9 Active competencies

Each operator is eligible to winning and retaining up seven (7) active external competencies.

In case that the operator moves to new production areas and takes up new competencies, or in case that he had already acquired more than seven (7) operating competencies, seven (7) active competencies are set by the Employer whilst the remaining ones remain idle. Competencies set-up is fixed in writing, and signed by both the shift manager and the staff involved.

The testing protocol is drawn up in two (2) counterparts. Whereas one is filed at HR section, the other appertains to the Employee.

6.6.10 Practice-based competencies

Operators have the option of acquiring two more "experience-based" competencies. These are obtainable for all operators.

6.6.11 Rules for awarding practice-based competencies

"Experience-based" competences are obtainable after each two years of practice, depending on interim evaluation covering areas as indicated herebelow:

- rotation within active competencies;
- fit-for-purpose participation in tackling contingencies and emergencies;
- work performed in terms of additional knowledge and awareness (applied in labs, maintenance) endorsed.

Upon accomplishment of above criteria, the operator is awarded the practice-based competency. Another option for production-based operators to increase their competencies comes two years after acquisition of their first practice-based competency.

6.6.12 Competencies abandonment or merge

In case of abandonment or merge of competences, the Employer shall create conditions for the Employee to acquire another competition – with reference to Employer requirements. Such Employee will be set a minimum wage including tariff wage, bonuses for additional awareness, and incentive bonus, if any. Should more than one competency be abolished, an individual plan of competency replenishment shall be agreed on with the Employee, as shall be an agreement on the length of the provision of individual wage.

6.6.13 Senior operators, senior lab staff

Senior operators and senior lab staff recruit, upon selection, from operators, lab staff, and -where applicable – other Employees, provided that they produce relevant savvy and skills.

6.6.14 Remuneration for running units ex Central Control Room

Operators in charge of running production units ex CCR are eligible to a CZK 2,400 monthly bonus.

6.6.15 Personal incentive bonuses for operators and lab staff

A system of personal incentive bonuses is employed to motivate all operators and lab staff. Assessment is carried out on an annual basis. The Employee is familiarized with the outcome in a provable manner. Moreover, his assessment is accessible in the (Intranet-run) Staff self-service. Based on the annual assessment, the Employee is – for a period of one (1) year – awarded a variable component of pay, set as a percentage of his tariff wage. The amounts thereof are as follows:

EVALUATION GRADE	VARIABLE COMPONENT OF PAY
A	5.5 %
B1	3.3 %
B2	1.5 %
C	0
D	0

Over the year, i.e. usually on a semi-annual basis, another indicative assessment will moreover be conducted. With it, too, the Employee will be familiarized in a provable manner.

6.6.16 Annual bonuses

The Employer shall pay the annual fixed and variable bonuses shown herebelow to all Employees in a key working relationship therewith, taking a tariff wage, and to released LU officials.

6.6.16.1 Annual fixed bonus

The annual bonus in the total amount of 115% of average monthly wage is paid out in two portions, namely as 60% and 55% of average monthly wage, respectively.

6.6.16.2 Annual variable bonus

The annual variable bonus in an amount not exceeding 55% of average monthly wage is paid out depending on the fulfillment of selected Company targets and goals. Part of the bonus is tied to the fulfillment of selected targets to be fulfilled by operators and lab staff – namely in the way as indicated herebelow:

- a) In case that Company's overall targets and goals are met in 100%, 7.% of average monthly wage is paid out; in case that the fulfillment of CRC goals is exceeded, the bonus is raised on a prorata basis – however not to exceed 9 % of average monthly wage (which is applicable upon overall achievement of targets and goals in 120 and more per cent. By contract, in case of failure to meet the abovementioned targets and goals, the bonus is cut on a pro-rata basis down to a 0 % average monthly wage (which is applicable upon overall achievement of targets and goals in 0 %.
- b) In case that operators' and lab staff targets and goals are met in 100%, 20,5 % of average monthly wage is paid out as a bonus. Should the fulfillment exceed 100%, the bonus is – in a linear way – raised up to 41% of average monthly pay (at the fulfillment level equaling 120 and more per cent). Conversely, failure to meet the targets and goals means a linear decrease of the bonus down to the level of 0% of monthly wage (at a fulfillment level of 80 and less per cent).

Company targets are set, and the fulfillment thereof assessed, by the Employer's Board of Directors – drawing upon targets ensuing from the Employer's Business Plan. Targets and goals of operators and lab staff are set, and the fulfillment thereof assessed, by respective Heads of operation sections within the Technical Division. The respective Fiduciary Committees (FC) shall select - from no less than 10 such set goals – five targets and goals. The payment of the bonus shall then be made conditional on the fulfillment of those.

6.6.16.3 Payment of annual bonuses

The first portion of the fixed annual bonus is paid out in the wage for May , the second in the wage for November.

The annual variable bonus is paid out in the pay term closest to approval of the annual financial statement by the Board of Directors, no later however than in the March wage paid in the following year.

A change in pay terms is a matter of mutual agreement reached between the Employer and LUC; hence, the matter needn't be tackled through amendments to CA.

Employees terminating their job relationship with the Employer in the course of the calendar year, are eligible to a pro-rata portion of abovementioned bonuses. The Employer undertakes to compensate - to the extent of Employer's liability - the loss of bonus, if applicable, should it occur in connection with incapacity for work due to an occupational accident or occupational disease.

6.6.16.4 Exclusion from provision of bonuses

Annual bonuses are not provided to staff with who their job relationship had been canceled pursuant to Section 52, .letters f) and g), and Section 55 of LC. Further, bonuses are not provided to Employees eligible to an amount of less than CZK 100. Finally, no bonuses are paid to Employees with 7.5 and more hours of unauthorized absence leave.

6.7 Allowances

Employees are eligible to agreed on allowance rates listed in the present Collective agreement.

6.7.1 Allowances for additional savvy

Employees who are awarded – compliant with Employer regulation – additional savvy allowances, are entitled to an allowance for the awareness of:

TYPE OF SAVVY	MONTHLY BONUS
Laboratory work	650 CZK
Maintenance	650 CZK

6.7.2 Shift allowance

Employees working in shift mode are eligible to a shift bonus as indicated below :

TYPE OF OPERATION MODE	MONTHLY BONUS
Round.-the-clock operation mode	4,140 CZK
Two-shift operation mode	2,004 CZK

In the shift bonus, a pro-rata amount of remuneration surplus for work delivered on afternoons, at night, on Saturdays and Sundays, is reflected – compliant with the provisions of the higher-level Collective Agreement, and provisions applicable for carrying out challenging jobs.

6.7.3 Allowance paid in case of random changes of work schemes

Staff not eligible to a shift lump sum, yet affected by irregular work scheme changes or possibly overtime work, are eligible to bonuses paid for:

TYPE OF WORK	HOURLY BONUS
Late shifts	6,50 CZK/hour
Work at night	12 % of average hourly wage; no less however than 15 CZK per hour
Work on Saturdays & Sundays	12 % of average hourly wage; no less however than 20 CZK per hour

6.7.4 Allowance for work in aggravated environment

- a) Employees working in aggravated working environment as identified in government *Decree No. 657/2006 Coll.*, as subsequently amended, are entitled (in Pay brackets I and II) to bonuses equaling CZK 7,50/hr and 6,50 CZK, respectively. A list of abovementioned worksites is appended to CA as Amendment No. 2.

PAY BRACKET	HOURLY BONUS
I	7,50 CZK/hour
II	6,00 CZK/hour

- b) In case that an insulation breathing apparatus is used, the bonus is as indicated below:

CONDITIONS	HOURLY BONUS
Fresh air pipe	23,00 CZK/hour
Insulation (air, O ₂)breathing apparatuses	62,00 CZK/hour
Insulation protective clothing	90,00 CZK/hour

- c) Upon receiving training in self contained breathing apparatus (SBA) use, the Employee is eligible to a CZK 1,000 bonus.

6.7.5 Allowance for availability for duty

Employees ordered to be on hand are eligible to bonuses as follows:

DAY OF WEEK	HOURLY BONUS
Week days	10% of average hourly wage; no less however than 15 CZK per hour 9,50 CZK/hour

Saturdays, Sundays and holidays	10% of average hourly wage; no less however than 15 CZK per hour 14,00 CZK
---------------------------------	---

6.7.5 Allowance for apprentice/student instructors

Upon a motion of the shift manager, and provided that the awareness & savvy raising schedule has been successfully fulfilled, an Employee approved to conduct practical training & methodology guidance to operators or lab staff currently under training can be remunerated (by the Refinery Manager) by a CZK 1,000 ex gratia one-time remuneration.

6.8 Bonuses

6.8.1 Life and work anniversary bonuses

Unless otherwise specified herebelow, bonuses and other benefits paid on the occasion of major personal or work anniversaries are bestowed to all employees with a job relationship to the Employer lasting uninterruptedly 10 past years. For the bonus to be provided, the calendar month of commencement of the Employee's employment is crucial.

6.8.2 Bonuses upon consummation of work anniversaries

Upon consummation of a work anniversary, the Employee is paid (by the Employer) a bonus proportionate to the length of uninterrupted work relationship (see Item 5.2 of CA).

Upon consummation of 10 years of continuous work relationship, the Employee is paid out (by the Employer) a bonus of CZK 5,000. Upon consummation of each following 5-year period of uninterrupted work relationship, the Employee is paid a bonus topped up by CZK 600 as against the bonus obtained previously.

6.8.3 First old-age retirement or full disability pension retirement

In case of first old-age retirement or full disability retirement, the Employer provides the Employee working for the company uninterruptedly for a period equaling or exceeding 10 years, a one-shot bonus proportionate with the length of his continuous work relationship, namely CZK 2,000 for each year of uninterrupted work relationship.

In case that the Employee's work relationship with the Employer is shorter than 10 years, he is paid a bonus of CZK 7,000.

6.9 Severance pay

6.9.1 Employment termination due to organization reasons

An Employee who had his employment terminated pursuant to the provisions of Section 52, letters a) through c) of LC, is eligible to severance payment set forth below:

6.9.1.1 Statutory severance pay

Employees are eligible to a statutory severance pay as per legal regulations in force.

6.9.1.2 Enhanced severance pay

In case of termination of employment by arrangement, the Employee is eligible to a severance pay topped up by:

- a) Twice his average monthly salary – if and when employment is terminated by the end of the month in which either the suggestion to terminate the employment relationship was made, or the notice/resignation submitted.
- b) A multiple of average monthly salary - provided that the employment relationship is terminated by the first month of the notice period.

6.9.1.3 Further severance pay for years worked in Company

The Employee is eligible to further severance payments paid in multiples of average monthly wage as per Chart shown herebelow, provided that . As is obvious from the Table Attached herebelow, provided that his uninterrupted work relationship had lasted - prior to proposing a work relationship cancellation – a corresponding number of years (see Chart). Even begun years count. Multiples calculated according to the Chart must not exceed the number of months remaining till the rise of retirement pension entitlement.

YEARS SPENT WITH COMPANY	AVERAGE WAGE MULTIPLES
2	1
4	2
6	3
8	4
10	5
12	6
14	7
16	8
18	9
20	10

6.9.1.4 Confluence of bonuses upon old age pension retirement

If and when work relationship is terminated due to organizational reasons, and a period of no more than thirty-six (36) months remains till the Employee's retirement pension entitlement, such Employee is likewise entitled to a concurrent bonus as per 6.8.3 hereof.

6.9.2 Termination of work relationship due to loss of fitness to work caused by occupational accident or occupational disease

An Employee who had his work relationship cancelled pursuant to Section 52, letter d) of LC because of

- having – on a longitudinal basis – ceased to be fit for his current job due to occupational accident;
- not being allowed to perform his current job due to developing an occupational disease;
- not being allowed to pursue his current job due to exposure to professional disease

is entitled to a severance payment equaling twelve times the amount of his average monthly wage. In case that he terminates his work relationship by mutual consent, such Employee is moreover eligible to an enhanced severance pay as per Item 6.9.1.2 hereof.

6.9.2 Employment termination due to longitudinal loss of work capability

An Employee who had his work relationship terminated pursuant to the provisions of section 52, letter e) of LC, is eligible to a severance pay equaling multiples of his average monthly wage (see Chart below). Again, the precondition here is that such Employee's work relationship with the Employer had - prior to termination proposal or prior notice - had lasted the respective number of years. Begun years are counted as well.

YEARS SPENT WITH COMPANY	AVERAGE WAGE MULTIPLES
3	1
5	2
9	3
12	4
15	5
18	6
21	7
24	8
27	9

In case of agreement ends his work relationship by mutual consent, is moreover entitled to enhanced severance payment as per Item 6.9.1.2 hereof."

6.10 Pay terms

Unless pay day is a rest day, in which case the salary is drawn on the nearest preceding business day, CRC's pay day is the fourteenth (14th) day of the calendar month to come.

Staff with a non-cash transfer agreement signed with CRC will have their moneys put to their account open with a banking institution – no later than on the pay day.

6.11 Confidentiality

The amount of Employees' wage/salary or, where applicable, of respective wage components, is confidential in character.

6.12 Average wage

essentially, the Employer uses two types of average wage calculations - namely the average wage per hour, and the average wage per day. Whilst the former is used for labor law purposes, and the latter for sick pay purposes. For bonuses payable as per CA, and for other forms of wage settlements, granted once a year, the pro-rata proportion (of earnings) applied to determine the Employee's average wage per quarter, equals one-fourth of the total settlement amount. This pro-rata proportion is then divided by the number of calendar fund hours available in the given Quarter. The thus calculated amount per hour is then added to the average wage per hour of the current qualifying period, calculated from wage settlements pursued within the respective period.

6.13 Remuneration in case of transfer to a different job

6.13.1 Transfer of staff to a different job – Type I

If and when the Employer transfers an Employee – compliant with LC Section 41, subsec. 1, letters a) through d) - to a less remunerated job, the latter is – pending the transfer period – eligible to a supplementary payment up to the amount of his average wage.

6.13.2 Transfer of staff to a different job – Type II

When an Employee staff is transferred to a different job on the grounds of

- a) outage/idle time;
- b) work disruption due to adverse weather conditions or natural disaster (as per Section 207, letter b) of LC, or
- c) urgent operation needs including relieves of accidents and machinery breakdowns,

he is entitled - pending the transfer period - to a supplementary payment up to the amount of his average wage, not longer however than for three subsequent months.

6.13.3 Non-assignment of appropriate job

In case that the Employer is unable to assign the Employee a job matching his job description for a period exceeding that set in subsection 6.13.2 herein, it is his obligation to negotiate with the Employee a new, or temporary, job assignment.

6.13.4 Performance of a different job

Routine maintenance, cleaning of facilities, housekeeping, participation on facility repairs, training in servicing, job discharge or skill acquisition relating new equipment are not understood to constitute the performance of different jobs.

6.13.6 Remuneration of shift staff scheduled to work on E-shifts

Shift staff re-assigned to work - pending scheduled shutdowns – on E-shifts, and hence pursuing maintenance work, are paid as if working in shifts.

6.14 Idle time wage compensation

6.14.1 Remuneration of staff with no work job temporarily assigned

In case that the Employer is temporarily unable to allocate work to the Employee due to

- a) outage (Section 207, letter a) of LC, and provided he is not transferred to a different job, the Employee is entitled - within such conditions effective - to a remuneration equaling 90% of his average wage. Should the Employee refuse the transfer to a different job, he is entitled to 80% of his average wage.
- b) lockout caused by adverse weather conditions or a natural disaster (Section 207, letter b) of the LC), unless Employer transfers Employee to a different job, the Employee is entitled to a remuneration equaling 70% of his average wage. Should the Employee refuse the transfer to a different job, he is entitled to 60% of his average wage.

The anticipated length of outage must be communicated to the Employee in writing and no less than 3 days ahead – provided that the Employer has an awareness thereof.

6.14.2 In other cases

i.e. when the Employee is unable to perform his job due to embarrassment in work on the part of the Employer other than stipulated in Items above, unless the Employer transfers the Employee to a different job, the Employee is eligible to a remuneration in the amount of his average wage. In case that embarrassment in work on the part of the Employer

6.14.3 Remuneration during work disruptions

In case that work is suspended due to embarrassment in work on the part of the Employer are due to temporal sales & distribution constraints (i.e. company goods sell badly), or due to lower demand for Employer's services (i.e. partial unemployment - Section 209 subsec 1 of LC), remuneration may be cut – following agreement with CRC LU - down to 60 % of Employees' average wage.

6.15 Familiarization with newly determined remuneration terms

The Company staff will be - in a provable manner - familiarized with their wage entitlements.

CR • CR

7 Staff nurture and social welfare

7.1 Concern for staff qualifications

The Employer undertakes to ensure staff qualifications deepening and competency upgrade. The Employer shall make arrangements for the staff to deepen and improve their qualifications under the proviso that it doesn't frustrate the Employer's intents. On the fulfillment of the above conditions, the staff may be provided - beyond standing rules - with an additional study leave necessary for regular attendance, including wage compensation.

7.2 Repurchase of material & out-of-service facilities

Compliant with regulations currently in force, staff will be given opportunities to repurchase CRC waste materials, out-of-service facilities and equipment. Repurchase rules will be released.

7.3 Support in case of industrial accident

7.3.1 Lump-sum compensation

Should any Company Employee sustain an occupational accident with a health damage requiring hospitalization exceeding five (5) days, the Employer undertakes to grant a beyond-law lump-sum compensation of up to CZK 40,000. The amount is determined upon agreement between Employer and LUC.

7.3.2 Industrial accident resulting in life disability pension

In connection with an industrial accident or occupational disease, and apart from compensations ensuing from legal regulations, the Employer shall pay - depending on its extent of fault - additional compensations, namely

TYPE OF PENSION	AMOUNT
full disability pension	CZK 390,000
partial disability pension	CZK 190,000

7.3.2 Fatal employment accidents

In case of a fatal accident suffered within job performance or related to it, the Employer undertakes to pay - within ten (10) days after the relevant liability decision becomes effective - apart from compensations ensuing from legal provisions, and relating to the degree of blame, the following amounts depending on his extent of fault:

RECIPIENT	AMOUNT
Survivor (spouse) or parents, if justified	240,000 CZK
Each child entitled to an orphan's pension	390,000 CZK
If only one person acts as survivor	390,000 CZK
Funeral expense advance	40,000 CZK

7.4 Provision of transport to remote work sites

To meet his needs, conditions permitting, the Employer will provide transport of CRC staff to more remote workplaces, and the transport of CRC staff between the two refineries.

7.5 Health care

1. The Employer undertakes to provide a round-the-clock first aid service in contractual health centers.
2. First Aid Cabinets will be provided on relevant workplaces, with regularly trained administrators appointed.
3. Entrance and leaving medical checks for staff are conducted at Employer's cost.
4. At its own cost, the Employer shall make arrangements for all staff to undergo - on a biannual basis - preventive medical screening unless, pursuant to special provisions, a shorter interval is required. The screening scope in the two localities will be standardized.
5. Staff with a job description requiring - in no less than 50% of work time - PC work are entitled to a regular preventive eye test within no less than a two-year period.
6. Over no less than three (3) winter months, staff will be provided with C-Preventim, or analogous, preparation.
7. Under Section 5 of Decree No. 178/2001 as subsequently amended, staff will be provided with protective beverages or, alternatively, with potable water and relevant additives for these to prepare.
8. Upon request, staff may obtain psychiatric counseling.
9. The Employer will seek to enhance the working environment culture, and to improve work hygiene standards.

7.6 Fringe benefits of Employees

7.6.1 Basic rules for activities & responsibility distribution

The Employer has agreed with LU CRC that responsibilities and statutory social expenses be split in two pockets, namely

- a) Expenses to tackle social matters within the brackets of the agreed-on

budget, where

- issues such as the manner & priorities of drawing are decided by LU;
- rules apply to all Employees,
- the Employer has his say in the way social matters are tackled.

b) Expenses going into the provision of non-monetary benefits within the brackets of the agreed-on budget, where

- issues such as the manner & priorities of drawing are decided by the Employer;
- rules apply to all Employees,
- the LU has its say in the way benefits are granted.

7.6.2 Social welfare budget

equals CZK 4 million; of that, CZK 2.75 million go to loans to staff, and CZK 1.25 million goes to cover expenses as per Items 7.6.2.1 and 7.6.2.2 hereof.

7.6.2.1 Assistance in coping with critical life situations

Assistance comprises:

- a) Support to the staff and family members in case of industrial accident;
- b) Allowance to cover medical treatment exceeding the standard, and for drugs prescribed to the staff or his children;
- c) Support in contingency situations resulting in severely worsened living conditions in the staff's family.
- d) Old age pension retirement gift.

Cases listed under letters b) and c) hereabove are not claimable and are handled on an individual basis.

7.6.2.2 Subsidies for children recreation, curative stays, curative school stays & nursery school stays

Upon request, staff descendants may be granted - within school age - a subsidy for stays in curative school/nursery school. In a calendar year, two bonuses may be provided as a maximum.

Further, once a calendar year, a contribution for a child recreation stay - or a curative stay arranged over the summer holidays - may be provided.

The bonus is provided in a non-cash form and is directly transferred to the organizer of the event, the amount of the bonus depending on the budget.

7.6.3 Additional pension insurance contribution

The Employer undertakes to make a monthly CZK 600 financial contribution to Employees who had concluded a state-subsidized additional pension insurance contribution contract. Another option for further increasing the contribution is – based on individual staff's decision - through PALETA scheme. Employees who had not entered the additional pension insurance scheme are not eligible to any form of alternative compensation such as, (e.g., direct wage increase)

7.6.4 Budget for non-monetary benefits

From the budget, non-monetary PALETA scheme benefits offered to staff shall be paid.

7.6.5 Staff accommodation

Following the Company policy applicable for staff accommodation, the Employer shall ensure temporal accommodation for its staff.

7.6.6 Canteen catering

The Employer shall ensure company catering for its staff. For shift-run operations, frozen meals are available.

Company catering will be ensured on a vendor-managed basis as per contract concluded.

The Employer shall provide for the feasibility of having meals heated at the worksite; moreover, drink-preparation facilities shall be available.

Employees opting for Paleta scheme catering using catering vouchers are not eligible to frozen meals.

For a subsidized main-course meal served in the canteen, the Employer provides CZK 36 per meal. The supplementary payment up to the full price the meal is covered by the Employee.

The number of meals subsidized by the Employer depends on the monthly amount of working hours. In case of overtime, each 7.5 hours delivered overtime mean an entitlement to another subsidized meal.

7.6.7. Catering for pensioners

Subsidized company catering may be provided even to CRC ex-staff retired in after 1 January 1996.

The number of meals provided to pensioners derives from the number of business days within the given month. Meals withdrawn in excess of the limit are paid for in full at the canteen checkout.

Pensioners are not eligible to frozen meals.

7.7 Work on December 24th and 31st

Staff serving a late shift on 24th December, and staff serving their night shift on 31st December, are provided with refreshments free of charge.



8 Work Security & Health Protection

8.1 The Employer undertakes to:

8.1.1 Not to judge as Employee's failure to carry out his duties

instances when a staff fails to carry out a job because had assumed that doing so might put at risk either his life or the lives of other staff are not treated as breach of commitment.

8.1.2 Negotiation of Work Security provisions with LUC

Work Security and health & environment protection provisions are negotiated with LUC. Invariably, LUC is advised of the methods and results of Work Security & protection checks.

8.1.3 Attendance of SHP meeting

The Employer undertakes to allow, e.g., safety technicians, to take part in the meeting hosted by ECHO Labor Association.

8.1.4 Participation of voted LU officials on relevant meetings

The Employer undertakes to allow voted LU officials to participate, with their wage reimbursed, on get-togethers, training courses and refresher courses featuring SHP issues and arranged by BO CLU, CR CLU, the Employers Association and/or by Bodies of expert state supervision.

The Employer will make arrangements for the CRC Work Security inspector to take part in training sessions and study stays concerning Work Security and health protection. Expenses thereof are covered by the Employer.

8.1.5 Provision of complete information

The Employer pledges to provide the LUC with comprehensive information on the used media, their physical, chemical and other harmful effects regarding the health & potential risks for staff involved. Invariably, the Employer undertakes to create a company database of used media - including data on the properties of these - concerning potential risks of professional disease, health hazards and jeopardy of life as per the provisions of ILO Convention No. 155 as amended by Decree of the FMZV⁵ No 20/1989 Coll., as subsequently amended.

8.1.6 Regular monitoring of harmful effects of working environment

The Employer shall carry out regular monitoring of venues designated by the competent district environmental health officer.

The Labor organization may require that a check measurement be carried out on even other CRC venues and, if appropriate, take part in it – namely in instances when a) odor occurs in the air, b) suspicions arises of the incidence of harmful substances or c) other adverse impacts on the workplace.

⁵ i.e. the Federal Ministry of Foreign Affairs

Of the measurement results, the Employer undertakes to advise BBO in writing within no longer than three (3) business days upon evaluation.

8.1.7 Verification of completeness & validity of operational documentation

The Employer undertakes to check - during audits - the completeness and validity of operational documentation, the full delivery of training courses, and verification of qualifications and safety training. Upon disclosure of incomplete operational documentation and/or failure to abide by safety regulations such as, e.g. inquiries into accidents and injuries, corrective measures will be administered by Employer management representative for TMS issues, i.e. – at the time of CA completion by the Technical Director.

8.1.8 Verification of lists of hazardous worksites

The Employer undertakes verify lists of hazardous worksites and protective zones established by authorized bodies and, given that conditions change, propose relevant adjustments.

8.1.9 Review of the pursuance of ordinances and binding instructions

The Employer undertakes to check the performance of ordinances and binding instructions issued by bodies authorized to oversee Work Security and environment protection.

8.1.10 Measures to mitigate ill environmental/worksite effects

The Employer undertakes to devote permanent attention to lowering adverse impacts upon working & life environment, as well as to safety on worksites with a typical occurrence of

- chemical substances and hazardous carcinogens;
- other risks exceeding allowed limits;
- excess-limit emission sources.

8.1.11 Provision of free personal protective aids (PPA)

The Employer undertakes to provide staff and apprentices with free PPA compliant with specific provisions, and to employ all available means to improve PPA quality and assortment.

Under Act No 22/1997 Coll. (on technical requirements for products, as subsequently amended), personal protective aids made available to staff need to be equipped with relevant product conformance statements.

8.1.12 Provision of a system of control, protection & work security

The Employer undertakes to make provisions for smooth operation of the system of control, protection and Work Security in workplaces staffed with one Employee only. Negotiate the issue with LU Work Security inspector.

8.1.13 Inquiry of accidents and vocational diseases

Under regulations currently in force, the Employer undertakes to adopt measures preventing accidents and instances of professional illness from occurring. Further, the Employer undertakes to determine the degree of blame relating each particular accident/professional illness, discuss it with FC and, if applicable, with the pertinent Employee – namely with-in no later than thirty (30) days following the occurrence of the employment accident, or the date of professional illness notification. The time limit is suspended pending the probe of degree of blame carried out by an independent authority.

8.1.14 Risk identification

The Employer undertakes to identify threats to staff safety and health, and to adopt staff protection measures. Following negotiations of risks with LUC, the Company staff will be informed.

8.2 LU organization

8.2.1 Advising the names of

LU officials authorized to carry out activities in the field of health protection and Work Security.

8.2.2 Informing CRC management

of LU intent to issue a binding instruction on:

- Defect elimination on production facilities reported under Section 322, subsec 2, letter a) of LC;
- A ban of night/overtime work, should these put at risk staff safety and health.

8.2.3 Cooperation and assistance

The LU undertakes to cooperate and be instrumental in promoting safe work.

Kralupy nad Vltavou, 6 March 2007

Ing. Ivan Souček, u.p.s.
Chairman of the
Board of Directors and CEO
of Česká rafinérská, a.s.

Jan Klimeš, u.p.s.
Chairman
of the Labor Union
of Česká rafinérská, a.s.

Annex No. 1 to ČESKÁ RAFINÉRSKÁ, a.s.'s Collective Agreement

List of workplaces on which meal breaks are unfeasible

Litvínov Refinery

Tanker Truck Loading Terminal

Jiřetín Tankfarm

Central Control Room

Claus Unit

Kralupy Refinery

Road Distribution Terminal

Central Control Room

Annex No. 2 to ČESKÁ RAFINÉRSKÁ, a.s.'s Collective Agreement

List of workplaces characterized by aggravated work environment

GROUP I

Litvínov Refinery

Operation 1:

- PS 1320 - Fission Unit
- PS 1322 - MEA Recovering
- PS 1323 - Acid water stripping
- PS 2303 - HRPe + Air-Compression Station
- PS 2304 - HPPO

Operation 2:

- PS 3601 - VTV High pressure laundering facility
- PS 3612 - Chamber 12
- PS 3611 - Chamber 11
- PS 3620 - Chambers 5-6
- PS 4310 - common for Claus operation set
- PS 4312 - Claus 2
- PS 4313 - Claus 3
- PS 4314 - Claus 4
- PS 4320 - Sulfreen and NTI
- PS 5510 - Hydrogen Sulfide laundering and MEA Recovering

Kralupy Refinery

Operation 1:

- PS 2513 - HRPe, T4, C1, and T3
- PS 2514 - HRPO, T4, C1, T3
- PS 2516 - Gas desulphurization, compressors
- PS 2517 - Sulphur production

Operation 3:

- PS 2414 - Gas desulphurization
- PS 2417 - Acid water stripping

GROUP II

Kralupy Refinery

Operation 2:

- PS 2708 - Slurry handling, filter press cleansing

Annex No. 3 to ČESKÁ RAFINÉRSKÁ, a.s.'s Collective Agreement

OPERATOR CATALOGUE Annex to Collective Agreement 4th issue

Content:

1. General guidelines for operator activities.....	1
2. System of nurturing an Operator.....	1
3. Competences – equipment.....	2
4. Panel competences.....	3

1. General guidelines for operator activities

1.1 General guidelines

One of the characteristics of refinery industry is the urge of operators being present uninterruptedly, namely throughout 24 hours. That is largely so due to the fact that the production facilities used in refinery industry require round-the-clock attention and surveillance.

Operators act as the first and most important tenet connecting the production facilities with production processes. Within the refinery, the impact of their working activities upon work safety, product quality, equipment functionality, and operating costs is larger than that of any other group.

1.2 Responsibilities

The Operator is directly responsible for duly running the units and facilities allocated to him by the shift manager. That essentially applies to both outdoor operators, the panel operator, and senior operator. A vital aspect of duly running the facilities is work security.

The Operator is aware of who is present in the Operation and what purpose for, in which area or which facility work proceeds on, what work permits are issued, etc. What needs to be pointed out is the importance of awareness of safe labor, and awareness of situation in Operation. The Operator moreover carries out checks of other activities going on, such as maintenance, technology, investment projects, and suchlike. As an apt instrument for conducting such reviews, the *Safe and risk behavior* observation method is seen. Within the are confided, the Operator has full powers to - at any time whatsoever – terminate the activities of any subject proceeding in a hazardous manner.

1.3 Activities

The Operator's major activities include:

- Regular, permanent surveillance
- Regular and successive production activities
- Regular non-production activities
- Irregular production activities
- Responsibilities in emergency situations

What a regular, permanent surveillance means is the fact that the Operator devotes the bulk of his work time to monitoring operation variables such as pressure, temperature, throughput, levels, etc. of no less importance is monitoring and evaluation of status situation in, e.g. furnaces, comprising actions such as opening the sight glass, checking of flame and piping color, as well as of the impact of flames onto the refractor or pipes, leakages on heating burners, signs of ex post incineration, etc. The Operator monitors key elements of the facility status and the display thereof, as are, e.g., pump bearings temperature, oil lubrication status, or the facility's noise levels, cavitations, vibrations. Moreover, he monitors local control panels, detects gas outflows, etc.

Another category of regular activities carried out in Operation are related to standard activities necessary for the reliable run of respective units and facilities. Whilst a whole bunch of those exist, listed below are just some of those:

- Replacement of gas burner by oil burner on furnaces
- Pump start-up/run-down, start-up/run down of compressors
- Heat exchanger bypassing
- Preparation of facility for maintenance
- Collecting gas samples prior to issuance of work and entry permit to the facility
- Interconnecting different tanks, conducting level readings
- Addition of pump lubricants
- Preparation of fuel feed
- Carrying out risk and safety comparisons
- Cooperation in case of safety system inspections

A competent Operator can cope with carrying out these tasks in compliance with operational documentation. To that purpose, he had been duly trained, and disposes of sufficient expertise.

Part of routine actions is minor maintenance, as is the pursuit of routine lab testing. All these are activities that - by its nature - are fairly close to operator job assignment, and can essentially be carried out at any time whatsoever. Routine actions are selected in a way requiring solely basic training, and the pursuit thereof can be suspended due to production getting preference. The Operator participated in the creation of operational documentation.

Irregular production activities are tasks that are carried out within longer time intervals or, as the case may be, "on an ad hoc basis" only. They require cooperation with other departments. As examples, a catalyst recovery, preparation of a unit run-down, insulation/blinding a facility, flushing, safety watch carried out

pending maintenance work, participation in audits on maintaining order at workplace and safety audits, and suchlike, may serve. In many instances, specific procedures and documents have been drawn up to ensure the said activities.

In emergency situations, the Operator's responsibility entails activities in case of fire, or other emergency situations and states impacting living environment. In the above instances, the Operator proceeds as per Emergency Plan and Operator's Manual.

2. System of nurturing Operator's professional growth & development

2.1 Qualifications and Requirements

The minimum qualifications requirement placed on the Operator after five (5) years on the job is acquisition of six (6) competences. The minimum period necessary for gaining practical savvy within each respective competence equals six (6) months. Exceptions, if any, are decided by the Head of section.

2.2 Work areas

Operators acquire competences in areas as follows:

Litvínov:

- NRL/CCR area
- PSP/VBU area
- AVD/OHC/OXAS/LPG/SRU/refining area
- Fuel stores & blending motor fuels, dispatch terminals

Kralupy:

- Area of PS25, PS26, PENEX, and MTBE production units
- Area of fuel stores & blending motor fuels, dispatch terminals
- FCCU area

2.3 Operator team

The operator team for respective areas comprises "outdoor" operators, control room operators, and senior operators. All operators are run by the shift manager.

2.4 Work area competences

In all areas, respective outdoor competences are set employing the *benchmark shift position (BSP)* system meaning that 1 BSP equals - as far as possible - 1 competence. The system provides for a comparability of all competences applied within the two refineries. A list of BSP is attached as Annex to Operator's Catalogue, and is reviewed by an Employer and LU representative on an annual basis .

2.5 Pursuit of competences

Operator win competences through practice and passing a subsequent test intended to show the theoretical savvy and practical skills necessary for each respective competence. As a precondition for success is acquisition of 90 % correct answers. Each Operator can acquire seven (7) active outdoor competences.

In case that the Operator enters new areas and wins additional competences, or should he have acquired a number of competences exceeding 7, his supervisor shall determine active (i.e. performed) competences, the rest remaining. (For each competence exceeding 7 competences, a one-shot bonus shall be paid out in the amount of a six-month inter-tariff differential). In the event that new facilities are supplemented to the competences, so that the BSP value fails to reach the level of 1.0, the procedure is as follows:

- In case of BSP up to 0.30, the Operator is eligible to one-third of bonus
- In case of BSP ranging between 0.31 and 0.60, the Operator is eligible to two-thirds of bonus.

Two more competences – experience-based competences – are acquirable after each two years of practical pursuance of the abovementioned active competences, on the basis of continual assessment carried out (by respective superiors) in the sense of active use of active competences as per Employer requirements (i.e. rotation) and other criteria such as minor maintenance, lab testing, ability to tackle emergency situations, etc.

The two-year period required for acquisition of the experience-based competence starts with the day of acquisition of 7th active competence. In case of Operators who already possess 7 active competences, the abovementioned period starts on the date of Catalogue approval. Exceptions from the two-year period can be granted by the head of respective section.

2.6 Panel competences

Depending on the Company skills and needs, Operators will be selected that are capable to win - apart from their outdoor and experience-based competences – competences on the new control panels installed in the Central Control Room (CCR). Upon acquisition of first competence, the Operator is awarded a bonus for controlling the units from CCR. In instances when the current facility is not controlled from new cockpits, the original control-room competences remain in force until these are re-linked (see Areas).

According to Item 4.2 and Item 4.3 hereof, apart from his seven outdoor competences, the production unit Operator can acquire 2 panel competences. In case of Operators who had already acquired experience-based competence(s), and – through winning a panel competence – would exceed the total of 9 competences, the procedure is analogous with that applied in Item 2.5, subsec 2, i.e. for acquisition of his panel competency, the Operator will be paid a one-shot bonus in the amount of a six-month inter-tariff differential (meaning that one acquired RCC competence for one experience-based competence). Apart from 7 outdoor competences and 1

panel competence, the Operator can acquire 1 experience-based competence, which means a total of altogether 9 competences.

2.7 Operator hierarchy

- Outdoor competences - acquirable by all Operators
- Experience-based competences - acquirable by all Operators
- Panel competences - acquirable by all Operators, though depending on Company needs
- Senior Operator - appointed as per Company requirements

2.8 Operator of wastewater treatment facility

Entails a special group of day operators who – depending on the Company's potential and needs – are entitled to acquire outdoor competences in the area of Kralupy fuel stores & blending motor fuels, dispatch terminals.

3. Competences – facilities attended

Litvínov – NRL/CCR Areas

Competence	1.1.L	PS 2301	Feedstock distillation
		PS 2301	Re-distillation Bi (Naphtha splitter)
		PS 2332	HO supply
Competence	2.1.L	PS 2303	Kerosene hydrotreater
		PS 2304	Po hydrogen refining
		PS 2335	Air-compression station M&R
Competence	3.1.L	PS 2305	Isomerization Unit
		PS 2331	Flare system
		PS 2337	Refinery gas
		PS 2360	Waste water deoiler
Competence	4.1.L	PS 2302	Bi hydrogen refinery
Competence	5.1.L	PS 2306	Semi-generative Reformer Unit
Competence	6.1.L	PS 1392	CCR/Reforming Section
Competence	7.1.L	PS 1393	CCR/Catalyst regeneration unit

Litvínov – PSP/VBU Areas

Competence	8.1.L	PS 1311	Masoute store
		PS 1310	Vacuum Distillation Unit
		PS 1319	Condensate management

		PS 1360	Waste water deoiler
		PS 1385	Fire water bracing system
Competence	9.1.L	PS 1322	MEA laundering
		PS 1323	Acid water stripping
		PS 1330	TP supply
		PS 1350	Storage of chemicals
Competence	10.1.L	PS 1321	Distillation section
		PS 1324	Slop system
		PS 1325	Air conditioning
		PS 1380	Stock of hydrocracker vacuum distillates (HCVD)
Competence	11.1.L	PS 1320	Reaction section
		PS 1340	Flare system
Competence	12.1.L	PS 1355	Air-compression station M&R
			Circulation compressor / 1320 K01 + 1320 Z04
			Fed pump (1320 P01 + 1320 Z02
Competence	13.1.L	PS 2320	Visbreaker

Litvínov – AVD/OHC/OXAS/LPG/SRU/refinery areas

Competence	1.2.L	PS 3420	AVD atmospheric part + NOS
Competence	2.2.L	PS 3420	AVD Vacuum part
		PS 3440	OXA
Competence	3.2.L	PS 3620	Diesel oil hydrotreater
Competence	4.2.L	PS 3611	Chamber 11
		PS 3612	Chamber 12
Competence	5.2.L	PS 3601	Pump and compressor machine room
Competence	6.2.L	PS 3411	D - distillation
		PS 3412	C – distillation
Competence	7.2.L	PS 4310	Shared Claus (stock and sulphur loading
		PS 4312	Claus II
		PS 4313	Claus III
		PS 4314	Claus IV
		PS 4320	Sulfreen and NTI
Competence	8.2.L	PS 4440	Solvent distillation, product storage

Competence	9.2.L	PS 5510	NTBP, TBP laundering; MEA recovery
Competence	10.2.L	PS 5410	LPG distillation, fat gas compression

Litvínov – Areas of Motor fuel stock and blending, dispatch terminals

Competence	1.3.L	PS 6900	Road distribution terminal
Competence	2.3.L	PS 6510	TRF Tankfarm
		PS 6710	TH Tankfarm
		PS 6720	TR Tankfarm
		PS 6730	TS Tankfarm
Competence	3.3.L	PS 5610	F Tankfarm
		PS 5620	G Tankfarm
		PS 6530	VRU
		PS 5710	E Tankfarm
		PS 5720	Gasoline Blending
Competence	4.3.L	PS 4610	Loading rails 120 / 121
		PS 4620	Unloading rail 123
		PS 5520	LPG loading and unloading – rail 151
Competence	5.3.L	PS 3510	A Tankfarm
		PS 4340	M Tankfarm
Competence	6.3.L	PS 3520	B Tankfarm
		PS 3530	C Tankfarm
		PS 4500	D Tankfarm
		PS 5530	Diesel Blending
Competence	7.3.L	PS 3310	Unloading rail 69
		PS 3320	Loading rails 70 / 72
		PS 3440	Tank truck loading (bitumen)
Competence	8.3.L	PS 6410	R Tankfarm
		PS 6420	Storage facility

Kralupy – Areas of PS 25, PS 26, PENEX, MTB production units

Competence	1.1.K	PS 2511	SD, RED desalinization, batching of auxiliary substances
		PS 2532	VŠŠ, VSR
		PS 2505	Separation pit
		PS 2506	Gravitation water pit
Competence	2.1.K	PS 2511	SD furnaces

		PS 2530	Smoke flue – left side
		PS 2534	Air preheating
		PS 2542	a, b fuel gas
		PS 2662	Cooling tower
		PS 2663	Circulation cooling circuit
		PS 2664	a, b pump wells
		PS 004	Incident emergency system
Competence	3.1.K	PS 1530	Raffinate separation isomeration
Competence	4.1.K	PS 2512	HRBi, Cat. Ref., operation of R01 reactor quench circle
		PS 2530	Smoke flue – right side
Competence	5.1.K	PS 2513	HRPe, additivation
		PS 2514	HRPo, hydrogen purification, MBU, RO2 reactor
Competence	6.1.K	PS 2515	Gas separation, pentane production
		PS 2516	Gas desulphurization
		PS 2517	Sulphur production +sulfreen
Competence	7.1.K	PS 2533	Feed water, DEA, depressant, additivation, ethanol batching
		PS 239	MTBE

Kralupy – Areas of Motor fuel stock and blending, dispatch terminals

Competence	1.2.K	Storage of components and products, gasoline and diesel blending, pipeline, VRU
Competence	2.2.K	Crude storage, product storage, slop management, ČOV
Competence	3.2.K	HO storage, MTBE and pentane storage, railcar container unloading
Competence	4.2.K	Rail loading platform
Competence	5.2.K	LPG storage
Competence	6.2.K	Unloading and loading LPG in tank trucks and railcar containers
Competence	7.2.K	Road distribution terminal

Kralupy – FCCU Area

Competence	1.3.K	PS 2412	Gas separation
------------	--------------	---------	----------------

		PS 2418	Propylene
		PS 2421	Condensate collection, condensate system
Competence	2.3.K	PS 2410	Vacuum distillation
		PS 2413	Naphtha hydrotreating
		PS 2419	Slop system
		PS 2450	Bi separation, strip strings, re-boiling furnace, heating gas

Competence **3.3.K** PS 2414 Cracked gas desulphurization
 PS 2415 LPG Merox
 PS 2416 Gasoline Merox

Competence **4.3.K** PS 2417 Acid water stripping
 PS 2420 Flare system
 PS 2416 Field burner/fackle
 PS 2423 Cooling towers

Competence **5.3.K** PS 2411 FCC reactor and regenerator

Competence **6.3.K** PS 2411 FCC column

4. Panel Competences

4.1

Panel competences are attainable for any and each Operator depending on abilities thereof and on Company requirements. In terms of control rooms, 1 competence (cockpit) is represented by zero to 200/275 control loops.

4.2 Litvínov – Central panel

Competence	1.1.L CV	Control room for positions 1.1, 2.1, 3.1L
Competence	2.1.L CV	Control room for positions 4.1., 5.1., 6.1., 7.1.L
Competence	3.1.L CV	Control room for positions 9.1., 10.1., 11.1, 12.1L
Competence	4.1.L CV	Control room for positions 8.1, 13.1L
Competence	1.2.L CV	Control room for positions 1.2., 2.2., 3.2., 4.2., 5.2., 6.2L
Competence	2.2.L CV	Control room for positions 7.2., 8.2., 9.2., 10.2L
Competence	1.3L CV	Control room for positions: storage facilities, dispatch terminals

4.3 Kralupy – Central panel

Competence	1.1.K CV	Control room for positions 1.1, 2.1, 3.1K
Competence	2.1.K CV	Control room for positions 4.1., 5.1., 6.1K
Competence	1.2.K CV	Control room for positions: storage facilities, dispatch terminals
Competence	1.3K CV	Control room for positions 1.3, 6.3, 6.3K
Competence	2.3K CV	Control room for positions 2.3, 3.3, 4.3K

Numbering of competences - Explanatory notes:

1.1K		
First digit	Second digit	Letter
Number of competence	Number of area	Locality

Explanatory notes:

Abbreviation	Specification	Abbrev.	Specification
SD	Feedstock distillation (FD)	RED	Naphtha splitter (NS)
MaR	Instrumentation and control (I&C)	TO	Heating oil (HO)
ZP	Natural gas (NG)	PS	Operating set (OS)
FL	Flare (F)	HR	Hydrogen refinery (HR)
Pe	Petroleum oil (PO)	Po	Gas oil (GO)
Bi	Gasoline (G)	CCR	Continual Catalytic Reformer (CCR)
MEA	Monoethanolamin (MEL)	DEA	Diethanolamin
VBU	Visbreaker unit (VBU)	OXA	Bitumen Blowing Unit (BBU)
LPG	Liquid gases (LPG)	OHC	Old Hydrocracker Unit (OHC)
AVD	Atmospheric vacuum distiller (AVD)	AC	Tank trucks (TT)
MTBE	Methyl-terc-butyl ether (MTBE)	ŽC	Railcar container (RCC)
BA	Automobile gasoline (AUBI)	NM	Diesel oil (DO)
FCC	Fluid Catalytic Cracker (FCC)	ČOV	Sewage treatment facility (STF)
VRU	Vapor recovery unit (VRU)	SRU	Claus unit (CU)
CV	Central Control Room (CCR)		

This Catalogue comes into force as of 1 March 2007

Litvínov on:

Ing. Miroslav Kornalík
General Affairs Director
ČESKÁ RAFINÉRSKÁ, a.s.

Jan Klimeš
Labor Union Chairman
of ČESKÁ RAFINÉRSKÁ, a.s.

Annex No. 4 to ČESKÁ RAFINÉRSKÁ, a.s.'s Collective Agreement

LAB STAFF CATALOGUE Annex to Collective Agreement 4th issue

Content:

1. General guidelines for lab staff activities.....	1
2. Operator development system.....	1
3. Competences – equipment.....	2
5. Lab staff competences,.....	3

1. General guidelines for operator activities

1.1 General guidelines

In Česká rafinérská, laboratories are run as a servicing department; the main destination thereof is rendering analytical support in evaluation of the quality of feedstock, intermediates and products as per order of other Company divisions.

1.2 Responsibilities

The lab staff bears direct responsibility for duly carrying out analyses of a given sample, and for entering correct data into the information system. A vital aspect of a proper sample determination is work safety in course of performing the respective analyses.

1.3 Activities

In case of lab staff, the following activities are seen as principal:

- performing analyses
- entering data into the information system
- issuance of quality certificates
- accountability for analyses performed
- other actions listed in Lab Manual, or imposed by the superior

By a skilful lab staff, these routine operations are carried out while meeting laboratory procedures. For that purpose, he was provided due training, tested in protocolar form, and given a chance to acquire necessary experience. In order to ensure the prerequisites above, specific procedures and documents have been developed.

2. System of nurturing lab staff nurturing professional growth & development

2.1 Qualifications requirements

The minimum qualifications requirement placed on the Operator after three (3) years on the job is acquisition of four (4) competences. The minimum period necessary for gaining practical savvy within each respective competence is three (3) months. Exceptions, if any, are determined by respective Heads of sections.

2.2 Acquisition of competences

Lab staff acquire new competences depending on practice and a subsequent exam taken to show theoretical savvy and practical skills required for the respective competence. Successful are applicants with 90% correct responses. In that way, each lab staff can obtain six (6) competences. Exceedingly, a lab staff can acquire his 7th competence (Attesting and specialist calibration). It is awarded upon passing a prescribed exam. The number of competences No. 7 is set as per Company requirements.

2.3 Retakes

Should a lab staff fail to pass, he can take a re-sit, however not until after one (1) month of the failed exam.

3. Competences – Lab staff

Competence No. 1 – Core analyses of crude oil and crude oil substances

Physical methods

Volumetric methods

Determination of contaminants

Competence No. 2 – Analyses of water and of fluid sulphur

Volumetric methods

Spectral methods using *Spectroquant* apparatus

Analytic particulars of fluid sulphur

Competence No. 3 – Chromatography, gas analyses

Chromatography of fluid substances

Chromatography of gaseous substances

Determination of gas contaminants

Safety analyses

Competence No. 4 – Specialist analyses

Specialist analyses for JET

Entrance check of methanol

MTBE inter-operation analyses

Specialist analyses of crude oils, oil hydrogenates, motor fuels and lubs

Competence No. 5 – Calibration, metrology

Calibration of simple analyzers

Routine maintenance

Metrologic assurance of labs
Preparation of solutions
Determination of trace amounts of elements using AAS, UVB fluorescence

Competence No. 6 – More complex analyses

Determination of octane ratings
Determination of cetane rating
Sham distillation
Oxidation stability
Circular testing path, validation

Competence No. 7 – Attestation and specialist calibration

Attestation, product release, check or product quality
Specialist calibration
System such as LISA-administrator, SAP, COTAS, DITRANS

A precise and topical content of respective competences is filed in laboratories of each refinery segment.

This Catalogue comes into force as of 1 March 2007

Litvínov on:

Ing. Miroslav Kornalík
General Affairs Director
ČESKÁ RAFINÉRSKÁ, a.s.

Jan Klimeš
Labor Union Chairman
of ČESKÁ RAFINÉRSKÁ, a.s.