

Collective Agreement

ČESKÁ RAFINÉRSKÁ, a.s.

for the period of 1 March 2010 to 28 February 2011

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

Ing. Ivan Souček, Ph.D.
Chief Executive Officer

and

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

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

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1 Purpose of the Collective agreement¹, Parties thereto, Validity, Operation, 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 Union² 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 28 February 2011, 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 (2) additional calendar months.

1.4 Obligatory force of the Collective Agreement

The Collective Agreement is binding upon the Parties entering into it. Unless otherwise expressly stated, the rights and obligations agreed herein appertain to 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 being signed by authorized representatives thereof. Proposals for Collective

¹ Hereinafter referred to also as “CA“, or “the Agreement“

² **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 organizations that show interest becoming members of the Association.

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 signature of the present Agreement.

1.8 Staff awareness

CRC management and the Labor Executive Board (hereinafter only: "the LEB") 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 LEB 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	LEB
Head of HR section	LEB
Specialist Director	LEB
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 LEB or, alternatively, of FC, is required.

The appropriate FC is entitled to carry out joint decisions in instances such as:

- Setting the vacation leave schedule
- Determining whether or not an absence is unauthorized

The LEB is entitled to jointly decide on:

- Setting of principles for drawing social expenses within the scope of Item 3.3.3 of Employer Directive No. 128;
- drawing mass holiday, namely within a time period not extending 14 days prior to the date of designated reporting for job;
- Work Code issuance and amendments thereto;
- immediate termination of employment of a LU official authorized to make joint decisions with the Employer;
- in other matters set by in commonly binding legal regulations currently in force and effect, particularly by LC.

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.

LEB - and bodies confided thereby - are eligible to have negotiated with the Employer any and all matters set in commonly binding legal regulations in force and effect, particularly

- industrial injury compensation;
- the amount of indemnification claimed - if exceeding 1,000 CZK;

and further:

- The distribution of weekly hours of work;
- workday start and end times, staff breaks;
- night work conditions;
- fundamental changes in implementation of new technology, engineering, and provisions affecting areas such as safety, work hygiene and environmental protection;
- 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.

2.4.3 Right to information

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 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.

The LEB is entitled to be provided (by the Employer) with information set forth in commonly binding legal regulations currently in force and effect, particularly (information):

- (in writing) on upcoming mass layoffs

and further:

- Information on major issues of Employer's development, including personnel development, profit figures, and perspectives;
- key economic figures, i.e. the Balance Sheet, Profit & Loss Statement – to be submitted on a no less than on a quarterly basis;
- monthly information on workplace relations entered into and ended;
- 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 other staff, with the exception of section managers and directors.

2.4.4 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 ensuing from the findings of such reviews will be negotiated with LEB.

2.4.5 Agreement between LLU and the Employer on internal regulations issuance

Under Section 305 of LC, the Employer is entitled – upon prior negotiation with LU Chair – to issue internal regulations governing remuneration rights, and other rights relating labor-law relations, regulating particularly:

- Remuneration of tariff-paid staff;
- remuneration of staff paid through contractual payment;
- rules and method of staff evaluation
- reimbursement of travel expense, and
- employee benefits pertaining to all employees.

The Contractual parties have agreed that amendments to those parts of internal rules or – if applicable – issuance of new internal regulations relating specifications of operators' and lab staff's competences (currently listed in Annex 5 and Annex 6 to Directive No. 127) shall be tackled in a way as follows:

- a) Proposals for amendments or issuance of new internal rules shall be negotiated in a joint working group, namely prior to regular negotiation thereof with LEB in the sense of paragraph 1 of the said Article of CA, and prior to the release thereof into regular amendment proceedings. The working group shall consist of three (3) Employer representatives and two (2) LU CRC representatives; the Commission shall be chaired by the Employer's Technical Director.
- b) In the given internal rules, respective external competencies of operators shall - in all areas of competencies - set, through the application of the Benchmark Shift Position (BSP) system, in such a way as to approximate as much as possible the rule stating that 1 BSP = 1 competency. The reason here is safeguarding comparability of all competencies within the two refineries.
- c) In the event that – due to changes in the composition of technology units – in some of the competency areas a drop in the average BSP value occurs per one competency below the 0,925 volume, the number of competencies in the given area shall be decreased, unless – through such reduction in the number of competencies – the average value of BSP is not raised to a value exceeding 1,175 per one competency. Exceptions from the application of the said provision are subject to approval of both contractual parties.
- d) In the event that – due to changes in the composition of technology units – in some of the competency areas an increase in the average BSP value occurs per one competency exceeding the 1,175 volume, the number of competencies in the given area shall be increased, unless – through such increase in the number of competencies – the average BSP value drops below 0,925 per one competency. Exceptions from the application of the said provision are subject to approval of both contractual parties.
- e) The Employer undertakes to regularly, i.e. no less than once in a calendar year, update the complete BSP list and - in case of changes in the composition of technology units – carry out a review of the entire BSP list. Updates and reviews of the BSP list shall be negotiated in the working group in accordance with the provision of letter a) of the present Item of CA.

3 Rights and obligations ensuing from labor-law relations

3.1 Commencement and cessation of a job relation

3.1.1 Employment contract

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 (2) 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 LEB, 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 LEB.

3.2.2 Decisions requiring preliminary LEB approval

without prior negotiation with LEB, 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) to (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 seek a new job. Individual leaves can be concatenated.

3.3 Time off from work & embarrassment in work on Employee's part

3.3.1 Paid work leave

Employees are rendered work relief in instances set out in commonly binding legal regulation currently in force and effect.

Beyond and above the limit set by legal regulations in force, the Employer provides paid work leave within the extent as follows:

- 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;³
- 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.

3.3.2 Unpaid work leave

The Employer shall provide the Employee with unpaid work leave 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.

A more ample scope of unpaid work relief can be rendered in extraordinary instances only. In such instances, an agreement must be reached between the Employer and Employee concerned on the payment of health and social insurance that normally is reimbursed by the Employer.

3.4 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.

³ only **one** member of such family is entitled to the work relief totaling max. six (6) days in a calendar year.

- 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.

3.5 Other rights and obligations ensuing from work-law relations

apply within the scope given by the Employer's internal norms in force and effect as at the day of the Agreement operation, and by commonly binding legal regulations.

Individual rights and obligations of staff ensuing from work-law relationships, in force and effect - pursuant to internal rules of the Employer - as at the day of operation of the present CA, are set forth in Annex No. 1 hereto.

4 Review of fulfillment of commitments

4.1 Settling collective disputes

Collective disputes, if any, on the fulfillment of undertakings set forth in the present CA will be tackled by the bargaining commission⁴ to which each of the contractual Parties shall nominate two (2) representatives.

4.2 Collective disputes over the fulfillment of commitments of the CA

shall be tackled through commonly binding legal regulations currently in force and effect and in compliance therewith.

4.3 Responding to proposals

The Party that is being presented the proposal responds to the opposed parts by no later than fifteen (15) days from receipt thereof and/or – if applicable – submits its counterproposal to the contradicted items.

4.4 Statutory measures for settling collective disputes

may only be applied if and when the dispute fails to be settled (by the Bargaining Commission) within fifteen (15) business days after commencement of the hearing.

4.5 Unimpairment clause

The above provisions are without prejudice to the right of the Employee to enforce his claims at the Court.

4.6 Technicalities preceding negotiations

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

⁴ or: Grievance Board

5 Rights and obligations of the Parties

5.1. The Employer undertakes to:

5.1.1 Respect Labor Union powers

ensuing from commonly binding legal regulations currently in force and effect. At the signature of the CA, the Employer recognizes the LLU CRC as the representative of its employees, namely within the extent of which the LLU CRC is given the right to represent the Company staff through commonly binding legal regulations. In case that another Labor organization is formed, mutual relations shall be tackled in compliance with commonly binding legal regulations.

5.1.2 Make arrangements for information transfer

on the activities of the LLU carried out in CRC to be conveyed to newcomers.

5.1.3 Release – upon prior agreement – elected LLU CRC functionaries

other than those released pursuant to Item 5.1.10 of CA, and provide them with paid work relief for attending labor education & training sessions directly attributable to the discharge of their LU office. Unless otherwise explicitly agreed in each individual case, the Parties acknowledge that the work relief thus provided shall not exceed – in case of each respective elected LLU CRC functionary one hundred (100) hours per calendar year, i.e. 30 hours per calendar month. By voted functionaries of LLU CRC are – for the purposes of this Item – understood members of the LEB, FC, and of HSE LLU CRC commission.

Other members of LLU CRC may be provided with short-time leaves on the basis of individual agreements between the Parties – accomplished through the respective senior officials – particularly for the discharge of LU offices agendas, for attending Labor meetings, conferences, congresses, and for the discharge of inspection pursuant to LC and other commonly binding legal regulations currently in force and effect.

Unless otherwise provided by commonly binding legal regulations currently in force and effect, 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 LEB 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 officers and expert officials of OS ECHO⁵

to CRC's LLU workplace, namely even on rest days, to perform Labor-related tasks – provided that safety and (operation) regime regulations of the workplace are duly adhered to;

to provide for even other officials to enter LLU CRC workplace provided that safety and (operation) regime regulations of the workplace are duly adhered to, and that such visit is - compliant with the Employer's internal rules – approved by an official responsible to the Employer.

5.1.8 Respond without undue delay

to reservations raised by the Labor authority. By the Employer, reservations of individual members of such LU bodies, raised in connection with their membership in the said body, shall be taken (by the Employer) and interpreted in the Company's internal communication and otherwise, as reservations of the said organ, not as reservations of this or that concrete member of such organ.

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 Provide work release

CRC undertakes to provide work release for elected LU officials for the pursuit of their elective union office. These members of staff maintain their work relationship with the Employer and are paid a salary set – upon agreement with LEB – by the LLU CRC. Should the salary set in the

⁵ i.e. Chemical Workers LU Association

abovementioned way – exceed 1,5-times the average Company salary, a written agreement on the amount thereof is required, concluded between LEB and the Employer. The Employer undertakes to - pending incumbency - pay health & social insurance fees for the released LU officials, including the state employment policy fee.

Their work relationship does not end upon expiry of their election period, suspension from office, or resignation. Upon discharge of the office, the job title thereof abides by LC.

The maximum number of released functionaries to which the Employer's commitments as per the present Item apply, is limited to two (2).

5.2 Making arrangements for electronic distribution of CA

The Employer undertakes to make arrangements in terms of electronic distribution of the CA and the storage thereof within EDMS system. Unless otherwise agreed by the Parties, the same applies for issuance of alterations and amendments invariably made to the CA.

Each Party obtains one (1) counterpart of the present CA in the Czech language - each having the force of the original. Original versions are filed in LU Office, and with the Employer.

5.3 THE LABOR UNION UNDERTAKES TO:

5.3.1 Organize

Labor activities, conditions permitting, in a way and at a time non-interfering with the Company's work hours.

5.3.2 Hold talks with Employer bodies

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

5.3.3 Check up and make the Employer aware of

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

5.3.4 Maintain confidentiality

on confidential matters caught up during incumbency, and on facts they become aware of within the discharge of their office, should the breach of confidentiality result in disclosure of classified information bits, or in breach of justified interests of the Employer or Employees. Unless otherwise stipulated

by a special provision, the above obligation holds good for one (1) more year upon expiry of LU incumbency. The obligation to maintain confidentiality applies even to specialists invited in by CRC LLU, and for officials and expert officers of OS ECHO, ČMKOS⁶, and other individuals provided with access to CRC LLU's office, becoming aware of such bit of information or fact.

Under the term "confidential information", an information is understood, the disclosure of which may jeopardize or hurt the Employer's activities. Not considered a "confidential bit of information" is an information that the Employer is obliged to convey, discuss or make available pursuant to commonly binding legal regulations. The Employer is not obliged to convey or discuss information on facts protected compliant with special legal provisions. The employer is however not obliged to disclose nor negotiate information to do with facts protected by special legal provisions.

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⁶ i.e. Confederation of Labor Unions

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.

6.1 Talks on wage level change

Talks on wage level change can be initiated by any of the Parties.

In case of a favorable development of the economic situation within the Czech Republic's refinery sector, and provided that the Employer's economic results are characterized by a favorable trend in 2010, the contractual Parties shall enter negotiations on a wage/salary increase – with the stipulation that, in the negotiations, taken account will moreover be the trend of the cost of living in the Czech Republic.

6.2 Minimum monthly wage

The minimum monthly wage to take from the Employer is a minimum wage set by a commonly binding legal regulation such as, e.g., Government Order, increased by 10%, equaling no less however than the pay guaranteed by the commonly binding legal regulation, increased by CZK 1000.

6.3 Remuneration principles

The Company's wage levels are based on a HAY system-based comparison of salaries/wages paid in respective job positions available both in the Company and on the labor market of the Czech Republic.

6.4 For work performed, Employees are entitled to remuneration

6.5 Base wage types

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.

Concrete terms of remuneration are set forth by either the present Collective Agreement, or by Employer's internal regulations, issued in compliance with commonly binding legal regulation in force and effect.

Each employee's wage allotment must be negotiated with the member of staff concerned. Wage allotments are made out 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 shall 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.

6.6 Individual wage entitlements

Within the validity and operation of the present CA, employees are eligible to individual wage entitlements. These pertain to any and all members of staff in terms of scope, structure and amount as stipulated in Employer's internal regulations, in force and effect as of the day of CA signature.

Individual wage entitlements in force and effect pursuant to Employer's internal regulations as of the day of signature of the present CA, are listed in Annexes No. 3, 4, and 5 hereto.

Contrary to the abovementioned individual claims of employees, the Contractual parties have expressly agreed on the following changes:

6.6.1 Extra bonuses

The Employer undertakes to provide extra bonuses - on the occasion of 15th anniversary of CRC's establishment, and 15th anniversary of the launch of its operation – to all employees, namely under terms and conditions set out herebelow:

6.6.1.1 Extra bonus for staff joining the Company prior to 28 April 2009

Employees who are in employment relationship to the Employer as at 28 April 2010, and whose employment relationship towards the Employer commenced by no later than 28 April 2009, shall be paid a bonus in the amount of 2 000 CZK. The bonus will be remunerated in the April 2010 pay.

6.6.1.2 Extra bonus for staff in employment relationship as at 1 January

2011

Employees who are in employment relationship to the Employer as at 1 January 2011 will be paid a bonus as follows:

- a) a 2 000 CZK bonus will go to employees with an employment relationship – as at 1 January 2011 - equaling and exceeding 5 years, yet not exceeding 10 years;
- b) a 4 000 CZK bonus will go to employees with an employment relationship to the Employer equaling and exceeding 10 years.

For the purposes of the reimbursement of the said bonuses, included in the duration of the employment relationship are even begun years, starting with 1996. The bonus will be remunerated in January 2011 pay.

6.6.1.3 Staff not eligible to extra bonuses

Extra bonuses as per sub-Items 6.6.1.1 and 6.6.1.2 shall not be paid to employees with whom the employment relationship was terminated or immediately terminated pursuant to Section 52, letter f) and letter g), and Section 55 of LC, or with whom their employment relationship was terminated by agreement due to reasons on the basis of which such employment relationship it could have been – for reasons stated above – terminated or immediately terminated by the Employer, namely even in case that such reasons are not, upon the request of the Employee concerned, explicitly stated in such agreement; also, the said bonuses will not be paid if and when epitomizing a violation of good manners.

6.6.1.4 Staff not eligible to extra bonuses

Employees remunerated through tariff payment, extra bonuses as per sub-Items 6.6.1.1 and 6.6.1.2 shall not be included in the calculation of their average monthly pay, made as a way of calculating yearly fixed bonuses (as per Item 2.2 of Annex No. 1 of Directive No. 127 – Staff remuneration).

6.7 Tariff payments

Employees remunerated through tariff wages are eligible to individual wage entitlements, pertaining solely to those employees, in terms of scope, structure and amount as stipulated in Employer's internal regulations in force and effect as of the day of CA signature.

Individual wage entitlements of staff remunerated through tariff wages, in force and effect pursuant to Employer's internal regulations as of the date of CA operation, are stated in Annex No. 2 hereto.

Contrary to the abovementioned individual claims of employees, the Contractual parties have expressly agreed on the changes listed herebelow – with the stipulation that those had already been agreed on in the previous Collective Agreement, and pass to the present Collective agreement.

- 6.7.1** The Employer undertake to provide the below mentioned extra annual bonus to all tariff-remunerated members of staff who are in a key working relationship therewith.
- 6.7.1.1** Part One of the extra bonus, the amount of which is – for each individual employee – given by the product (součin) of the amount of CZK 5,000, and the ratio of the number of actually worked off hours vs. the number of hours required by the work hour fund, namely over the period of January-May 2010, is reimbursed in the May pay.
- 6.7.1.2** Part Two of the extra bonus, the amount of which is – for each individual employee – given by the product (součin) of the amount of CZK 5,000, and the ratio of the number of actually worked off hours vs. the number of hours required by the work hour fund, namely over the period of June-September 2010, is reimbursed in the September pay.
- 6.7.1.3** Members of staff who enter or terminate their work relationship with the Employer in course of the period which the respective bonuses refer to, are eligible to pro-rata parts of those part of bonuses, provided that - within the said term - they were in a work relationship to the Employer for no less than one (1) calendar month. The Employer undertakes to reimburse the possible loss of bonuses - within employer responsibility scope - if and when caused by incapacity for work due to industrial injury or occupational disease.
- 6.7.1.4** Respective parts of the extra bonus are not provided to members of staff whose work relationship was terminated pursuant to Section 52, letters f) and g), and to Section 55 of the Labor Code, neither to members of staff eligible to an amount of less than CZK 100.

6.8 Average pay

Unless otherwise stipulated in the respective matters of the present Collective Agreement, for the calculation of the average pay, the average pay used for work-law purposes is used.

6.9 All members of the staff shall – in a provable manner – be made acquainted with their wage entitlements

7 Staff nurture and social welfare

7.1 Care 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 Social benefits and fulfillment thereof

Within CA validity and operation, members of staff are provided with fulfillments in the social domain within the scope, structure and amount as stipulated in Employer's internal regulations, in force and effect on the day of signature of the present Collective Agreement.

Fulfillments in the social domain in force and effect pursuant to internal regulations of the Employer as at the date of CA operation, are listed in Annex No. 6 hereto.

7.3 Repurchase of material & out-of-service equipment

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 made official.

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.

8 Employee Safety and Health Protection

8.1 The Employer undertakes to:

8.1.1 Not consider as failure to meet one's obligations

if and when a member of staff failed to perform a job which he had thought to be putting his health and life, and/or the lives of others in danger.

8.1.2 Hold talks with LU Chair over measures to be taken for the provision

of safety, health protection at worksite, and environmental protection; inform the LU Chair on the methods and results of verifying the safety and health of staff.

8.1.3 Make arrangements for expert officials of the *Work Safety & Health*

Protection section such as, e.g., safety officials, to attend a get-together hosted by OS ECHO 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, and to provide those - for the said purpose - with paid work relief. The scope of such relief is included into the scope set out in Item 5.1.3 of CA. by elected union functionaries are - in the HSE area and for the purposes of the present Item, understood members of HSE LLU CRC commission, and the CRC work safety inspector.

Moreover, the Employer will make arrangements for the CRC work safety inspector to take part in training sessions and study stays concerning Work Security and health protection. Related expenses are covered by the Employer.

8.1.5 Provision of complete information

The Employer pledges to provide the LEB 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 FMZV⁷ No 20/1989 Coll., as 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 arise of the incidence of harmful substances or c) other adverse impacts on the workplace.

⁷ 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 thereof.

8.1.7 Check of completeness/validity of operations documentation

The Employer undertakes to check the completeness of training schemes, to verify qualifications and safety training. Upon disclosure of incomplete operational documentation and/or failure to abide by safety regulations in case of, 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 performance of ordinances and of binding instructions

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

8.1.10 Measures to mitigate ill environmental/worksites 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, [required by commonly binding legal regulations](#) currently in force and effect.

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 LU Chair, the Company staff shall be informed.

8.2 LU organization undertakes to

8.2.1 Report to the Employer

The names of LU officials authorized to carry out activities in the field of health protection and work safety.

8.2.2 Informing CRC management

of LU intent to issue a binding instruction on:

- Defect elimination on production facilities reported under Section 322, subsection 2, letter a) of the Labor Code;
- ban of night/overtime work, should it 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.

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LIST OF ABBREVIATIONS

In the previous text, the following abbreviations and acronyms are used:

CA – Collective agreement, **ČMKOS** – Bohemian & Moravian Confederation of Labor, **Coll.** - Collection of laws, **CRC** – ČESKÁ RAFINÉRSKÁ, a.s., **ČSÚ** - Czech Statistical Office, **ECHO LU** – ECHO Labor Union, **FC** - Fiduciary Committee, **FMFA** - Federal Ministry of Foreign Affairs, **FPS** – Fire Protection Services, **ILO** – International Labor Organization, **LC** – Labor Code, **LEB** - Labor Executive Board, **LLU CRC** – Local Labor Union of CRC, **MPSV** – Ministry of Labor & Social Affairs, **N** – night shift, **N12** – night 12-hour shift, **NPK-P** – maximum accessible concentration for work environment, **NV** – Government Order, **O** – afternoon/late shift, **OHS** – Occupational Health and Safety, **PPA** – Personal Protective Aids, **TMS** – Integrated system of HSE, living environment and quality management, **WS** – Work safety, **WSH** – Work Safety and Hygiene

Litvínov, 1 March 2010

Ing. Ivan Souček, Ph.D.
Chief Executive Officer
ČESKÁ RAFINÉRSKÁ, a.s.

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

Annex No. 1 - WORK HOURS AND VACATION LEAVE

1. Work hours

- 1.1 For the respective work modes run in within the Company, a system of 37,5 weekly hours of work is in place.
- 1.2 Decisions on the form and distribution of the set weekly hours of work, on the start and end of work hours, and on the rules/utilization of flexitime within the Company are made - compliant to relevant regulations – by CEO, upon negotiation with LU Chair.
- 1.3 After no longer than six (6) hours of continuous work, members of staff are eligible to a food/rest break lasting no less than 30 minutes; the break is not included in the working hours. In case that a shift exceeds 9,5 hours, the employee is eligible to an additional 30-minutes food/rest break; neither that is included in working hours. Food/meal breaks are not provided at the start and end of working hours.
- 1.4 The Company undertakes to set explicitly workplaces where work cannot be interrupted and where – as a result thereof – no food/rest break can be taken. In that case, the work shift is not interrupted, and the entire period of the shift is classified/understood as job performance. Nonetheless, staff must be provided with reasonable periods for a meal and rest break without the operation being suspended. For the discharge of their job during food/rest break time, employees are provided with time off which must be drawn off within no later than three (3) months from the day of the commencement of entitlement thereto.
- 1.5 The time spent at the workplace in order to carry out the shift handover is included in working hours. If and when such time exceeds the limit of the set hours of work, it entails overtime work. Pending shift change, shift staff have incorporated in their working hours eighteen (18) minutes as the time needed for personal cleansing. For reported extended work hours, employees will be provided with time off. Personal cleansing time is not provided to shift staff in laboratories.
- 1.6 An employee may ask for having his work hours cut or otherwise adjusted. The company too may propose to members of staff a working time reduction or other adjustments of work hours. Members of staff working reduced hours are eligible to labor-law entitlements conforming to such reduced work hours.

2. Vacation leave

- 2.1 The core length of vacation leave equals five (5) weeks, i.e. a length exceeding the entitlement set by legal regulations by one (1) week. Employees working in a 24/7 shift mode, the vacation length is extended by another week; as a result, it lasts six (6) weeks.
- 2.2 Taking leave is determined by the vacation schedule, set with the preliminary consent of LU Chair or – as the case may be – by the Fiduciary Committee. When preparing the schedule, justified interests of employees, and the Company's operation requirements are taken into consideration.
- 2.3 In case of employees put on a 12-hour shift roster, the provision of vacation leave for a shift is reckoned as one and half days of vacation – both in terms of drawing the vacation and of pay compensation for drawing the vacation.

Annex No. 2 – REMUNERATION OF TARIFF-PAID STAFF

1. Tariff payments

1.1 Tariff classes and pays

1.1.1 Within the Company, a 11-class tariff scale is used.

1.1.2 The respective tariff classes and corresponding monthly pays are as follows:

TARIFF CLASS	BASE MONTHLY PAY
1	10 420
2	12 087
3	13 755
4	15 422
5	17 090
6	18 757
7	20 424
8	22 092
9	23 759
10	25 427
11	27 094

1.2 Allocation of staff to tariff classes

- 1.2.1 Members of staff remunerated in tariff pay constitute two groups:
- Male and female operators – of production units, storage facilities, unloading and dispatch facilities,
 - Male and female lab staff.
- 1.2.2 A newly acceding operator⁸ or lab staff⁹ is – during the trial period – assigned to Tariff Class 2.
- 1.2.3 Assignment of staff to the tariff scale is made in compliance with theoretical savvy and practical skills shown and length of practice, i.e. on the basis of attainment of the so-called **competences**.
- 1.2.4 Attainment of a competency – on meeting the terms and conditions given by the provisions of the following Items of this Annex, and of Annexes No. 5 and 6 of Directive No. 127, means an increase in tariff pay by one step/degree in the tariff scale. However, the number of competences serving as a basis for increasing the tariff pay by one degree is limited
- to nine (9) in case of operators;
 - to seven (7) in case of lab staff.
- 1.2.5 Operators may attain three types of competences, namely external competences, experience-based competences, and *Central Control Room-run unit operation* competences, with the stipulation that the number of actively utilizable competences is as shown in the Chart herebelow; the rest remain unused:

⁸ hereinafter referred to as only “operator” – meaning both an male and female operator

⁹ hereinafter referred to as only “lab staff” – meaning both an male and female lab staff

Type of competences	Maximum utilizable number thereof
External competences	7
Experience-based competences	2
<i>Central Control Room-run unit operation competences</i>	2

- 1.2.6 If and when – based on the Company's requirement, particularly in case of deployment to a different area – the Operator attains further external competences or *Central Control Room-run unit operation* competences so that, in his case,
- the quota of seven external competences gets exceeded, or
 - the quota of nine total competences

is exceeded, the assignment to tariff class is not enhanced; instead, the Operator is eligible to a one-shot bonus in the amount of six times the inter-tariff differential.

- 1.2.7 In case that a new technology unit or new unit are added to external competences, such change is considered relative to NSP¹⁰. Provided that the value, i.e. content of the novel technology reaches a certain NSP level, assignment to a pay level is not raised; instead, Operators are eligible to the following one-shot bonus in the amount(s) as indicated herebelow:
- NSP up to 0,30 - one-third of one-shot bonus as per Item 1.2.6 hereof;
 - NSP from 0,31 to 0,60 – two-thirds of one-shot bonus as per Item 1.2.6 hereof;
 - NSP exceeding 0,60 – full amount of one-shot bonus as per Item 1.2.6 hereof.

The rule applies even in case of pursuit of knowledge on a technology unit that already is or will constitute part of the identified competence.

In case of minor specific technology changes, the principle of NSP alteration shall not be applied. Decisions on the alteration, if any, are made by an expert commission comprising representatives of LLU CRC, Human Resources, Production and Technology sections. The commission is summoned by the Head of Production section.

- 1.2.8 Lab staff are eligible to up to six (6) standard lab competences; based on CRC requirements, some lab staff members may even attain a special seventh expert competency.
- 1.2.9 In case that a competency is abolished or merged, the Company undertakes to create conditions for attaining another competence – with regard to Company's needs. Members of staff concerned will take an individually set pay comprising the tariff pay, bonuses for additional savvy and, where applicable, and the assessment potentially awarded. In the event that more competences are abolished, an individual competency replenishment plan is agreed on with the employee, including an agreement on the length of provision of provision of an individual pay.
- 1.2.10 The Company is entitled to – on a continual basis, though usually 2-3 years from attainment of the competence – check whether or not the employee concerned still meets the pre-requisites for attainment of the given competence. In case that an fails to produce the required savvy even after a corrective check, he is stripped off the competency concerned.
- 1.2.11 Provided that operators, lab staff and possibly other members of staff display relevant savvy and skills, they are picked up to fill the positions of senior operators or senior lab staff.

¹⁰ Normalized Shift Position (A standard of process unit complexity used in Shell Personnel Index)

- 1.2.12 Detailed descriptions of work job performance of operators and lab staff, definitions of competences and procedures required for attainment thereof, are listed in Annex No. 5 (operators) and No. 6 (lab staff) of Directive No. 127.

1.3 Personal assessment

- 1.3.1 Personal assessment of operators and lab staff is in place for all operators and lab staff.
- 1.3.2 Assessment is conducted on a yearly basis. Each employee is made familiar therewith in a provable manner, and has access thereto in the "Employee Self-service".
- 1.3.3 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 pay. The amounts thereof are as follows:

ASSESSMENT GRADE	VARIABLE COMPONENT OF PAY
A1	5.5 %
A2	3.3 %
A3	1.5 %
A4	0
A5	0

- 1.3.4 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.

2. Bonuses

- 2.1 The Company undertakes will pay the annual fixed and variable bonuses shown herebelow to all Employees in a key working relationship therewith, taking a tariff pay, and to released LU officials.
- For the purposes of calculation of annual bonuses under Items 2.2 and 2-3, as average monthly pay, the average monthly pay actually paid out within the given period of time, i.e. without inclusion of annual bonuses paid out, according to Art. 2 hereof, over the period concerned.
- 2.2 The annual bonus in the total amount of 115% of average monthly pay is paid out in two portions, namely as 60% and 55% of average monthly pay, respectively.
- 2.3 The annual variable bonus in an amount not exceeding 50% of average monthly pay 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%, 11% of average monthly pay is paid out; in case that the fulfillment of CRC goals is exceeded, the bonus is raised on a prorata basis, though not to exceed 13,2% of average monthly pay (which is applicable upon overall achievement of targets and goals in 120 and more per cent. Conversely, 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 pay (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 pay 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 pay (at a fulfillment level of 80 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.

Operators' targets and goals as well as those of lab staff are set separately for the Litvínov and Kralupy localities, respectively. The procedure is that the heads of operation sections of the Employer set 3 targets and objectives, and the respective fiduciary committees (FC's) select - from no less than 7 goals set by the Head of operation section – at least 3 further targets and goals. The fulfillment of an individual target or goal in 80 or more per cent is evaluated as failure to meet the given target/goal. Ongoing evaluation of the fulfillment of operators' and lab personnel's targets and goals is conducted by the Head of Employer's operation section on no less than a quarterly basis.

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

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 pay 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 of the Directive thereto.

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.

- 2.5 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.

- 2.6 Operators deputizing for shift senior operators are eligible to a bonus for such deputizing in the amount of CZK 100 per an 8-hour shift thus delivered, and/or to a CZK 150 bonus for a 12-shift thus delivered. In case that deputizing takes place within a period shorter than a whole shift, the bonus is cut on a pro-rata basis. Concurrence of the bonus with a temporary salary adjustment due to a long-term delegation to hold a different work position as per Item 3.4 of Directive (hereinafter only: "Salary modification" is not possible; in case that entitlement to such salary modification arises, such fulfillment is used for the benefit of the employee concerned, that is more beneficial for him – with the stipulation that should a salary modification prove to be more beneficial to the employee, the differential between such modification and the paid out bonus for deputizing (as per Item 2.6) shall be reimbursed retroactively.

Annex No. 3 – REMUNERATION FOR OVERTIME, NON-BUSINESS & REST DAYS, ALLOWANCES AND SPECIFIC BONUSES REMUNERATION OF TARIFF-PAID STAFF

1. Remuneration for overtime and non-business & rest days

- 1.1 For overtime work, members of staff are eligible to a pay increased by 35% of their average hourly wage.
- 1.2 For overtime performed in non-business days and at night, members of staff are eligible to a pay increased by 55% of their average hourly wage.
- 1.3 For overtime work performed on a rest day, members of staff are eligible to both an overtime pay rise and the remuneration surplus for work delivered on a rest day.
- 1.4 For work on a rest day and for serving a night shift on 31 December, members of staff are eligible to a pay increased by 110% of their average wage.

2. Additional bonuses/incentives

- 2.1 Employees working in a shift mode are eligible to a shift bonus as set forth below :

TYPE OF OPERATION MODE	MONTHLY BONUS
Round-the-clock operation mode	4,740 CZK
Two-shift operation mode	2,350 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.

- 2.2 Staff not eligible to a shift bonus as per subsec. 2.1 hereof, yet affected by irregular work scheme changes or possibly overtime work, are eligible to bonuses paid for:

TYPE OF WORK	HOURLY BONUS
Late shifts	7,00 CZK/hour
Work at night	12,5 % of average hourly pay; no less however than 15 CZK per hour
Work on Saturdays & Sundays	12,5 % of average hourly pay; no less however than 20 CZK per hour

- 2.3 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 8,00 CZK/hr and 7,00 CZK, respectively. A list of abovementioned worksites is provided in Art. 4 of this Annex No. 3.
- 2.4 In case that an insulation breathing apparatus is used, the bonus is as indicated below:

CONDITIONS	HOURLY BONUS
Fresh air pipe	25,00 CZK/hour

Insulation (air, O ₂) breathing apparatuses	65,00 CZK/hour
Insulation protective clothing	95,00 CZK/hour

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

DAY OF WEEK	HOURLY BONUS
Week days	10% of average hourly pay; no less however than 9,00 CZK/hour
Saturdays, Sundays and holidays	10% of average hourly pay; no less however than 14,00 CZK/hr

2.6 Members of staff whose additional savvy is acknowledged – as compliant with the Company's regulation – are eligible to an awareness bonus equaling

TYPE OF SAVVY	CZK/Month
Laboratory work	680
Maintenance work	680

3. Special remuneration packages

- 3.1 Members of staff serving a late shift on 24 December and a night shift on 31 December are eligible to an extra bonus in the amount of 800 CZK. In case that 12-hour shifts are coming up on 24 December, staff serving an early or N shift shall be provided with a CZK 400 bonus.
- 3.2 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 an operator or lab staff can be remunerated at the direct superior's recommendation (by the relevant section's manager, with a CZK 1 500 ex gratia one-time bonus.
- 3.3 Staff successfully going through a training course and drills for users of insulation breathing apparatuses (IBA), are eligible to a one-shot bonus in the amount of CZK 1000.
- 3.4 An employee entrusted with controlling the units ex CCR is eligible to a monthly bonus of 2,520 CZK; that does however not apply in case that the said activity already constitutes part of such staff's base pay.
- 3.5 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 ten (10) past years. For the bonus to be provided, the calendar month of commencement of the Employee's employment is of significance.
- 3.5.1 Upon consummation of a work anniversary, the Employee is paid (by the Employer) a bonus proportionate to the length of uninterrupted work relationship. Upon consummation of ten (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 750 as against the bonus obtained previously.

- 3.5.2 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.

The one-shot bonus shall not be paid to an employee with whom the employment relationship was terminated or immediately terminated pursuant to Section 52, letter g), or to an employee with whom the Employer immediately terminated his employment relationship in line with the provisions of Section 55 of LC, or with whom his employment relationship was terminated by agreement due to reasons on the basis of which such employment relationship could have been – for reasons stated above – terminated or immediately terminated by the Employer, namely even in case that such reasons are not, upon the request of the Employee concerned, explicitly stated in such agreement; also, the said bonuses will not be paid if and when epitomizing a violation of good manners.

- 3.5.3 An Employee who had his employment terminated pursuant to the provisions of Section 52, letters e) of the Labor Code, is eligible to severance pay reimbursed in multiples of average monthly wage as per Chart attached below, provided that his work relationship with the company had – prior to the work relation termination proposal or prior notice – lasted the relevant number of years; included are even begun years:

Length of work relationship (yrs)	Multiples of average monthly wage
3	1
5	2
9	3
12	4
15	5
18	6
21	7
24	8
27	9

- 3.5.4 In case of termination of employment by arrangement, the Employee is eligible to a severance pay topped up by:
- 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.
 - A multiple of average monthly salary - provided that the employment relationship is terminated by the first month of the notice period.

In case that no more than 36 months are outstanding prior to the rise of an employee's entitlement to retirement annuity, such employee is concurrently eligible to a bonus as per Item 3.5.2 hereof – provided that the provision of such bonus is not ruled out under the terms and conditions set out therein.

Annex No. 4 –

LIST OF WORKSITES WITH AGGRAVATED WORKING ENVIRONMENT

4.1 GROUP ONE

Litvínov Refinery

Operation/Production Unit 1:

- PS 1320 Fission Unit
- PS 1322 MEA Recovering
- PS 1323 Acid water stripping
- PS 2303 HRPe + Air-Compression Station
- PS 2304 HPPO
- PS 2320 Recontacting

Operation/Production Unit 2:

- PS 3601 High pressure laundering facility
- PS 3612 Chamber 12
- PS 3611 Chamber 11
- PS 3620 Chambers 5-6
- PS 4310 shared by Claus operating 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/Production Unit 1:

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

Operation/Production Unit 3:

- PS 2414 Gas desulphurization
- PS 2417 Acid water stripping
- PS 2451 Selective hydrodesulphurization (SHDS)

GROUP TWO

Litvínov Refinery

Operation/Production Unit 3:

- PS 4620 - Lifting terminal

Kralupy Refinery

Operation/Production Unit 2:

- PS 2708 - Slurry handling, filter press cleansing
- PS 0401 - Loading terminal
- PS 0430 - Lifting terminal

Annexe No. 4 - REMUNERATION IN CASE OF TRANSFER TO ANOTHER JOB

1. Pay in case of assignment to a different job

- 1.1 In case that 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.
- 1.2 In case that an Employee is transferred to another job on the grounds of
 - a) outage/idle time (as per Section 207, letter a, of LC);
 - 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 (3) subsequent months.
- 1.3 In case that the Employer is unable to assign the Employee a job matching his job description for a period exceeding that set herein in subsection 1.2, it is his obligation to negotiate with the Employee a new, or temporary, job assignment.
- 1.4 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.
- 1.5 Shift staff re-assigned to work - pending scheduled shutdowns – on E-shifts, and hence pursuing maintenance work, are paid as if delivering shift work.

2. Remuneration in case of impediment on Employer's side

- 2.1 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 three (3) days ahead – provided that the Employer is aware thereof.
- 2.2 In other instances, i.e. when the Employee cannot 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 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.

Annex No. 5 – SEVERANCE PACKAGES

1. Dismissal due to organization reasons

- 1.1 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.
- 1.1.1 An Employee is eligible to a statutory severance pay in the amount of triple the average monthly wage.
- 1.1.2 In case of termination of employment by arrangement, the Employee is eligible to a severance pay increased by:
- 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 given.
 - One multiple of average monthly salary - provided that the employment relationship is terminated by the first month of the notice period.
- 1.1.3 The Employee is eligible to further severance payments paid in multiples of average monthly wage (see Chart below), provided that his uninterrupted work relationship had lasted - prior to proposing a work relationship cancellation – a corresponding number of years (see Chart). Even a begun year counts.

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
22	11

- 1.2 If and when work relationship is terminated due to organizational reasons as per Item 1.1 hereof, and a period of no more than thirty-six (36) months remains till the Employee's retirement pension entitlement, such Employee is entitled to a concurrent bonus as per Item 3.5.2 of Annex No. 2 of Directive no. 127 (or Item 3.5.2 of Annex No. 3 to the CA), unless the provision of such bonus is not ruled out under the terms and conditions set out therein.

2. Dismissal 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 (12x) the amount of his average monthly wage.

In case that work relationship is terminated due to occupational accident or occupational disease, and the Company gets entirely rid of responsibility therefor, the Employee is NOT eligible to the severance pay mentioned above (pursuant to Section 67, para 1 and Section 364, para 1, of the labor Code.

- 2.2 In case that an Employee is eligible to a severance pay as per Item 2.1, and such employee terminates his work relationship by agreement, he is moreover eligible to an enhanced severance pay as per Item 1.1.2 hereof.

3. Dismissal due to other reasons or immediate termination of work relationship by the Company

An Employee with a work relationship terminated for reasons other than those cited in section 52, letters a) through e), and/or an Employee suffering an immediate termination of work relationship pursuant to Section 55 of the Labor code, are not eligible to any severance pay whatsoever.

4. Immediate termination of employment by Employee

An Employee who immediately cancels his work relationship to the Company pursuant to Section 56 of the Labor Code, stating reasons set forth herebelow, i.e., that:

- compliant with the medical opinion issued by the Company prevention care facility or by the relevant administration authority scrutinizing such medical opinion, the Employee is no longer capable of performing his job without putting his health in serious danger, provided that the Company failed to make provisions for him to take another job suitable for him, or that
- the Company failed to pay the Employee his wage or wage compensation, or part thereof, within no later than fifteen (15) days after the lapse of due date

is entitled to a statutory severance pay in the amount as set forth in Item 1.1.1 hereof.

5. Joint provisions

If and when an Employee – upon termination of work relationship – decides to perform a job in the Company (either in a job relationship or based on an agreement for work) prior to expiry of the period of time determined as per the number of multiples of average pays serving as a base for deriving the amount of severance pay, he is obliged to pay back the severance pay or the pro-rata part thereof to the Company.

The pro-rata part of the severance pay is determined as per the number of calendar days elapsed from the new reporting for the job – until the elapse of the period of time as per previous sentence.

Annex No. 6 – SOCIAL PAYMENTS

1. Health care

- 1.1 The Employer undertakes to provide a round-the-clock First Aid service in contractual health centers.
- 1.2 First Aid Cabinets will be provided on relevant workplaces, with regularly trained administrators appointed.
- 1.3 Entrance and leaving medical checks for staff are conducted at Employer's cost.
- 1.4 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 Company localities will be standardized.
- 1.5 Employees with a job description requiring PC work are entitled to a regular preventive eye test within no less than a two-year period.
- 1.6 Over no less than three (3) winter months, staff will be provided with C-Preventim, or analogous, preparation.
- 1.7 Compliant with commonly binding legal regulations currently in force and effect, the Company provides staff with protective beverages or, alternatively, with potable water and relevant additives for these to prepare.

2. Tackling social matters of Employees

- 2.1 The Company participates in tackling Employees' social matters through
 - a) the provision of housing loans
 - b) commitment of financial means for coping with extraordinary social situations faced by Company employees

The annual budget for tackling social matters equals CZK 4 million; of that, CZK 2.75 million go to housing loans provided to staff, and CZK 1,25 million is intended to cover expenses relating Employees' extraordinary social situations.

- 2.2 Every Employee can apply for a housing loan. The decision whether or not the loan is granted is made in a manner and compliant with rules set forth in the Company's internal standard. The LU Board nominates its representatives to the advisory body addressing Employees' applications and recommending the loan advance to the Company management.
- 2.3 Financial means paid out from the budget cited in Item 2.1 hereabove are intended for tackling extraordinary social situations of all Employees. Decisions on both the way and priorities of drawing the said budget are made by LU Board; the Company's right is to comments on the solution of social situations. Financial means are intended to go into tackling matters as follows:

Support in coping with life situations

Support in coping with life situations comprises:

- a) social assistance in case of long-term illness;
- b) assistance granted to the surviving in case of death of the Employee – up to the amount of CZK 100,000;
- c) assistance granted to the Employee and dependants in case of occupational accident thereof;
- d) contribution to assist the payment of above-standard medical treatment, and medication for either the Employee or his children;
- e) assistance in extraordinary situation leading to a considerable deterioration of living conditions of the family of such Employee;
- f) old age pension retirement gift.

Sub-items b) and c) are non-claimable and shall be handled on an individual basis.

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, up to two (2) bonuses may be provided.

Further, once a calendar year, a contribution for a child recreation stay - or a curative stay arranged over the 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 is given by the budget.

3. Other payments

- 3.1 All Employees are provided with non-monetary benefits (through PALETA optional perk system). While the scope and method of drawing respective perks are determined by the Company, LU Board is entitled to comment on the scope of benefits provided.
- 3.2 The Employer makes a monthly CZK 750 financial contribution to Employees who have concluded a state-subsidized additional pension insurance contribution.
The contribution may be further increased - if the individual Employee so decides – through Paleta perk system.
Employees with no state-subsidized additional pension insurance taken out are NOT eligible to any alternative compensation (such as, e.g. direct pay rise).
- 3.3 The Company provides Employees with financial compensation for the initial three (3) work days of temporary incapacity to work, for which they are not eligible to any pay; the compensation equals 50% of pay lost pending the first three work days.
- 3.4 The Employer provides company catering for its staff. For shift-run operations, frozen meals are available.
Company catering is ensured on a vendor-managed basis as per contract concluded.
The Employer provide for facilities enabling to have meals heated, and drinks prepared, straight at the worksite.

Within the PALETA perk system, Employees can opt for either catering vouchers or having their meals at the Company canteen. In case that the former option is chosen, the Company is not obliged to provide frozen meals.

For a subsidized main-course meal served in the canteen, the Employer provides CZK 44 per meal; the rest up to the full price of 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.

Those opting – within PALETA perk system – for catering vouchers, are provided by the Company with an 80 CZK's worth of meal per each worked-off day. The Company covers CZK 44 of the voucher, while the rest equaling CZK 36 is paid by the Employee concerned.

- 3.5 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.

4. Support in case of industrial accident

- 4.1 In case that a Company Employee sustains an occupational accident with a health damage requiring hospitalization exceeding five (5) days, the Employer undertakes to grant a one-shot compensation of up to the amount of CZK 40,000 above the framework set by general binding legal regulations. The amount of the sum is determined upon concord reached between the Company and LU Board.

- 4.2 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

- 4.3 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 including a tuition allowance in a full-time degree course up to the age of 26.	390,000 CZK
If only one person acts as survivor	390,000 CZK
Funeral expense advance	40,000 CZK