Republic of Angola

GENERAL LABOUR LAW

NATIONAL ASSEMBLY

Law 2/00,
of February 11, 2000

The General Labor Law of 1981 had some features which are typical of a historical, economic and political reality that is no longer adjusted to the current legal and constitutional principles, namely:

- The involvement of the labor unions in all aspects of the development of the employment relationship;
- The adoption of legal solutions that are no longer adjusted to the employment, social and economic realities;
- The excessive importance of the General Labor Law, which established guiding legal principles of the employment system that could not be applicable in practice for lack of regulation.

Considering that the purpose of this law is to resolve the above negative aspects in order to be immediately applicable to all situations.

Considering that this law is applicable to work performed in the public, mixed and private companies, cooperatives, and social organizations external to the Public Administration.

Therefore, in accordance with Article 88 (b) of the Constitutional Law, the National Assembly approves the following:

CHAPTER I

GENERAL PRINCIPLES

Article 1
(SCOPE)

1. The General Labor Law is applicable to all employees who perform remunerated services on account of an employer, within the employer's organization and under its direction and authority.

2. The General Labor Law is further applicable:

   (a) To apprentices and trainees under the authority of an employer;

   (b) To the work performed abroad by Angolan nationals or by resident foreigners hired in the country to work for national employers, without prejudice to the provisions that are more favorable to the employee and to the public order provisions that are applicable in the work place.

3. The General Labor Law is also applicable to resident foreign employees in a supplemental way.

Article 2
(EXCLUSIONS)

The following are not subject to this law:

   (a) Civil servants, or employees who develop their professional activity in the Public, Central or Local Administration, or in a public institution or in any other government agency;

   (b) Employees hired on a permanent basis by the diplomatic or consular representatives of other countries, or at the service of international organizations;

   (c) Members of cooperatives or non-governmental organizations, as their employment is regulated by the respective Articles of Association/Bylaws or, if these do not exist, by the provisions of the commercial law;

   (d) Family employment;

   (e) Occasional work;

(f) The activity of people who take part in commercial operations, if they are personally liable for the results of such operations and assume the respective risk;

(g) Advisors and members of the management bodies of companies or social organizations, provided that they only carry out tasks that are inherent to such positions, and are not subject to an employment contract.

Article 3
(RIGHT TO WORK)

1. Everybody is entitled to work and to freely choose a profession, with equal opportunities, without any discrimination based on race, color, sex, ethnic origin, marital status, social rank, political or religious ideas, labor union affiliation or language.

2. The right to work is tied to the obligation to work, except for those who are diminished in their capabilities for reasons of age, illness or disability.

3. Everybody is entitled to freely choose and exercise a profession, without any restrictions, save the exceptions provided in the law.

4. The conditions under which the work is performed should be consistent with the freedom and dignity of the employee, allow the satisfaction of the employee's and the employee family's normal needs, protect his/her health, and allow him/her to enjoy a decent standard of living.

Article 4
(PROHIBITION OF COERCIVE OR COMPULSORY WORK)

1. Coercive or compulsory work is forbidden.

2. The following is not considered coercive or compulsory work:

(a) The work or service rendered as a result of military obligations or a civic service in the general interest;

(b) The work performed by prisoners in State prisons;

(c) Small jobs in communities or villages, deemed as normal civic obligations, and freely decided by the community, provided its members or direct

representatives have been consulted about the need to perform such work.

(d) The work or service required in case of force majeure, namely war, floods, famine, epidemic diseases, animals invasion, either insects or damaging parasites, and, in general, all circumstances that endanger or may put at stake the normal living conditions of the whole or part of the population.

Article 5
(OBLIGATIONS OF THE STATE REGARDING THE RIGHT TO WORK)

1. In order to guarantee the right to work, it is the State's obligation, through plans and programs of economic and social welfare policies, to ensure the carrying out of a policy which promotes productive and freely chosen employment, and the setting up of systems for financial support of those who are in a state of involuntary unemployment or in a situation that they are incapable of, by means of their work, provide for the satisfaction of their needs and of those of their families.

2. In carrying out a policy that promotes employment, the State shall develop, under the terms of the relevant law, the following activities:

(a) Employment;

(b) Studies on the employment market;

(c) Employment promotion;

(d) Information and vocational guidance;

(e) Professional training;

(f) Professional rehabilitation;

(g) Protection of the employment market for nationals.

Article 6
(RIGHTS RELATED TO THE RIGHT TO WORK)

1. In addition to the right to work and to the free exercise of a profession, the following are fundamental rights of the employees:

(a) The right to join a labor union and to organize and perform union activities;

(b) The right to negotiate collective bargaining agreements;

(c) The right to go on strike;

(d) The right to organize meetings and to participate in the company activities.

2. The rights referred in the above paragraph must be exercised within the framework of the constitutional provisions and of the specific regulatory laws.

Article 7
(SOURCES OF REGULATIONS REGARDING THE RIGHT TO WORK)

1. The conditions regarding the performance of work are regulated by:

(a) Constitutional Law;

(b) Properly ratified international labor conventions;

(c) Laws and ancillary regulations;

(d) Collective bargaining agreements;

(e) Employment contract;

(f) Local, professional and/or the company's traditions and practices.

2. The above sources shall be applied in accordance with the hierarchical principle. However, in case of conflict between provisions of different sources, the solution which shows to be more favorable to the employee (provided this can be quantified) shall prevail, except if the provisions of the higher source are mandatory.

3. Traditions and practices are applicable only in the absence of legal or contract regulations or if the latter provide for their application.

CHAPTER II

(ESTABLISHMENT OF EMPLOYMENT RELATIONSHIP)

SECTION I

EMPLOYMENT CONTRACT

Article 8

(ESTABLISHMENT)

1. The employment relationship is established by the execution of an employment contract, which causes the employee and the employer to be subject to the relevant rights and obligations.

2. On an exceptional basis, and as provided in the law, the employment relationship may also be established by appointment.

Article 9
(SPECIAL RELATIONSHIP)

1. The following employment relationships are of a special nature:

   (a) House work;

   (b) Prison work in State prisons;

   (c) Professional sporting activity;

   (d) Artistic activity in public shows;

   (e) Participation in commercial operations on behalf of one or more companies, without assuming the risk of the operations;

   (f) Any other work that the law considers as an employment relationship of a special nature.

2. The regulation of the employment relationships of a special nature shall be consistent with the fundamental rights set forth in the Constitution and the law, as well as with the principles of the General Labor Law.

Article 10
(PARTIES)

The employee and the employer are the parties of the employment contract and of the employment relationship.

Article 11
(CAPACITY)

1. The establishment of an employment relationship with minors between 14 and 18 years of age is permitted provided authorization is obtained from the legal guardian, or, in the absence of a legal guardian, from the Employment Center or other appropriate entity.

2. Any employment contract entered into without the authorization required above is subject to annulment at the request of the minor or the legal guardian.

Article 12
(OBJECT OF THE EMPLOYMENT CONTRACT)

1. The employment contract gives the employee the right to a job, in accordance with the law and collective bargaining agreements, which, within the type of work for which he/she was hired, should be the most appropriate for his/her skills and professional training.

2. The employment contract requires the employee to perform the functions and tasks inherent to his/her job and abide with the work discipline and the remaining duties arising from the employment relationship.

3. The employment contract requires the employer to give the employee a job position and a professional grade adequate to the functions and tasks inherent to the employee's job, to ensure the employee's effective occupation, to pay him/her a salary in accordance with his/her work and the provisions of the applicable laws and agreements, and to create the necessary conditions to obtain a greater productivity and to foster the human and social development of the employee.

4. The job that the employee accepts to perform under the employment contract may be mainly intellectual or mainly manual.

5. Without prejudice to the technical autonomy inherent to those activities usually performed by an independent contractor, such activities may be covered by an employment contract, provided no legal provision exists to the contrary.

6. If the employee's activity involves the execution of legal transactions on behalf of the employer, the employment contract constitutes the instrument of authorization, unless the law requires the granting of a power of attorney with special powers.

Article 13
(FORM OF THE EMPLOYMENT CONTRACT)

1. The employment contract is not subject to written form, except if the law expressly

requires it.

2. The existence of an employment contract and its conditions may be proved by all the means permitted by law; a contract is deemed to exist between any person who performs a service on the account of somebody else and the one who accepts such service.

3. The employee has the right to request that the contract be made in writing; the contract shall contain the following minimum information:

   (a) Complete names and addresses of the parties;

   (b) Professional rank and job position of the employee;

   (c) Place of work;

   (d) Regular weekly working hours;

   (e) Amount, form and timing of payment of the salary, additional or supplemental allowances, including payments in kind, with indication of the respective amounts or calculation basis;

   (f) Employment starting date;

   (g) Place and date of execution of the contract;

   (h) Signature of both parties.

4. In the cases where the law requires the employment contract to be made in writing, the Minister of Employment, or any agency which the Minister may appoint, may approve the contract forms.

5. The employment contract with foreign employees must be made in writing in all cases.

6. The employer is deemed responsible for failure to put the contract in writing.

7. If the employment contract is expected to last for more than three months, and regardless of the form, the employer shall, prior to execution of the contract or during the probation period, require the employee to submit a medical certificate stating that he/she possesses the physical and health requirements adequate to the job, or have him/her submitted to medical tests for the same purpose.

Article 14

(DURATION OF THE EMPLOYMENT CONTRACT)

1. The employment contract is normally executed for an indefinite period of time, hence integrating the employee in the permanent personnel list of the company.

2. The contract may be for a limited period of time or for the performance of a specific task or service; in this case, it must be made in writing, and shall include, in addition to the information referred in Article 13.3, the exact indication of its term, or the conditions such term is subject to, as well as the reasons for the contract to be made for a limited period of time.

3. If the contract is not made in writing or does not contain the elements referred in the preceding paragraph, the contract shall be deemed to be made for an indefinite period of time, except in the case of paragraph 3 of the following Article.

4. Except for any provision expressly providing otherwise, all legal provisions applicable to the employment for an unlimited period of time are applicable to the employees with a contract for a limited period of time.

5. Contracts for the whole of the employee's lifetime are forbidden.

Article 15
(EMPLOYMENT CONTRACT FOR A LIMITED PERIOD OF TIME)

1. The employment contract for a limited period of time may only be entered into in the following cases:

   (a) Replacement of an employee who is temporarily absent;

   (b) Temporary or exceptional increase of the company business
   (c) , as a result of the increase in tasks, overload of orders, market or seasonal reasons;

   (c) Carrying out of occasional or sporadic tasks that are not within the normal business of the company;

   (d) Seasonal work;

   (e) Whenever the activity to develop, for being limited in time, does not make it advisable to increase the permanent staff of the company;

   (f) Performance of urgent works necessary to avoid accidents, to repair equipment malfunctions, or to implement measures for the protection of plants, equipment

or other company assets, in order to avoid risks to the company and to its employees;

(g) Starting of new businesses with an uncertain duration, starting of operations, restructuring or expansion of the activities of a company or work center;

(h) Employment of disabled or elderly people, candidates to a first job or people who have been unemployed for more than one year, or members of other social groups who are covered by legal measures for integration or reintegration in active life;

(i) Performance of well-defined tasks, periodical in the company's activity, but having an intermittent nature;

(j) Execution, management and control of building works and public works, industrial assembling and repairs, and other works of identical nature and timing;

(k) Apprenticeship and on the job professional training.

2. The employment contract for a limited period of time may be made for a fixed term, i.e., determining precisely the date of its end or the period covered by it; or, in the cases of subparagraphs (a), (c), (d), (e), (f), (i) and (j) of the preceding paragraph, it may be made for an uncertain term, its termination occurring when it ceases to be necessary to perform the work which had caused the need for a contract for a limited period of time.

3. Notwithstanding paragraph 3 of the preceding Article, the employment contract is not required to be made in writing in the cases referred in subparagraphs (c), (d), (e) and (f) of paragraph 1.

4. The provision of a term, whether fixed or uncertain, is null and void if made in a way that constitutes fraud to the law.

Article 16
(DURATION OF THE CONTRACT FOR A LIMITED PERIOD OF TIME)

1. The employment contract for a limited period of time cannot exceed:

(a) 6 months, in the cases referred in subparagraphs (d) and (f) of paragraph 1 of the preceding Article;

(b) 12 months, in the cases referred in subparagraphs (b), (c) and (e) of the same

provision;

(c) 36 months, in the cases referred in subparagraphs (a), (g), (h), (j) and (k) of the same provision.

2. In the cases referred in subparagraphs (a), (h) and (j) of paragraph 1 of the preceding Article, upon request by the employer, together with a written consent by the employee, the General Inspectorate of Labor may authorize the extension of the contract term beyond the 36-month period, namely if:

(a) The return to work of the absent employee does not take place within such period of time;

(b) The building construction works and similar activities last for more than 3 years;

(c) The legal measures for promotion of employment of the social groups referred in Article 15.1(h) are still in force at the time of expiry of the 36-month contract term.

3. The application referred in the preceding paragraph shall be filed no later than 30 days prior to the term of the contract.

4. The extension of the contract term referred in paragraph 2 cannot exceed 24 months.

Article 17
(RENEWAL OF THE CONTRACT FOR A LIMITED PERIOD OF TIME)

1. If the contract for a limited period of time is made for a period shorter than the limits stated in paragraph 1 of the preceding Article, successive renewals are permitted, provided they do not exceed such limits.

2. The contract shall be renewed for a period of time equal to the initial period if the employer does not give written notice to the employee of the contract expiration at least two weeks before its term and the employee does not wish to avail himself/herself of such expiration.

3. The renewal of the contract for a period different from the original one may only be made in writing which should be signed by both parties.

Article 18
(CONVERSION OF THE CONTRACT)

1. If the employee remains employed after the maximum period of time provided in subparagraphs (a) and (b) of Article 16.1, in the case of contracts for a fixed term, or if the employee remains employed for 15 days after the conclusion of the work, or if the replaced employee returns to work without the employee being notified, in the case of contracts for an uncertain term, the contract for a limited period of time is converted into a contract for an unlimited period of time.

2. The prior notice that must be given to the employee under a contract for an uncertain term is of 15, 30 or 60 calendar days, whether the contract has lasted for up to one year, from one to three years, or more than three years, respectively.

3. Failure to give prior notice in the case of contracts for an uncertain term shall cause the employer to pay to the employee a compensation calculated in accordance with Article 257.

4. Should the conversion occur, as referred in paragraph 1, time of service is counted from the effective date of the contract for a limited period of time.

Article 19
(PROBATION PERIOD)

1. In the case of an employment contract for an unlimited period of time there shall be a probation period corresponding to the first 60 days of performance of work; the parties may, by written agreement, reduce or waive this period.

2. The parties may extend the probation period, in writing, to a maximum of 4 months in the case of highly skilled employees who perform complex work which is difficult to evaluate, and to a maximum of 6 months in the case of employees who perform work of a high technical complexity or of those who have management functions, for which a high level academic degree is required.

3. In the case of an employment contract for a limited period of time, the probation period shall only exist if established in writing, and its duration cannot exceed 15 days, in the case of non-qualified employees, or 30 days, in the case of qualified employees.

4. The probation period serves for the employer to evaluate the level of the employee's services and productivity, and for the employee to evaluate the employment and living conditions, compensation, hygiene and safety, as well as the social environment of the company.

5. During the probation period any of the parties may terminate the employment contract without obligation of prior notice, indemnification or justification.

6. After the probation period has elapsed without any of the parties having used the right provided in the previous paragraph, the employment contract becomes firm, and the time of service is counted as from the date in which the work started.

Article 20
(NULLITY OF THE EMPLOYMENT CONTRACT AND OF THE CONTRACTUAL PROVISIONS)

1. Any contract shall be null and void if executed in the following circumstances:

   (a) If its object or purpose is contrary to the law, the public order or the prevailing moral;

   (b) If the employee does not have a professional degree in case of an activity for which the law requires such degree;

   (c) If a "visa" or authorization has not been obtained in case this is required.

2. Contract clauses and provisions are null and void which:

   (a) Are contrary to mandatory legal provisions;

   (b) Contain discrimination of the employee in terms of age, employment, professional career, salaries, duration of employment and other work conditions, race, color, sex, citizenship, ethnic origin, marital status, social rank, religious or political ideas, labor union affiliation, family links with other employees of the company, and language.

3. If the nullity of the contract results from the case referred in subparagraph (c) of paragraph 1, the employer shall indemnify the employee in accordance with Article 265.

Article 21
(EFFECTS OF NULLITY)

1. The nullity of any contract clause does not affect the validity of the entire contract, unless the annulled section cannot be replaced and, without it, the parties cannot fulfill the purposes they had envisioned.

2. Annulled clauses shall be replaced by the applicable provisions of the higher sources referred in Article 7.1.

3. Clauses which provide for special compensation or conditions in exchange for services which were included in the annulled part will be removed, in the whole or in part, by the judgment which declares the nullity.

4. A null or annulled contract is effective as if it were valid while it is in force.

5. Nullity may be declared by a court at any time, without need of request, or at the request of the parties or of the General Inspectorate of Labor.

6. Annulment may be claimed by the party in favor of which such right is established, within six months from the date of execution of the contract.

7. If the invalidity reason ceases to exist while the contract is in force, the contract is deemed valid from the date of execution. But if the contract is null and void, the validity takes effect only as of the time when the cause of nullity has ceased to exist.

SECTION II

SPECIAL TYPES OF EMPLOYMENT CONTRACT

Article 22
(SPECIAL EMPLOYMENT CONTRACTS)

1. The following are special employment contracts:

   (a) Contracts for groups;

   (b) Contract for a specific work or task;

   (c) Apprenticeship or training contracts;

   (d) Employment contracts aboard fishing and mercantile vessels;

   (e) Employment contracts aboard aircrafts;

   (f) Employment contracts at home;

   (g) Employment contracts for civilian employees at military plants;

   (h) Employment contracts for rural employees;

   (i) Employment contracts for non-resident foreigners;

(j) Temporary employment contracts;

(k) Other contracts as such declared by law.

2. The common provisions of this law are applicable to the special employment contracts, with the exceptions and specificities set forth in the following Articles and in specific laws.

Article 23
(CONTRACT FOR GROUPS)

1. In case an employer enters into a contract with a group of employees, considered as a whole, he will only become employer of the head of the group, not of all the members of such group.

2. The head of the group represents its members in the relationship with the company, and shall assume the obligations inherent to the referred representation, and shall take the capacity of employer in relation to the members of the group.

3. The company shall be jointly and severally liable for the fulfillment of the financial obligations that the head of the group has in relation to its members.

4. If the employee, authorized in writing or in accordance with tradition and practice, associates a helper or an auxiliary for the performance of his/her job, the employer of the former shall also be employer of the latter.

Article 24
(TASK EMPLOYMENT CONTRACT)

1. The contractor or the owner are jointly and severally liable with the jobber for the payments of salaries and indemnifications the contracted employees are entitled to, such liability being up to the limits of salary and indemnification amounts paid by the contractor or the owner in relation to their employees of an identical professional qualification, or, in case they do not have employees, to the minimum obligatory limits.

2. The contractor or the owner are further jointly and severally liable for the debts the jobber runs into with regard to Social Security, being exempt of such liability if, up to the commencement of the task work, they have obtained from the Social Security a certificate stating that the jobber is registered as a taxpayer and is not in debt or, having such certificate been applied for at least 15 days in advance, it is not delivered up to the commencement of the task work.

3. The contractor or owner's liability for the debts of the jobber to the employees is limited to the amount of the credits claimed by the employees up to the fifth day after the conclusion of the works, after such credits have been rectified in accordance with the provisions of paragraph 2, if, up to seven days before such date, and in the place where the works are being done or the services rendered, the contractor or the owner has affixed a "warning" inviting the employees to submit the respective credits and informing that his responsibility does not include credits that have not been claimed.

4. The owner shall not be jointly and severally liable with the jobber for the employees' credits when the activity under contract exclusively relates to building or repair works ordered by a head of a house for or in his family's residence, or when the owner of the works, establishment or industry does not carry out an activity similar to that of the jobber.

Article 25
(APPRENTICESHIP CONTRACT AND TRAINING CONTRACT)

1. Apprenticeship and training contracts shall be made in writing, subject to the rules set forth in Articles 33 to 37 and shall be submitted to the "visa" of the General Inspectorate of Labor.

2. Apprenticeship and training contracts are particularly subject to the provisions of Section III of this Chapter as well as the general provisions regarding work by minors, should the apprentice or the trainee be under the age of 18.

3. Except if the law provides otherwise, the regime provided in this Article is not applicable to the situations of apprenticeship and professional training developed by the appropriate government entities in accordance with Article 5.2.

Article 26
(EMPLOYMENT CONTRACT ABOARD VESSELS)

1. The employment contract aboard a vessel shall be made in writing and worded in a clear way so as the contracting parties are left with no doubts about their mutual rights and obligations, and shall indicate whether the contract is made for an indefinite or fixed period of time or for one trip only.

2. If the contract is made for a trip only, it shall indicate the anticipated duration of such trip and identify in a clear fashion the destination port and the time in which the commercial and shipping operations are to be performed in such port.

3. If the time at sea is expected to last less than 21 days, the employment contract

aboard a fishing vessel is not required to be made in writing.

4. The employment contract aboard a vessel shall specify the job and functions for which the sailor or fisherman is hired, the compensation and additional payments, or the basis for such calculation, even in case of profit sharing, and it shall bear the "visa" of the relevant port captain; the captain may refuse to grant his "visa" if the contract contains clauses that are contrary to public order or the law.

5. The place and date of the sailor's embarking shall be mentioned in the crew list.

6. Special conditions for employment contracts aboard a vessel shall be set forth by executive decree of the Minister of Employment and the Minister of Transport, or the Minister of Fisheries, as the case may be, with observance of ratified Labor International Conventions and of Maritime Enrolment Regulations, and shall deal with the following matters:

   (a) Regulation of the work aboard, including the organization of work;

   (b) Ship owner's obligations, namely those concerning the places and timing for payment of salaries and additional remunerations, as well as the manner of enjoyment of the resting periods;

   (c) Guarantees and privileges of the sailors' credits;

   (d) Conditions of feeding and accommodation;

   (e) Assistance and indemnifications due in case of accidents and diseases occurred aboard;

   (f) Conditions for repatriation in case the trip ends at a foreign port or at a port other than the one of departure.

7. Contracting special conditions shall be made available to the sailors by the ship owner, and shall be explained by the maritime authority at the time of the first enrolment in a crew list and shall be affixed at the quarters for the crew.

Article 27
(EMPLOYMENT CONTRACT ABOARD AIRCRAFT)

The employment contract aboard commercial aviation aircraft is governed by the provisions of this law in the areas not covered by the international regulations applicable to civil aviation and not expressly provided in a Joint-Executive Decree from the Ministers of Employment and Transport and Communications.

Article 28
(EMPLOYMENT CONTRACT AT HOME)

1. The contract shall be made in writing, in accordance with Article 13.6, and shall be subject to the "visa" of the General Inspectorate of Labor who shall keep one copy of the contract in order to be able to control the rules on hygiene and safety at work.

2. The salary shall be based on productivity rates in accordance with Article 164.5.

3. It is considered an employment contract at home that contract in which the employee acquires the raw materials and sells the finished products to the vendor of same, for a certain price, whenever the employee is to be deemed on the economical dependence of the buyer of the finished products.

4. All employers who hire employees at home shall make available to them a document for the control of the activity developed, bearing the name of the employee and the nature of the work to be performed, quantity of the raw materials delivered, agreed rates for the determination of the salary, receipts of the produced articles and dates of delivery and receipt.

Article 29
(EMPLOYMENT CONTRACT RENDERED AT MILITARY INSTALLATIONS)

The employment contract with civilian employees at military installations is subject to this law, without prejudice to the provisions of military laws and to the disciplinary regulations applicable within such installations.

Article 30
(EMPLOYMENT CONTRACT FOR RURAL EMPLOYEES)

1. The employment contract for rural employees for a limited period of time does not need to be made in writing; local traditions of the region in question shall regulate in which cases it is acceptable to execute a contract for a limited period of time, except in case the employee is displaced, his/her residence being in a place other than the one where the work center is located.

2. The regular duration of work shall not exceed 44 weekly hours, calculated on an average basis in relation to the duration of the contract, should such be less than one year, or on medium annual averages, if longer than one year. According to the crops, activities and weather conditions requirements the normal working period may vary

provided it does not exceed 10 daily hours or 54 hours per week.

3. Working schedule shall be subject, with the necessary adjustments, to the provisions of Article 117.2.

4. The annual vacation period is enjoyed at such time as to be decided by agreement, provided that the working schedule, within the flexibility referred in paragraph 2, does not exceed 44 hours per week.

5. At the employee's request, the salary may be paid, up to the limit of 50% of its value, in goods produced or in foodstuffs of basic necessity, in accordance with Articles 173 and 175.

6. The regime of the employment contract for rural employees may be applied through a regulatory decree to employees engaged in other activities closely linked to agriculture, arboriculture and cattle breeding, or to fishery, provided that such activities are dependent on the weather conditions or have a seasonal nature.

Article 31
(EMPLOYMENT CONTRACT WITH NON-RESIDENT FOREIGNERS)

The employment contract for non-resident foreigners is subject to this law regarding the aspects not covered by specific laws or by bilateral agreements.

Article 32
(TEMPORARY EMPLOYMENT CONTRACT)

1. A temporary employment contract is the one executed between an employer whose activity consists in the temporary assignment of employees' services to a third party, designated as temporary work company, and an employee, under which the latter undertakes, in return of a salary paid by the employer, to render temporarily his/her professional activity to a third party, called the user.

2. The activity of temporary assignment of employees is subject to prior authorization from the Minister of Employment, which shall be granted in terms to be regulated.

SECTION III

TRAINING CONTRACT AND CONTRACT FOR APPRENTICESHIP

Article 33
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1. The apprenticeship contract and the training contract, as defined in Article 25, shall contain, namely:

   (a) The name, age, address and activity of the employer, or company's name, should it be a corporate body;

   (b) The name, age, address and school or technical qualifications of the apprentice, or trainee, and the name and address of the minor's guardian, in the case of an apprentice;

   (c) The profession the apprenticeship or training is aimed at;

   (d) The compensation and, in the case of apprentices who live with the employer, the conditions of boarding and lodging;

   (e) The date and duration of the contract and the place where apprenticeship or training is going to be carried out;

   (f) The authorization from the minor's guardian.

2. Copies of the apprenticeship contract or training contract shall be sent to the General Inspectorate of Labor and the Employment Center within five days from the execution of the contract.

Article 34
(RESTRICTIONS)

1. Only the individual employers or craftsmen who are over 25 years of age may accept apprentices.

2. An employer or craftsman who is a bachelor, a widower, a divorcee or separated may not lodge minor apprentices of the opposite sex.

Article 35
(SPECIAL RIGHTS AND OBLIGATIONS)

1. An apprentice or a trainee shall not be required to perform tasks and services alien to the profession for which the apprenticeship is provided, or services which demand a great physical effort or which may, in any way, damage his/her health and his/her

physical and mental development.

2. The employer shall treat the apprentice or trainee as if the employer was the head of a family and provide him/her with the best conditions for learning and, if applicable, food and lodging.

3. If the apprentice has not completed his/her mandatory schooling period, or if the apprentice is enrolled in a technical or professional course, the employer shall grant him/her the necessary time and conditions to attend the respective classes.

4. The employer shall progressively and fully teach the profession that is the object of the contract, and at its completion shall deliver a statement confirming the conclusion of the apprenticeship or training, and stating whether the apprentice or trainee is prepared to exercise such profession.

5. The apprentice or trainee owes the employer obedience and respect and shall use all his/her capabilities in the learning process.

6. The employer may sell and dispose of the goods produced by the apprentice or by the trainee during the learning period.

7. The provisions of Articles 43, 45 and 46 are applicable to the relationship between the employer and the apprentice or trainee, except if contrary to the above paragraphs.

8. A copy of the statement referred in paragraph 4 shall be forwarded to the Employment Center within five days following its delivery to the apprentice or trainee.

Article 36
(COMPENSATION)

1. The apprentice's compensation shall be, as a minimum, equal to 30%, 50% or 75% of the compensation due to an employee of the same profession, in the 1st, 2nd and 3rd year of apprenticeship, respectively.

2. The trainee's remuneration shall be 60%, 75% and 90% under the same circumstances.

Article 37
(TERMINATION OF THE CONTRACT)

1. The apprenticeship or training contract may be freely terminated by any of the parties during the first six months of its duration, and may be freely terminated by the

apprentice or the trainee after such period of time has elapsed.

2. After the first six months of training or apprenticeship, the employer may only terminate the contract before its term in case of serious breach of the duties set forth in Article 35.5, and shall give written notice of the fact to the apprentice or trainee, to the General Inspectorate of Labor and to the Employment Center.

3. Should the apprentice or trainee be admitted in the employer's personnel list immediately after the apprenticeship or training is concluded, the respective duration shall be counted for seniority purposes.

CHAPTER III

CONTENTS OF EMPLOYMENT RELATIONSHIP

SECTION I

POWERS, RIGHTS AND DUTIES OF THE PARTIES

Article 38
(POWERS OF THE EMPLOYER)

1. The employer has the following powers:

   (a) To manage the business of the company and to organize the use of the production factors, including human resources, in order to fulfill the objectives of the company, to efficiently take advantage of the installed production capacity, to ensure the progressive increase of production and productivity, as well as to ensure the economic development of the company and the social and economic development of the country;

   (b) To organize the work in accordance with the attained development level, so as

to obtain high levels of efficiency and productivity from the company's production capacity and taking the best advantage of the employees' technical and professional qualifications and capabilities, bearing in mind the specificities of the technological method;

(c) To define and distribute jobs among the employees, in accordance with their qualifications, aptitude and professional experience, and in compliance with the applicable law;

(d) To prepare internal regulations and other instructions and norms that are required for the work organization and discipline;

(e) To vary the working conditions and jobs of the employees, for either technical, or organizational, or production reasons;

(f) To ensure the discipline at work;

(g) To exercise disciplinary authority over the employees.

2. These powers are directly exercised by the employer, by the management and by the ones responsible for the various sectors of the company, within the delegation of authority as the former may decide.

Article 39
(WORK ORGANIZATION)

The authority to organize the work includes the right to establish the working periods for the various sectors of the company and to establish the work schedules for the employees, in order to fulfill the company's objectives and to comply with the technological needs, all within the conditions set forth in the law.

Article 40
(INTERNAL REGULATIONS)

Internal regulations and other instructions shall be in accordance with the provisions set forth in Section III of this Chapter.

Article 41
(VARIATION OF THE WORKING CONDITIONS)

1. The variation of the working conditions and of the employees' jobs shall take into account the following principles:

   (a) The impact on the work duration, working schedules, compensation system, employees' tasks and place of work;

   (b) Compliance with the limitations and rules provided in this law.

2. The variation of employees' jobs and place of work are addressed in Articles 76 through 84 of this law.

3. The change of tasks, place of work and other working conditions may not result in a permanent and substantial variation of the employee's employment status, except if such variation leads to career progression or in the cases and conditions expressly provided for.

Article 42
(DISCIPLINE AT WORK)

1. As refers the discipline at work, the employer may, in particular:

   (a) Adopt the measures deemed necessary for supervision and control in order to ascertain the fulfillment of the obligations and duties at work, ensuring that their adoption and enforcement are done with due respect for the employees' dignity and taking into consideration the real working capability of disabled employees;

   (b) Ascertain the cases of illness and accident, or other cases reported in justification of absences from work.

2. The discipline at work is regulated in Section II of this Chapter.

Article 43
(EMPLOYER'S OBLIGATIONS)

The employer has the following obligations:

   (a) To treat and respect the employee as a collaborator, and to contribute for the improvement of the employee's living and cultural standards and for his/her human and social development;

   (b) To contribute for the increase in the productivity levels, affording good work conditions, and to organize the work in a rational way;

(c) To pay the employee, on time, a fair salary and adequate to the work performed, implementing salary grades that take into account the complexity of the job, the level of qualification, the employee's knowledge and capability, the way he/she is integrated in the work organization and the results of the developed work;

(d) To encourage the good work relationship within the company, to satisfy to the extent possible the employees' interests and preferences in the organization of work and to contribute to create and keep the social peace;

(e) To accept and review critics, suggestions and proposals from the employees regarding the work organization, and keep the employees informed on all decisions made on all matters that directly concern them, or from which may result changes in the working conditions;

(f) To afford the means to the employees for their professional education and training, namely by drawing up professional training plans and by adopting the measures necessary to their completion;

(g) To take adequate measures regarding hygiene and safety at work, to strictly fulfill and to watch over the fulfillment of the legal norms and the instructions from the proper authorities on hygiene and safety, and medical care at work, and to permanently instruct the employees on the fulfillment of the norms and regulations on hygiene and safety at work;

(h) To make sure that the employees' representative bodies are consulted on all matters in which the law requires these bodies to be informed and consulted, and to facilitate the activities of the labor union and employees' representatives;

(i) Not enter into or join in agreements with other employers aiming at the limitation in the hiring of employees who have rendered services to them, and not to hire, on pain of incurring in civil liability, employees still included in the personnel list of another employer, whenever such hiring would result in unfair competition;

(j) To fulfill all the other legal obligations related to the organization of work and performance of work.

Article 44
(PROFESSIONAL TRAINING AND IMPROVEMENT)

1. The purpose of professional training is to give the employees, in an organized way,

general training, both theoretical and on the job, with a view to obtain a qualification, to enable them for the performance of the functions inherent to their jobs, or to jobs in other sectors of production and services, and to improve their technical and professional levels.

2. The purpose of professional improvement, or professional training on the job, is to allow for the permanent adjustment of employees to the changes in the work techniques and conditions, and to foster their professional qualification.

Article 45
(EMPLOYEES' RIGHTS)

In addition to the fundamental rights provided in Article 6 and others provisions of this law, in collective bargaining agreements and in the individual employment contract, the following rights are guaranteed to the employee:

(a) To be treated with consideration and respect for his/her integrity and dignity;

(b) To have an effective occupation and conditions for the increase of the work productivity;

(c) To have the assurance of stability of employment and work and to have a job adequate to his/her skills and professional training, within the type of job he/she was hired for;

(d) To effectively enjoy the daily, weekly and annual resting periods guaranteed in the law, and not perform overtime work except in the cases provided in the law;

(e) To receive a fair salary and adequate to his/her work, to be paid regularly and punctually, and said salary may not be reduced save in the exceptional cases provided in the law;

(f) To be included in the professional training plans for the improvement of performance and access to promotion, as well as for the development of his/her professional career;

(g) The right to good conditions of hygiene and safety at work, to physical integrity and to get protected in case of work accident or occupational disease;

(h) The absence of political party meetings at the work center during the normal working period;

(i) To individually exercise the right of claim and appeal in regard to the work

conditions and the violation of his/her rights;

(j) Not to be compelled to acquire goods or make use of services provided by the employer or by a person appointed by the employer.

Article 46
(EMPLOYEE'S DUTIES)

The employee's duties are the following:

(a) To perform the work with diligence and zeal, in the way, periods of time and place that were established, taking full advantage of the working time and production capacity, and to contribute to the improvement of productivity;

(b) To obey and carry out orders and instructions from the supervisors regarding performance, discipline and safety at work, except if such are contrary to his/her rights that are guaranteed by law;

(c) Attend work assiduously and punctually, and inform the employer in case of impossibility to be present at work, justifying the reasons for absence whenever requested to do so;

(d) To respect, and treat with respect and loyalty the employer, supervisors, fellow-employees and the persons who contact the company, and give assistance in case of accident or danger at the work place;

(e) To adequately make use of the tools and materials provided by the employer for the performance of the work, including the equipment for individual and collective protection, and to protect the company's assets and production against damage, destruction, loss and misappropriation;

(f) To strictly comply with regulations and orders regarding safety and hygiene at work and fire prevention, and to contribute to avoid risks that may put at stake his/her own safety, and the safety of fellow-employees, third parties or the employer, as well as that of the company installations and materials;

(g) To keep professional secrecy, not disclosing information on the organization, production methods and techniques, and business of the employer, and to be loyal to the employer, not doing business nor working for own account or for the account of somebody else in competition with the company;

(h) To comply with the other obligations imposed by law or collective bargaining agreement, or determined by the employer under the employer’s powers of

management and organization.

Article 47
(RESTRICTIONS TO FREEDOM OF WORK)

1. It is lawful the employment contract clause which restricts the activity of the employee for a period of time, which shall not exceed three years from the work termination, in the cases in which the following conditions occur cumulatively:

   (a) Such clause is included in the written employment contract, or in an addendum;

   (b) The activity in question may cause real damage to the employer and is characterized as unfair competition;

   (c) The employee is paid a compensation during the period of restriction of work, the amount of which shall be stated in the contract or in an addendum to it; in determining such compensation consideration shall be given to the fact that the employer may have incurred significant expenditures in the employee's professional training.

2. The restriction of activity referred in the previous paragraph is only valid within a range of one hundred kilometers from the place where the work center in which the employee exercised his/her activity is located.

3. It is also lawful, provided it is put in writing, the clause imposing on an employee who benefits from a high level of professional training and improvement at the expense of the employer, the obligation to remain at the service of the same employer for a certain period of time, counted as from the date on which such training or improvement has ceased, provided that such period of time does not exceed three years.

4. In the case referred in the preceding paragraph, the employee may release himself/herself from such service by returning to the employer the amount of the expenses incurred by the latter, in proportion to the remaining time until the end of the agreed period.

5. An employer who hires an employee within the period of restriction of activity or the period of permanence in the company is jointly and severally liable for the damages caused by the employee or for any amount he/she has not returned.

SECTION II

WORK DISCIPLINE

Article 48
(DISCIPLINARY POWER)

1. The employer has a disciplinary power over the employees at his service and may use such power in case a discipline breach occurs.

2. The disciplinary power is exercised directly by the employer or by the company's officers through express delegation of powers.

Article 49
(DISCIPLINARY SANCTIONS)

1. In case of discipline breach by the employees, the employer may apply the following sanctions:

   (a) Simple warning;

   (b) Registered warning;

   (c) Temporary demotion with salary reduction;

   (d) Temporary transfer from work center, with demotion and salary reduction;

   (e) Immediate termination.

2. The temporary demotion with salary reduction may range from 15 days to three months.

3. The temporary transfer from work center with demotion and salary reduction may range from one month to three months, or from three months to six months, depending upon the seriousness of the offense.

4. If due to the work organization it is not possible at the company or work center to apply the sanction set forth in subparagraph (c) of paragraph 1, the employer may replace it with a reduction of 20% in the salary, for the length of time determined for such sanction, except that the resulting salary may not be lower than the minimum statutory salary in force for the relevant professional grade.

5. If it is not possible to transfer the employee from the work center, the sanction set forth in subparagraph (d) of paragraph 1 shall be replaced by demotion with salary reduction, within the same work center, in which case the limits set forth in paragraph 3 are increased twofold.

6. If the situation provided in paragraph 4 occurs, and there is no other job position where the employee may be transferred for disciplinary reasons, the disciplinary sanction, with the limits set forth in the preceding paragraph, may be replaced by a reduction of 20% in the salary during the period of time that had been determined, with observance of the guarantee provided at the end of same paragraph 4.

7. The salaries not paid to the employee as a result of the reductions provided in paragraphs 4 and 6 shall be deposited by the employer in the Social Security account, under the reference "Disciplinary Sanctions" and a mention to the name of the employee, and the employer and the employee contributions for the Social Security shall be levied on such amounts.

Article 50
(DISCIPLINARY PROCEEDINGS)

1. The application of any disciplinary sanction, except for simple warning and registered warning, shall be null and void if not preceded by a previous hearing of the employee, in accordance with the procedure set forth in the following provisions.

2. Whenever the employer deems it appropriate to apply a disciplinary sanction, the employer shall notify the employee for a meeting, including in the respective notice:

   (a) Detailed description of the facts of which employee is accused;

   (b) Date and time for the meeting, which must take place within 10 working days from the delivery of the letter;

   (c) Indication that the employee may be accompanied to the meeting by someone he/she trusts, whether employee of the company or not, or member of the labor union in which the employee is affiliated.

3. The notice may be delivered to the employee against receipt in a copy, in the presence of two witnesses, or sent by registered mail.

Article 51
(MEETING)

1. During the meeting (in which the employer may be accompanied by a person belonging to the company or to the employers' organization), the employer or a representative shall state the reasons for the disciplinary sanction which the employer intends to apply and shall listen to the explanations and justifications submitted by the

employee, as well as the arguments used by the person who assists the employee.

2. The meeting must be recorded in writing.

3. If the employee fails to attend the meeting, but the employee's assistant is present, depending on the justification submitted by the assistant for the employee's absence the meeting may be postponed for a date within the next five days, the employee being notified of such new date through his/her assistant.

4. If neither the employee nor his/her assistant is present, and the absence is not justified by the employee within three working days, the employer may, after such period, immediately decide on the disciplinary sanction to be applied.

Article 52
(APPLICATION OF DISCIPLINARY SANCTION)

1. The decision to apply a disciplinary sanction cannot be made prior to the three working days provided above, or before 30 days have elapsed in case the meeting has taken place.

2. The sanction applied is notified to the employee in writing within five days following the decision, by any of the means referred in Article 50.3, and such notification shall specify the facts ascribed to the employee and the consequences of such facts, the conclusions of the meeting and the final decision.

3. If the employee is a labor union representative or a member of the employees' representative body, a copy of the notification to the employee shall be sent, within the same period, to the labor union or to the employees' representative body.

Article 53
(GRADATION OF THE DISCIPLINARY SANCTION)

1. In determining the disciplinary sanction all circumstances under which the offense was committed shall be weighted, bearing in mind its seriousness and consequences, the degree of blame attaching to the employee, the previous offenses committed by the same employee as well as all the circumstances that may aggravate or mitigate his/her liability.

2. No more than one disciplinary sanction may be imposed for the same offense, or for all the joint offenses committed up to the decision.

3. The disciplinary sanction of termination may only be imposed under the terms and for

the reasons set forth in Article 225 and following Articles.

Article 54
(PREVIOUS CONSIDERATION ON THE DISCIPLINARY ACTION)

The period referred in paragraph 1 of the preceding Article serves for the employer or appointed representative to review the facts considered as a matter of disciplinary offense and the defense submitted by the employee in accordance with paragraph 1 of the same Article, in order to correctly establish the facts, the defense, the previous offenses committed by the employee and the circumstances that involved the facts and which should be weighted in determining the disciplinary sanction.

Article 55
(PREVENTIVE SUSPENSION OF THE EMPLOYEE)

1. Along with the notice for the meeting, the employer may preventively suspend the employee if his/her presence at the work place appears to be inconvenient, without prejudice to the punctual payment of his salary.

2. If the employee is a labor union representative or a member of the employees' representative body, notice of such suspension shall be given to the body of which he/she is a member; the suspension shall not prevent the employee from accessing the places and engaging in the activities which are comprised within the normal exercise of his/her representative functions.

Article 56
(ENFORCEMENT OF THE DISCIPLINARY SANCTION)

1. The disciplinary sanction applied by the employer is effective from the date of notification to the employee, unless its immediate execution entails serious inconvenience to the work organization, in which case, it may be postponed for a period not to exceed two months.

2. The provision in the last part of the preceding paragraph does not apply to the disciplinary sanction of termination, which shall be enforced immediately.

Article 57
(RECORDING AND DISCLOSURE OF DISCIPLINARY SANCTIONS)

1. With the exception of the simple warning, the disciplinary sanctions are always

recorded in the employee's personal file, and all sanctions that have been applied less than five years ago should be taken into consideration in the evaluation of the employee's previous disciplinary behavior.

2. Subject to the same exception, disciplinary sanctions may be disclosed within the company or work center.

Article 58
(RIGHT OF COMPLAINT AND APPEAL)

1. The employee may appeal from the disciplinary sanction if the employee considers that he/she has not committed the actions that he/she is accused of, or that the sanction is excessive in relation to the facts committed or in relation to his/her degree of fault, or that the disciplinary sanction is null or abusive.

2. The appeal is subject to paragraphs 1(c) and 2 of Article 63 (c) and Article 307 and following Articles.

Article 59
(ABUSIVE EXERCISE OF THE DISCIPLINARY POWER)

1. Disciplinary sanctions are considered abusive if the employee:

   (a) Has rightfully claimed against either the work conditions or the violation of his/her rights, making use of the right provided in Article 45 (h);

   (b) Refuses to obey orders to which he/she owes no obedience in accordance with Article 46 (b);

   (c) Exercises or is a candidate to exercise the functions of representative in the labor union or in the employees' representative body, or any other related functions;

   (d) Exercises, has exercised or intends to exercise other rights provided in the law.

2. Unless evidence to the contrary is given, termination or the imposition of any other disciplinary sanction are deemed to be abusive, whenever they take place within six months of the facts referred in subparagraphs (a), (b) and (c) of the preceding paragraph, or within two years after the term of office referred in subparagraph (c), or after the candidature to such office if the employee does not come to exercise it, if on the date on which such facts took place the employee already had an employment relationship with the employer.

3. It is up to the employer to rebut the above presumption.

Article 60
(CONSEQUENCES OF ABUSIVE EXERCISE OF THE DISCIPLINARY POWER)

1. In the cases referred in subparagraphs (a), (b) and (d) of paragraph 1 of the preceding Article, if the presumption that the disciplinary sanction is abusive is not rebutted, the employer shall be sentenced to pay:

   (a) If the disciplinary sanction is the one referred in Article 49.1(c), an indemnity corresponding to five times the amount of the salary that the employee did not receive under the terms of paragraphs 2, 3 and 4 of the same Article;

   (b) If the disciplinary sanction is the one referred in subparagraph (d) of the same provision, an indemnity calculated in the same manner, increased by an indemnification for the expenses incurred due to the transfer from work center;

   c) If the disciplinary sanction is immediate termination, an indemnity calculated under the terms of Article 266, increased by the salaries the employee ceased to receive up to the date of the sentence.

2. In the cases referred in subparagraph (c) of paragraph 1 of the preceding Article, the indemnity for salary reduction referred in subparagraphs (a) and (b) shall be increased twofold.

3. In the case of immediate termination, in the situations referred in subparagraph (c) of paragraph 1 of the preceding Article, the employee is entitled to choose between the immediate job reinstatement, being paid the salaries he/she ceased to receive up to the reinstatement, or to be indemnified under the terms of subparagraph (c) of paragraph 1.

Article 61
(MATERIAL OR CRIMINAL LIABILITY
CONCURRENT WITH DISCIPLINARY LIABILITY)

The exercise of the disciplinary power does not impair the employer from concurrently seeking from the employee an indemnification for the losses the employer suffered as a result of the employee's blameful behavior, or to file a criminal complaint, if the behavior is considered as a crime by the criminal law.

Article 62
(MATERIAL LIABILITY)

1. The employee's material liability for damages or destruction of plants, machinery, equipment, tools or other means of work or production, or for any other damages caused to the company, namely due to the breach of the duties set forth in Article 46 (g), is subject to the following:

   (a) If the damages are voluntarily caused, the employee is liable for them, and for the consequential damages, in their entirety;

   (b) If the damages are voluntarily caused by several employees, their liability is joint and several, and the employer may claim the whole of the damage from any of them or from all of them, on a proportional basis; the employee who is sentenced to pay the indemnification for the whole damage has the right to be refunded by those equally involved;

   (c) If the damages are involuntarily caused, or should they result from the loss or going astray of tools, equipment or work implements entrusted to the employee for his/her own use, or from the loss or going astray of money, assets or valuables for which he/she is responsible on account of the functions performed by him/her, the employee is liable only for the direct loss, and not for consequential losses;

   (d) In the case of subparagraph (c) the employee's liability shall be limited to the amount of the monthly salary, except in the situations provided below, in which the employee's liability for the direct loss is demandable in its whole:

      - If the case is the loss or going astray of tools, equipment or implements, or money, assets or valuables;

      - If the damages are caused when the employee is under the influence of drugs or alcohol;

      - If in the case of a traffic accident this is caused by excessive speed, reckless driving or, in a general manner, by serious fault of the driver.

   (e) If the damage has been involuntarily caused by several employees there shall be no joint and several liability, each of them being responsible in the proportion of his/her fault, and the manner and extension of his/her participation, being presumably equal the degree of fault of all the employees involved in the cause of such damage.

2. Material liability is demanded through a civil lawsuit for indemnification, filed in a court

having jurisdiction, or through a civil demand within a criminal action, should such be brought against the employee.

3. Any agreement that may be made between the employer and the employee on the amount of the indemnity due by the latter, or on the manner to compensate the damages caused, is only valid if made in writing and submitted to prior approval of the General Labor Inspectorate.

Article 63
(EXPIRATION TERM AND STATUTE OF LIMITATIONS)

1. The exercise of the disciplinary power is subject to the following statute of limitations, on pain of expiration of the proceedings and nullity of the disciplinary sanction applied, or forfeiture of the disciplinary offense:

   (a) Disciplinary proceedings, starting with the delivery of the notice referred in Article 50, must commence within 30 days of the knowledge of the offense and the employee liable for it;

   (b) The statute of limitations for the disciplinary offense is one year from the date it was committed;

   (c) Appeal against disciplinary sanctions must be submitted within 30 days following the notice of such sanctions;

   (d) The criminal complaint should be filed within the time periods set forth in the criminal procedural law;

   (e) The civil lawsuit for indemnification shall be filed within three months following the knowledge of the offense and the employee liable for it, except if it is made within the criminal lawsuit.

2. Exception is made to subparagraph (c) in the case of appeal against immediate termination, to which the term set forth in Articles 300 and 301 shall apply.

SECTION III

REGULATIONS

Article 64
(INTERNAL REGULATIONS)

In order to organize the work and work discipline, employers may approve internal regulations, management instructions, service orders and work norms, establishing rules for the technical organization of work, as well as for the performance of work and work discipline, delegation of powers, employees' job descriptions, safety and hygiene at work, performance indicators, compensation system, working hours for the various sectors of the company or work center, control of admittance and exit and circulation within the company premises, surveillance and control of production and other matters which are not directly related to the contents of the employment relationship.

Article 65
(CONSULTATION)

1. The internal regulations, after having been prepared by the employer, in accordance with the applicable legal or labor agreements' provisions, shall be submitted to the employees' representative body who shall comment on it in writing within 15 days, whenever it deals with the matters referred in paragraph 1 of the following Article.

2. The employee's representative body may within the period of time period referred in the preceding paragraph request a meeting with the employer in order to seek clarifications; this meeting must be immediately convened.

Article 66
(APPROVAL BY THE GENERAL INSPECTORATE OF LABOR)

1. Whenever the internal regulations, or any of the other regulating norms referred in Article 64, deal with work rendering and discipline, compensation systems, work performance or safety and hygiene at work, the approval of the General Inspectorate of Labor is required; this approval shall be requested no later than 30 days prior to the effective date of the regulations.

2. A copy of the opinion of the employees' representative body shall be annexed to the application for approval or, should such representative body have failed to give its opinion in due time, a copy of the request for such opinion.

3. It is deemed to be approved any regulations in relation to which no decision was issued, either of approval or rejection, within a period of 30 days as from the submission of the application.

Article 67
(PUBLICATION)

1. Once the regulations are approved, or after the 30-day period has elapsed without any notice having been received, the regulations which deals with the matters referred in paragraph 1 of the preceding Article shall be either published or affixed at the work centers, in places frequented by the employees, so that they may be aware of its contents.

2. Regulations dealing with matters for which approval by the General Inspectorate of Labor is not required shall be subject to the same rules of disclosure referred in the preceding paragraph.

3. The regulations will only become effective after seven days of publication in the company.

Article 68
(EFFECTIVENESS)

The regulations and the other norms referred in Article 64 are binding on both the employer and the employees, and must be complied with in accordance with Article 46 (h).

Article 69
(NULLITY AND SUBSTITUTE REGIME)

Any provisions contained in the regulations, which deal with matters other than those referred in Article 64, shall be null and void; the provisions which are inconsistent with the law or the collective bargaining agreement are replaced with these provisions of the law or agreement.

Article 70
(MANDATORY REGULATIONS)

If the company or work center employs more than 100 employees, it is mandatory to approve internal regulations, through collective bargaining agreements, addressing all or some of the matters referred in Article 64.

CHAPTER IV

VARIATION OF EMPLOYMENT RELATIONSHIP

SECTION I

CHANGE OF EMPLOYER

Article 71
(INCLUDED SITUATIONS)

1. The alteration of the legal status of the employer and the change of ownership of the company or work center do not extinguish the employment relationship and do not constitute just cause for termination.

2. Alteration of the legal status is deemed to be succession, merger, transformation, division or another legal change undergone by the company.

3. Change of ownership is deemed to be the conveyance, lease assignment or any other fact or act which involves the transfer of the company's exploitation, or that of the work center or part of same, through a legal transaction executed between the previous owner and the new one.

4. If the change of ownership or the assignment of the exploitation of the company, work center or part of same, is a result of a court decision, the provisions set forth in paragraph 1 are applicable if such court decision so expressly determines, and provided the company business remains the same.

Article 72
(STABILITY OF THE EMPLOYMENT RELATIONSHIP)

1. Provided the same business is maintained, the new employer takes the position of the former employer in the employment contracts and becomes subrogated to the rights and obligations arising from the employment relationship, even if such have ceased before the change of employer.

2. The employees keep their seniority and the rights they had at the service of the former employer.

3. Paragraph 1 above is not applicable if the employees continue at the service of the former employer at another work center in accordance with Article 83.

4. Within 30 days following the change of employer, the employees may resign, in which case they will be entitled to a compensation for indirect termination if they are able to prove that such change would be detrimental to the existing employment relationship.

Article 73
(JOINT RESPONSIBILITY OF EMPLOYERS)

1. Subrogation to the obligations of the former employer is limited to those obligations incurred during the twelve months prior to the employer change, provided that, up to 30 days prior to such change takes effect, the new employer gives notice to the employees that they must claim their credits up to the second day prior to the date scheduled for such change.

2. The notice referred in the preceding paragraph shall be made by information given to the employees, either affixed in the places usually frequented by them in the company or work center, or through communication to the employees' representative body, informing on the planned change of legal status or of ownership, the date on which such is going to take place, the need for the credits to be claimed, and the deadline for such claim to be made.

3. The former employer shall be the sole responsible for the non-claimed credits as well as for those that are outstanding prior to the time referred in paragraph 1.

4. The former employer is jointly and severally liable with the new employer for the obligations incurred by the latter towards the employees within the twelve months following the transfer.

Article 74
(OBLIGATIONS OF THE NEW EMPLOYER)

The new employer shall maintain the work conditions that the former employer was required to maintain under a collective bargaining agreement or internal practice, without prejudice to the changes permitted by this law.

Article 75
(COMMUNICATION TO THE GENERAL INSPECTORATE OF LABOR)

Within five days following the employer change, the new employer shall inform the General Inspectorate of Labor about such change, stating the reasons for the change and the future situation of the employees, taking into account Article 72.3.

SECTION II

TRANSFER TO DIFFERENT FUNCTIONS OR TO A NEW JOB POSITION

Article 76
(TEMPORARY CHANGE OF JOB FOR REASONS ATTRIBUTABLE TO THE EMPLOYER)

1. In exceptional cases in which the stoppage of production or other serious damages to the company must be avoided, or in other reasonable circumstances, the employer may temporarily transfer an employee from his/her job and assign him/her to services pertaining to a different professional qualification and grade, provided that no substantial change in the employment situation of the employee results from such transfer.

2. If the temporary job is of a higher salary and involves more favorable conditions, the employee is entitled to such more favorable salary and conditions.

3. If the temporary transfer lasts more than ten months in a year or more than fifteen months in two years the employee is entitled to be permanently assigned to the new job or new function, except if the transfer was due to replacement of another employee temporarily prevented from working.

4. If the temporary job if of a lower salary, the employee shall continue to receive his/her former salary, if payment is made on a time basis, or the average salary of the last six months, if payment is linked to performance, and shall keep all the other rights pertaining to his/her former job.

5. Except in the case of paragraph 3, the employee shall return to his/her former job immediately after the reasons for the transfer cease to exist.

Article 77
(TEMPORARY CHANGE OF JOB FOR REASONS ATTRIBUTABLE TO THE EMPLOYEE)

1. The temporary transfer to another job or functions with a lower salary may also occur at the request of the employee for serious reasons of his/her concern, for reasons of illness, or in compliance with disciplinary sanctions set forth in Article 49.1, subparagraphs (c) and (d).

2. If the transfer is made at the employee's request or for reasons of illness, the employee shall receive the salary corresponding to the new job or function, for as long as the transfer lasts, but such can only be authorized by the employer after approval by the General Inspectorate of Labor has been obtained; the approval must be requested along with the written medical statement provided in Article 95.4.

3. If the temporary transfer results from a disciplinary sanction, Article 49.2 through 7 shall apply.

Article 78
(CHANGE OF JOB)

1. The employee may only be permanently assigned to a job with a lower salary should one of the following situations occur:

   (a) The elimination of his/her existing job;

   (b) Reduction of the physical or mental capacities that are required for the performance of the job, either as a result of an accident or for any other reasons;

   (c) At the employee's request for reasons worthy of consideration.

2. In the cases referred in subparagraphs (a) and (b) of the preceding paragraph, the employee must accept the change of job; in the case of subparagraph (a), the provisions of Article 83.1(b) shall apply.

3. In the case of subparagraph (c), transfer may only take place in accordance with the provisions of paragraph 2 of the preceding Article.

4. In the case of subparagraph (b), the employee shall continue to receive the salary corresponding to his/her former job during the three months immediately following the transfer, and as from the fourth month the employee shall start to receive the salary corresponding to the new job.

Article 79
(EXCHANGE OF JOBS)

1. Whenever two employees, by mutual agreement and authorized by the employer, exchange their jobs, such exchange shall be made in writing, and signed by both employees and by the employer.

2. Each employee shall receive the salary corresponding to the position he/she is going to hold, and shall comply with the corresponding work requirements.

SECTION III

CHANGE OF WORK CENTER OR WORK PLACE

Article 80
(WORK PLACE)

1. If the employee's professional activity is mainly exercised outside the company premises, either because the employee works in mobile or itinerant work centers, or because he/she develops an outdoor activity and variable as to the place where it is performed, the work center is deemed to be the one from which the employee is administratively dependent and receives instructions regarding the service and reports on his/her activity.

2. The employee is entitled to the stability of his/her work place; the change of work place, either temporary or permanent, is only allowed in the situations provided in the preceding paragraph and in the following Articles.

Article 81
(TEMPORARY TRANSFER OF WORK PLACE)

1. The employer may transfer temporarily the employee to a work place outside the work center, for a period not exceeding one year, should technical, organizational or production reasons or other circumstances justify such change.

2. The employee who is temporarily transferred is entitled to be reimbursed for travel expenses, unless the company provides for transportation.

3. If the new work place is located at such a distance that does not allow for the employee to have his/her meals as he/she usually did, the employee is also entitled to be paid for the meals between the start and the end of the daily work.

4. If the new work place is located at such a distance that does not allow for the employee to return to his/her home every day, the employer shall also bear the costs for lodging.

5. If, as a result of the distance the new work place is located at, the employee is prevented from enjoying the weekly resting period at his/her home, the employee is entitled, for each three months he/she is transferred, to enjoy four days leave at his/her place of residence, to which the time of travel is added, such being considered as working time, and the out and home travel expenses shall be born by the employer.

6. If the employee opposes to a temporary transfer, providing a justification, such refusal shall be submitted to the General Inspectorate of Labor; pending decision of this

authority, the employee shall comply with the transfer order.

7. The General Inspectorate of Labor, after careful review of the reasons submitted by the employee and by the employer, shall decide within ten days, being such decision immediately enforced if it returns the employee to his/her work place.

Article 82
(CHANGE OF WORK PLACE FOR DISCIPLINARY REASONS)

The employee may be temporarily transferred from work place as a result of a disciplinary sanction applied under Article 49.3.

Article 83
(PERMANENT TRANSFER OF WORK PLACE)

1. The employer may also transfer the employee from work place, on a permanent basis, in the following cases:

   (a) If the relevant work place moves, totally or partially, to another location;

   (b) Due to the elimination of the job position, provided there is another job at another workplace adequate to the employee's professional training and skills;

   (c) In the case of Article 72.3;

   (d) Due to technical, organizational or production reasons.

2. In the case referred in subparagraph (a) of the preceding paragraph, should the employee not accept the transfer, he/she may resign, being entitled to an indemnification for indirect termination, unless the employer provides evidence that no serious damage results from such transfer.

3. In the case referred in subparagraph (b) of paragraph 1, if the employee does not accept the transfer, and the provisions set forth in Article 78.2 and 4 not apply, the provisions set forth in Article 230 and following Articles are applicable.

4. In the case referred in subparagraph (c) of paragraph 1, if the employee does not accept the transfer, Articles 72 through 74 shall apply.

5. In the case referred in subparagraph (d) of paragraph 1, if the employee does not accept the transfer, the employee is always entitled to be indemnified for indirect termination.

Article 84
(RIGHTS OF THE EMPLOYEE IN CASE OF PERMANENT TRANSFER)

The employee who is permanently transferred, under the conditions set forth in the preceding Article, is always entitled to the following rights:

(a) To be compensated for the expenses directly resulting from the transfer;

(b) To be reimbursed of the excess expenses resulting from such removal, including his/her own expenses and those of his/her dependant relatives, under the terms agreed between the parties, or, should no agreement be reached, those determined by the court;

(c) In the case of the preceding subparagraph, a two-week paid leave, so that the employee may take care of the removal and other family affairs that may arise from such removal;

(d) To have his/her relatives that are part of his/her household and who work for the same employer also transferred, if they so wish.

CHAPTER V

WORK CONDITIONS

SECTION I

SAFETY AND HYGIENE AT WORK

Article 85
(GENERAL OBLIGATIONS OF THE EMPLOYER)

1. In addition to other duties set forth in this law, namely in Article 43 (g), the following are obligations of the employer, with regard to safety and hygiene at work:

(a) To take effective measures appropriate to the nature of the company or work center organization, so that the work is performed in such an environment and conditions that allow for the normal physical, mental and social development of the employees that protect them against accidents at work and occupational diseases;

(b) To insure all the employees, apprentices and trainees against the risks of

accidents at work and occupational diseases;

(c) To provide for the organization and adequate on-the-job training in the areas of safety and hygiene at work, to all newly hired employees, to those who change their jobs or work techniques, to those who are using new substances that may be risky to manipulate, or to those who return to work after an absence longer than six months;

(d) To ensure that no employee is subject to the effects of either physical, chemical, biological or environmental agents, or agents of any other nature, or to weights, without being warned about the damage such may cause to health and informed on the means to avoid same;

(e) Whenever necessary to prevent risks of accidents or damaging effects to health, to provide the employees with garments, foot-wear and equipment for individual protection, and to bar the access to the work place to the employees who are not wearing the individual protection equipment;

(f) To take due note of complaints and suggestions presented by the employees in relation to the environment and work conditions, and to adopt adequate measures;

(g) To cooperate with the sanitary authorities to eradicate epidemics or local endemic diseases;

(h) To impose adequate disciplinary sanctions upon the employees who blamefully and unjustifiably violate the rules and instructions on safety and hygiene at work;

(i) To comply with all the other legal provisions on safety, hygiene and health at work that are applicable, as well as the lawful determinations from the General Inspectorate of Labor and other competent authorities.

2. Any employer who does not comply with the provisions of subparagraph (b) of the preceding paragraph, or who has ceased to comply with the obligations imposed by the insurance contract, in addition to other sanctions, shall be directly liable for the consequences of accidents and diseases that may occur.

3. The social security department responsible for the protection in case of accidents at work and occupational diseases shall render the employees, in relation to which their employer does not comply with the provisions of subparagraph (b) of paragraph 1, the protection provided for in the law; in this case, the employer shall reimburse the department for the amount determined by such department, without prejudice to the liability referred in the preceding paragraph.

Article 86
(COLLABORATION AMONG EMPLOYERS)

If more than one company exercise their activity in the same work place, all employers involved shall collaborate in the compliance with the rules for safety and hygiene at work set forth in this section and in the applicable laws, without prejudice to each one's liability in relation to the health and safety of their own employees.

Article 87
(OBLIGATIONS OF THE EMPLOYEES)

In addition to the other duties set forth in this law, namely in Article 46 (f), employees are required to correctly use the devices and equipment for safety and hygiene at work, and not to take them off or modify them without the employer's permission.

Article 88
(CRIMINAL LIABILITY)

Without prejudice to the civil liability set forth in Article 85.2, the employer is criminally liable for accidents at work and occupational diseases that the employees may suffer as a result of the employer's gross negligence, even if the employees are covered by insurance in accordance with subparagraph (b) of paragraph 1 of the same Article.

Article 89
(IMMEDIATE OBLIGATIONS OF THE EMPLOYER)

In case of accident at work, or occupational disease, the employer shall:

(a) Provide first aid assistance to the injured or sick employee and ensure adequate transportation to a medical center or to a hospital where the employee may receive treatment;

(b) Inform the appropriate authorities of the accident or disease within the deadline and in accordance with the procedure set forth in the relevant laws, provided the accident or disease prevents the employee from working;

(c) To have the causes of the accident or disease investigated, so that preventive measures can be adopted

Article 90
(OTHER OBLIGATIONS OF THE EMPLOYER)

The employer has the following obligations:

(a) To have installed at the work centers good conditions and adequate sanitary installations and drinkable water supply, in compliance with the provisions of applicable laws in this regard;

(b) To make sure that dangerous substances are safely stored and that no garbage, residues or waste are left to pile up in the work center premises;

(c) To make sure that at the work centers where no medical facility exists, there is a first aid cabinet provided with the equipment that is required by the applicable law;

(d) To prevent liquors or drugs to be brought or distributed at the work place.

Article 91
(AUTHORITY OF THE GENERAL INSPECTORATE OF LABOR)

The General Inspectorate of Labor is responsible for ensuring compliance with the legal and regulatory provisions on safety and hygiene at work; the Inspectorate may be assisted or advised by medical experts from the health public services or by experts on other areas for the ascertainment of more complex safety, hygiene or health conditions.

Article 92
(INSPECTION TO PREMISES)

Newly built work centers or those where changes are made or new equipment is installed cannot be used before an inspection is made by the General Inspectorate of Labor and by other services as referred in the relevant regulations.

Article 93
(COMMITTEE FOR THE PREVENTION OF ACCIDENTS AT WORK)

1. At the work centers where an industrial or transport activity is developed, having a number of employees not lower than the minimum established in the relevant legislation, or that have the requirements provided for in same, a committee for the prevention of accidents at work shall be created, composed on an equality basis, with

the purpose of helping the employer and the supervisors, the employees, the General Inspectorate of Labor and other relevant authorities, in the compliance with and development of the rules on environment, safety and hygiene, as well as to make sure they are complied with.

2. The committee's composition, responsibilities and functioning are established in specific legislation.

SECTION II

MEDICAL CARE AT WORK

Article 94
(MEDICAL CENTERS AND DISPENSARIES)

1. Depending on the support to be provided by the public sanitary services, and according to the kind of risks the employees are subject to taking into consideration the capabilities of the public medical assistance and the economic capacity of the employer, the employer may be required, through a joint order from the Ministers of Employment, Health and of the relevant area of activity, to create a health care center or a dispensary for its employees.

2. The health care center, be it either a medical center or a nursing center, shall be installed at the work center or near it and it is aimed at:

   (a) Ensuring the employees' protection against all risks to their health that may arise from their work or from the work environment;

   (b) Contributing to adjust jobs, work techniques and cadence to human physiology;

   (c) Contributing to create and maintain at the highest possible degree the employees' physical and mental well being;

   d) Contributing to the employees' sanitary education and to the adoption of standards of behavior that are consistent with the rules for hygiene at work.

3. The organization, functioning and resources of the health care centers shall be established by regulatory decree that will also determine the support to be provided by the public sanitary services.

Article 95
(MEDICAL EXAMINATIONS)

1. Medical examinations to the employees shall be performed by the health care services, without prejudice to special examinations and care that are required by the nature of certain kinds of work, as provided in relevant regulations.

2. Employees who perform unhealthy or dangerous jobs, or those who deal with the handling, production, packing or expedition of foodstuffs for human consumption shall be submitted to periodical medical examinations.

3. Medical examinations shall be made at no cost to the employees.

4. If medical reasons do not advise an employee to remain in a certain job, the company shall endeavor to transfer the employee to a job that is compatible with his/her health, with Article 77.2 being applicable.

5. Medical examinations referred in this Article and in other statutes may be performed by the employer's medical services, provided that authorization is granted by the public services.

CHAPTER VI

DURATION OF WORK AND WORK SCHEDULE ORGANIZATION

SECTION I

REGULAR WORK HOURS

Article 96
(DURATION)

1. Except as provided in the law, the regular working hours cannot exceed the following limits:

   (a) 44 hours per week;

   (b) 8 hours per day.

2. The weekly regular working hours may be extended up to 54 hours in case the employer adopts the regimes of shift timetable or modular or variable timetable, in which a recovering timetable is in force, or in which the work is intermittent or the employee's mere presence is required.

3. Regular daily working hours may be extended:

(a) Up to 9 daily hours when the work is intermitted or requires the mere presence of the employee, and the employer concentrates the regular weekly working period in five consecutive days;

(b) Up to 10 daily hours when the work is intermittent or requires the mere presence of the employee, and the employer adopts a shift, a modular or variable timetable, or if a recovering timetable is in force.

4. The maximum limits for the regular daily or weekly working hours may be reduced by collective bargaining agreements or by a joint order of the Minister of Employment and the Minister having supervisory authority over the company, for such activities in which work is performed under conditions that are particularly wearing, tiring or hazardous or that may be dangerous for the employees' health.

5. The reduction of the maximum limits of the regular working hours cannot cause a reduction in the salary or any change in the working conditions that may be detrimental to the employee.

6. Working time is counted provided that at its start and closure the employee is at his/her work place.

Article 97
(RESTING BREAKS)

1. The daily regular working period must be interrupted by a break, no shorter than one hour nor longer than two hours, for a meal and rest, so that the employees do not work for more than five consecutive hours.

2. Except if otherwise agreed with the employees' representative body, the break period shall to the extent possible last for one hour if at the work center a cafeteria is working to provide meals to the employees, or for two hours should it not be the case.

3. The General Inspectorate of Labor may authorize the reduction of the meal and rest break up to a minimum of 30 minutes, when such is either favorable to the employees' interests or it is justified by the particular working conditions in certain activities.

4. In exceptional cases, the meal and rest break may be eliminated, either permanently or temporarily, after previous consultation with the employees' representative body and with the authorization of the General Inspectorate of Labor.

5. Collective bargaining agreements may determine a duration longer than two hours for the meal and rest break, and the frequency and duration of other rest periods can be

established.

6. Between the end of a daily working period and the start of work the next day there shall be a rest period no shorter than ten hours.

SECTION II

NIGHT WORK

Article 98
(DURATION)

The regular working period of a night employee cannot exceed 8 hours.

Article 99
(ADDITIONAL COMPENSATION)

1. Night work confers the right to an additional compensation of 25% of the salary due for identical work performed in daytime.

2. The additional compensation provided in the preceding paragraph does not apply in case the work is rendered:

   (a) In those activities which are exclusively or mainly exercised at night;

   (b) In those activities which, by their nature or as determined by law, should be permanently available to the public during such period, which shall be determined by a joint decree of the Minister of Employment and of the Ministers having supervising authority over such activities.

3. The additional compensation for night work, if applicable, may, by collective bargaining agreement, be replaced by a corresponding reduction in the working period included in the night working hours, provided that such reduction does not cause inconvenience to the relevant activity.

Article 100
(MEDICAL EXAMINATIONS TO NIGHT-SHIFT EMPLOYEES)

1. Night employees in industrial activities, before they start to render night service, shall be submitted to a medical examination with the purpose of ascertaining the employee's aptitude to such type of work.

2. Medical examinations to night employees shall take place on an annual basis or whenever so decided by the medical center at the work center or by the General Inspectorate of Labor.

3. If the medical examination recommends the transfer of the employee to a daytime work schedule, either temporary or permanent, the provisions of Article 95.4 shall apply whenever possible.

SECTION III

OVERTIME

Article 101
(EXCEPTIONS)

The following is not considered overtime:

(a) The work rendered on a regular working day by employees not subject to a fixed timetable;

(b) The work rendered to recover previous stoppages of activity or in other cases as referred in Article 96.2 and 3, within the limits and under the conditions set forth in the relevant regulations.

Article 102
(LAWFUL RECOURSE TO OVERTIME)

1. Overtime work may only be performed when urgent needs of production or service so require.

2. The following are considered as urgent needs:

(a) The prevention or the elimination of the consequences of any accidents, natural disasters or any other cases of force majeure;

(b) The assembly, maintenance or repair of equipment or installations whose inactivity or stoppage may cause serious inconvenience to the community;

(c) The temporary and unexpected occurrence of an abnormal volume of work;

(d) The replacement of employees who do not show at the beginning of their

working period, when such coincides with the end of the previous working period;

(e) The transport, processing or handling of perishable products;

(f) The performance of preparatory or complementary works that must necessarily be performed beyond the normal working hours;

(g) The need for the work to be extended, up to the limit of 30 minutes after closure, in shops selling directly to the public or which render personal or general services, in order to complete transactions or services in progress, to make verifications, tidying and preparation of the shop for the activity in the next opening period.

Article 103
(LIMITS)

1. The maximum duration limits for overtime are:

(a) 2 hours on each regular workday;

(b) 40 hours in each month of work;

(c) 200 annual hours.

2. Overtime in the cases referred in subparagraph (a) of paragraph 2 of the preceding Article is not subject to the limits set forth in the preceding paragraph, and overtime which is done in the case referred in subparagraph (d) is subject to the limit set forth in subparagraph (a) of the same paragraph.

3. In the remaining cases referred in paragraph 2 of the preceding Article, the fixed limits set forth in paragraph 1 may only be exceeded by previous authorization of the General Inspectorate of Labor, through application filed by the employer justifying the need to exceed such limits.

4. The maximum limits set forth in paragraph 1 may be reduced by order of the Minister of Employment after consultation with the Minister with supervising authority over the activity of the company and the employees' and the employers' organizations, for the activities which are specially dangerous or for those which involve special risks for the employees' health.

5. If due to overtime and in accordance with Article 97.5 the employee is required to start working at a time later than his/her regular working hours start, the employee is entitled

to be paid for the time he/she did not work.

6. The application referred in paragraph 3 is deemed to be approved if no decision is notified to the employer within five working days from the submission of the application.

Article 104
(CONDITIONS AND OBLIGATION TO RENDER OVERTIME WORK)

1. The rendering of overtime work shall be previously and expressly determined by the employer, otherwise the employee cannot demand payment.

2. Except in the case of Article 102.2, subparagraphs (a), (d) and (g), information shall be given to the employee about the need for him/her to do overtime as soon as possible prior to its start, and never after the preceding rest period or meal and rest break have started.

3. Except for the cases foreseen in the law or if the need for the rendering of overtime is clearly non-existent, overtime work is compulsory on the employee, provided the obligation set forth in the preceding paragraph is complied with.

4. The employee shall be exempted from overtime whenever he/she presents and justifies a reason worth of consideration and that should prevail against the employer's interests, namely in connection with school duties or the employee's health condition.

5. Except in the case of Article 102.2, subparagraphs (a) and (d), or if authorized by the General Inspectorate of Labor, overtime cannot be demanded from night employees.

Article 105
(COMPENSATION)

1. For each hour worked overtime an additional amount shall be paid of 50% of the value of the regular work hour, up to the limit of 30 hours per month.

2. Overtime hours that exceed the limit set forth in the preceding paragraph shall be paid with an additional amount of 75%.

3. The additional amounts set forth in the preceding paragraphs shall be paid in addition to other additional amounts that are due to the employees, namely the one set forth in Article 99.1.

4. For the purposes of overtime remuneration:

(a) Time periods of less than 15 minutes shall not be considered;

(b) Time periods ranging from 15 to 44 minutes shall be counted as half an hour;

(c) Time periods ranging from 45 to 60 minutes shall be counted as one hour.

5. For purposes of overtime compensation, the complementary weekly rest day, or half-day, is considered as a regular working day.

Article 106
(ADMINISTRATIVE OBLIGATIONS)

1. The employer shall maintain records of overtime, in which the start, end and the reasons for overtime rendered by each employee are registered daily.

2. The computation of overtime hours shall be done on a weekly basis for each employee; the employee shall initial the relevant document.

3. The registry may be subject to a form approved by order of the Minister of Employment, which may request the inclusion of other data.

4. The registry shall be made available to the General Inspectorate of Labor whenever so required.

SECTION IV

EXEMPTION FROM FIXED WORK SCHEDULE

Article 107
(JOB POSITIONS THAT MAY BE EXEMPT)

1. Employees engaged in direction and management are exempt from work schedules, and the daily and weekly limits set forth in Article 99 are not applicable to them.

2. By authorization from the General Inspectorate of Labor, those employees who perform duties of close confidence of the employer, or duties of inspection, as well as employees who regularly perform work out of a fixed work center, in several places, and whose work is not subject to close supervision and control may be exempt from work schedule.

Article 108
(AUTHORIZATION)

1. The application for exemption from work schedule shall be filed by the employer with the General Inspectorate of Labor along with a statement of agreement by the employee as well as the documents required to prove the duties performed by the latter.

2. The authorization for exemption from work schedule is valid for one year, unless a shorter period is stated therein, and may be successively renewed by means of a new application along with the statement of agreement.

Article 109
(EXEMPTION LIMITS)

1. The employees exempt from work schedule are entitled to the weekly rest day, to public holidays and to the weekly complementary day, or half-day.

2. Employees exempt from work schedule by authorization from the General Inspectorate of Labor shall not work more than 10 hours per day on an average basis and shall be entitled to a period of one hour for rest and meal, during the daily period of work.

Article 110
(COMPENSATION FOR EXEMPTION)

1. Employees who are exempt from work schedule by authorization from the General Inspectorate of Labor shall be entitled to a supplement to their salary to be established by collective bargaining agreement or, should such not exist, corresponding to one hour of overtime per day.

2. Should the exemption from work schedule cease to exist, such supplement shall not be due any longer.

SECTION V

WORK SCHEDULE SPECIAL REGIMES

Article 111 (SPECIAL WORK SCHEDULES)

The following are deemed as special work schedules:

(a) Work schedule for work in shifts;

(b) The work schedule to recover from work stoppages;

(c) Modular work schedule;

(d) Flexible work schedule;

(e) Part time work schedule;

(f) Availability regime;

(g) Work schedule alternating working time and resting time;

(h) Other specific work schedule modalities determined by regulatory decree or by collective bargaining agreement, which shall always set forth the respective regimes and conditions.

Article 112
(SHIFT WORK TIME SCHEDULE)

1. Whenever the functioning period of the company or plant exceeds the maximum duration of the daily working hours permitted by Article 96.3 (a), various teams of employees shall be organized which, by either partially overlapping hours or successive shifts, shall ensure the performance of work during the whole period of functioning.

2. Shifts may be either fixed or rotational.

3. Rotational shifts are those in which employees are subject to time schedule variations as they work in all the established shifts.

4. Whenever three shifts are established they must be rotational, and one of them shall be a night shift in its whole, the other two being day shifts.

5. Teams of employees working in shifts shall to the extent possible be composed in accordance with the employees' interests and preferences.

Article 113
(DURATION OF SHIFT WORK TIME SCHEDULES)

1. The duration of work in each shift cannot exceed the maximum limit of a regular workday, and cannot exceed 8 hours per day in the case of rotational shifts.

2. In case of rotational shifts, the break for rest and meal shall be 30 minutes, and it shall be considered as work time whenever, for the nature of the work, the employee has to remain at his/her post.

3. If due to the nature of the activity it is not possible to comply with the provisions of paragraph 1, the duration of work may be complied with on an average basis referring to a maximum period of three weeks, with the effective duration of work not exceeding 56 hours in any of such weeks.

4. The provisions of paragraph 1 regarding the maximum duration of the daily work in the case of rotational shifts shall not apply to the cases provided in Article 121 should they include the organization of work in shifts.

Article 114
(COMPENSATION)

1. The work rendered under a shift system entitles the employee to receive an extra compensation of 20% of his/her base salary, which shall be due as long as the employee is subject to such system of work.

2. The compensation set forth in the preceding paragraph includes the additional pay for night work and to compensate the employee for the variations in working schedule and the rest periods.

3. If the working schedule is a two shift system, either fixed or rotational, or partially overlapping or not coincident work schedule, no additional compensation is due unless such is determined by collective bargaining agreement.

Article 115
(CHANGE OF SHIFT)

Changes or rotations of shift can only take place after the employee's weekly rest day.

Article 116
(RECOVERY OF WORK INTERRUPTIONS)

1. If a stoppage of activities occurs leading to a collective interruption of work in a work center or in part of it for reasons of force majeure, but not as a result of a strike or any

other labor conflict, nor from vacations or public holidays, lost working hours may be recovered within the next six months under the following conditions:

(a) Such recovery is only possible if the employer has continued to guarantee the employees' salaries during the period of interruption;

(b) Due to such recovery, the normal weekly and daily work duration cannot exceed the limits set forth in paragraph 2 and subparagraph (b) of paragraph 3 of Article 96;

(c) The compensation for the work rendered to recover the interruption of work shall be included in the base salary that shall be increased by an additional 50%;

(d) Prior to the start of such working schedule recovery, the employer shall send to the General Inspectorate of Labor a copy of the announcement to be affixed at the work center, informing the employees on the causes and duration of the collective work interruption, as well as on the start, modes and definite duration of recovery, and on the changes introduced in the regular working schedule during such period.

2. The preceding paragraph is applicable, except that the additional compensation provided in subparagraph (c) shall not be due, in the cases in which, by agreement between the employer and the employees' representative body, the activities are suspended on a working day between a weekly rest day and a public holiday.

Article 117
(WORK SCHEDULE MODULATION)

1. Through either a collective bargaining agreement or an agreement between the employer and the employees' representative body, the work schedule may be organized in the modulation system, with a variable distribution of the working hours by the various weeks.

2. The working schedule modulation system shall be subject to the following:

(a) The regular work period cannot exceed the maximum limits set forth in paragraph 2 and subparagraph (b) of paragraph 3 of Article 96, and cannot exceed on average the limits set forth in paragraph 1 of the same clause;

(b) The average duration of the regular weekly working period shall be computed with reference to a maximum period of six months;

(c) The time of work rendered in excess of the limits set forth in Article 96.1 shall be compensated either by a corresponding reduction of the working schedule in other weeks within the period subject to the modulation system or by the granting to the employees of compensatory remunerated rest time;

(d) The salary shall remain unchanged throughout the whole period of time subject to the modulation system set forth in subparagraph (b) of paragraph 2;

(e) In the month following the period subject to the modulation system, the work time in excess of the regular work average limit for such period shall be paid as overtime;

(f) The work time exceeding 10 hours in each day and 54 hours in each week shall be paid as overtime in the month in which it is rendered and shall not be subject to the previous paragraph;

(g) Should the employment contract cease or be suspended before the reduction of working schedule or before the granting of compensatory rest time referred in subparagraph (c) occur, the provision of subparagraph (e) shall apply immediately;

(h) The General Inspectorate of Labor shall be previously advised of the characteristics of modulated work schedules to be introduced.

3. The work schedule provided in Article 30.3 is deemed to be a modulated one.

Article 118
(FLEXIBLE WORK SCHEDULE)

1. At the work centers where the professional activity of the employee is not directly and right away conditioned by the activity of others, the employer may agree with such employee, on an individual basis, to establish a flexible work schedule.

2. The flexible work schedule must comply with the following:

(a) Respect, on average, the daily time limit set forth in Article 96.3 (a) and shall be performed within the functioning period of the employment contract;

(b) On each day the employees shall remain at their work places at least two hours in the morning and in the afternoon;

(c) The remaining time of work shall be freely fulfilled, either before or after the period of compulsory attendance, varying at the employee's choice, so that at

the end of 4 weeks the regular work time schedule is fulfilled;

(d) At the end of the reference period mentioned in the preceding subparagraph, the work not rendered shall be considered as absence from work and so deducted from the employee's salary and the work rendered in excess shall be considered as overtime, subject to the limits set forth in Article 103.1 subparagraphs (b) and (c).

3. The regulating framework of the work rendered under a flexible working schedule shall be submitted to the General Inspectorate of Labor at least two weeks prior to its implementation.

Article 119
(PART-TIME WORK)

1. The employment of employees in part-time may become compulsory for the employer in the cases expressly provided in the law, namely with regard to employees with family responsibilities, those with a reduced capability to work and those who attend medium or high level schools.

2. Whenever compatible with the activity at the work center, the employer may allow the employment of employees in part-time.

3. The performance of work in part-time may take place namely in the cases in which strong reasons so advise, such as the absence of a cafeteria, the lack of appropriate restaurants near the work center, and the inexistence, unavailability or excessive distance of public transportation.

4. In the cases referred in the preceding paragraph, the work rendered in part-time shall be subject to the following rules:

(a) It shall be decided by the employer, upon consultation with the employees' representative body, and shall be previously notified to the General Inspectorate of Labor;

(b) Unless a serious technical inconvenience advises to the contrary, the employees shall be split into two teams, one working in the morning and the other in the afternoon;

(c) The duration of part-time work may not be less than 5 hours per day;

(d) The performance of part-time work is deemed to be temporary and shall cease as soon as the reasons that cause it cease to exist.

Article 120
(REGIME OF AVAILABILITY)

1. The regime of availability is only permitted in work centers which render permanent services to the public, namely transports and communications, production, transportation and distribution of water, and production, transportation and distribution of power, as well as in companies of continuous working in which it is essential, for technical reasons, to maintain the regular and normal functioning of equipment and plants.

2. Except as specially provided for by regulatory decree or by collective bargaining agreement, the regime of availability shall be subject to the following rules:

   (a) Employees shall be subject to the regime of availability on a rotation basis; the rotation chart shall be affixed at least two weeks in advance;

   (b) An employee cannot be appointed to the regime of availability in consecutive days;

   (c) The period of availability cannot be longer than the regular daily working hours;

   (d) If the employee under the regime of availability is not required to remain at the work center premises, the employee shall keep the employer informed on his/her whereabouts in order that he/she can be informed to start extra work immediately;

   (e) The employee is entitled to an additional compensation of 20% of base salary on the days in which he/she is under the regime of availability;

   (f) If during the period of availability the employee performs effective work, this shall be considered overtime work subject to the appropriate compensation.

Article 121
(WORK SCHEDULE IN ALTERNANCE)

1. By agreement with the employees, employers may establish a work schedule consisting of a maximum period of four weeks of effective work followed by an equal period of rest.

2. The system of work referred in the preceding subparagraph shall obey to the following rules:

(a) The period of rest shall include the time spent in travels home and return to the work center;

(b) Weekly rest days, complementary weekly rest days and public holidays comprised within the period of work shall be regular working days, its enjoyment being transferred to the next rest period;

(c) The annual vacation period shall be counted within the periods of rest, provided such are not shorter than fifteen consecutive days;

(d) The regular duration of work may be up to 12 hours per day, which shall include two rest periods of 30 minutes each, considered as work time, whenever the working schedule is fulfilled in a shift regime and the circumstances referred in the end of Article 113.2 occur;

(e) If as a consequence of this work regime the annual duration of work is exceeded, calculated on a 44 weekly hour basis and after the normal period of vacation and public holidays are deducted, the time in excess is considered as overtime an paid as such.

SECTION VI

WORK SCHEDULE

Article 122
(CONCEPT OF WORK SCHEDULE)

1. The work schedule sets forth the starting and closing hours of the average daily work, the daily breaks for rest and meals and the weekly rest day.

2. In accordance with Article 39, the employer is responsible to organize the work schedule consistent with statutory and collective bargaining agreement provisions.

3. When organizing the work schedule, the employer shall comply with the legal regime regarding the period of functioning of companies and services, and shall organize it so as to cover the whole of the functioning period by means of regular work to be rendered in accordance with the modalities set forth in this law, and that are adequate thereto.

4. The employees' representative body shall always be consulted prior to the setting up of the work schedule and any amendment thereto.

Article 123
(WORK SCHEDULE CHART)

1. The work schedule shall be registered in an appropriate chart which shall contain, together with the items mentioned in paragraph 1 of the preceding Article, the start and end times of the period of functioning of the work center.

2. A copy of the working schedule chart shall be affixed at the work center, at a place of easy access by the employees, at least fifteen days prior to the date of its implementation.

3. A copy of the chart shall be submitted to the General Inspectorate of Labor in the same period.

4. If the work schedule is in shifts, or involves teams of employees with different work schedules, the chart shall show the various existing work schedules; the employer shall maintain an updated registry of the employees included in each shift or team.

Article 124
(AMENDMENTS)

Amendments to the work schedules are compulsory for the employees to which they respect, if set forth in accordance with the provisions of the preceding Articles.

CHAPTER VII
SUSPENSION OF WORK

SECTION I

WEEKLY CLOSING AND BREAK

Article 125
(WEEKLY CLOSING)

1. Industrial, commercial and services establishments shall suspend their activities or close for one full day in each week, which shall be the Sunday, except in the case of continuous functioning, or if their activities cannot be suspended on that day for reasons of public interest or of a technical nature.

2. The authorization for continuous functioning is given by joint dispatch from the Minister of Employment and the Minister having supervisory authority over the activity, after

consultation with the labor union and concerned employers' associations.

3. The determination of the activities, companies or establishments which, in addition to those which are authorized to work continuously, are exempt from closing or suspending work during a full day in each week is made by joint order of the members of the Government referred in the preceding paragraph, after consulting as mentioned above.

4. The determination of the day of closing or in which the work is suspended, when such is not a Sunday, is the responsibility of the provincial governors, after consulting the city councils, labor unions and economic representative organizations and employers' organizations of the Province.

5. At the employer's request, the exemption from suspension of work referred in paragraph 3 may also be given to industrial plants, on a temporary basis for a period not to exceed 6 months, in the following cases:

   (a) For reasons connected to the seasonal nature of the relevant activity;

   (b) For a significant but temporary increase of work, for which the recourse to other forms of work organization is not appropriate.

Article 126
(RIGHT TO THE WEEKLY REST PERIOD)

1. The employee is entitled to a full day of rest in each week, which as a rule shall be Sunday.

2. The weekly rest day may only fall upon another week day if the employee is at the service of employers who, under the terms of the preceding Article, are exempt from closing or suspending their activity for a full day per week, or who are compelled to close or suspend the work on a day other than Sunday.

3. In addition to the cases referred in the preceding paragraph, the weekly rest day may also fall upon a day other than Sunday in case of employees:

   (a) Who are necessary to ensure the continuity of services that cannot be interrupted;

   (b) Belonging to hygiene, salubrity and cleaning services, or those in charge of other preparatory or complementary tasks which must be performed on the rest day of the other employees or when equipment and plants are inactive;

c) Belonging to guard, security or gate services.

4. Whenever the work is done on a shift regime, it shall be organized so as the employees in each team may enjoy a rest day every week, which shall fall on a Sunday at intervals no longer than 8 weeks.

5. If for technical reasons the preceding paragraph cannot be complied with, employees shall be assured to enjoy, in each 8 week period, a number of full rest days equivalent to the one which would result from the fulfillment of the same provision.

Article 127
(DURATION OF WEEKLY REST PERIOD)

1. The weekly rest period cannot be shorter than 24 consecutive hours, normally starting at the zero hour of the relevant rest day.

2. In the case of work in shifts, the 24 rest hours are counted as from the end of the shift ending immediately before the zero hour of the day preceding the rest day.

Article 128
(COMPLEMENTARY WEEKLY REST)

1. The half day of rest resulting from the distribution of the weekly work schedule by five and a half days, or the rest day resulting from the implementation of the provision set forth in Article 96.3 (a) is considered as complementary weekly rest.

2. The period of complementary weekly rest shall, whenever possible, immediately precede or follow the weekly rest period.

3. In the case of work in shifts, the complementary weekly rest period is enjoyed in accordance with the provisions of Article 126.4 and 5.

Article 129
(CONDITIONS FOR WORK RENDERING)

The work on the weekly rest day and on the complementary weekly rest day or half day may only be rendered in the cases referred in Article 102, the provisions of Articles 104 and 106 being applicable thereto.

Article 130

(COMPENSATION)

1. Work rendered on the weekly rest day is compensated with the amount corresponding to the time of work, with a minimum of three hours, plus 100% of such amount.

2. Article 105.5 is applicable to the work rendered on the weekly complementary rest day or half day.

Article 131
(WEEKLY REST)

The work rendered on the weekly rest day gives the employee the right to enjoy in the next week half a day or a full day of compensatory rest if the employee has worked less than four hours or a number of hours equal or higher than such limit.

SECTION II

PUBLIC HOLIDAYS

Article 132
(SUSPENSION OF WORK ON PUBLIC HOLIDAYS)

1. The employer shall suspend the work on the days determined by law as public national holidays.

2. The preceding paragraph does not apply in relation to the activities or installations under a regime of continuous functioning or to those that, in accordance with Article 125.3, are exempt from suspending work or closing a full day per week.

Article 133
(CONDITIONS FOR WORK RENDERING)

1. Except for the cases referred in paragraph 2 of the preceding Article and in Article 126.3, employees cannot be compelled to work on public holidays, except in the cases where the recourse to overtime is lawful.

2. The rendering of work on a public holiday, in the cases referred in the end of the preceding paragraph, is subject to prior notification to the General Inspectorate of Labor; the notification may be submitted on the next working day in case of force majeure or other unforeseen circumstances.

3. The rendering of work referred in the preceding paragraph shall be subject to Articles 104 and 106.

Article 134
(COMPENSATION)

1. For salary purposes, public holidays are deemed to be regular work days, the employee being entitled to the respective payment, the employer having no right to compensate the employee through overtime or extension of the regular working schedule.

2. If work is performed on a public holiday, in addition to the preceding paragraph the following amounts shall be paid:

   (a) The salary corresponding to one day of work, or to the actual period of work, if less, if the work is rendered in activities or work centers covered by Article 132.2 or Article 126.3;

   b) The payment of week rest day, if the work is rendered under the conditions referred in paragraph 2 of the preceding Article.

SECTION III

VACATION

Article 135
(RIGHT TO VACATION)

1. In each calendar year, the employee is entitled to paid vacation.

2. The right to vacation refers to the work rendered in the previous calendar year and is due on January 1 each year, except as refers vacation referring to the year of hiring in which such right is due on July 1.

Article 136
(PURPOSE AND GUARANTEE OF THE RIGHT TO VACATION)

1. The right to vacation serves to allow the employee to recover physically and mentally from the wearing out caused by the work rendered and to give him/her a complete availability for integration in the family life, and social and cultural participation.

2. The right to vacation cannot be waived and, except in the cases expressly provided in this law, its actual enjoyment cannot be replaced by any financial compensation or otherwise, even if this is requested by the employee or with his/her consent; any agreements and acts on the part of the employee to the contrary are null and void.

3. During the vacation period the employee may not carry out any remunerated professional activity, unless the employee already performed such activity.

Article 137
(DURATION)

1. The duration of the vacation period is 22 working days in each year, therefore excluding the weekly rest days, the complementary weekly rest days as well as the public holidays.

2. The vacation period in the year following the year of hiring shall correspond to 2 working days for each whole month of work performed in the year of hiring, with a minimum limit of 6 working days.

3. The same determination of the vacation period, with a similar minimum limit, is applicable in case the employment contract had been suspended during the year the vacation refers to for a reason attributable to the employee.

4. Days in which work was effectively rendered, and those of justified absence with entitlement to remuneration, and the days of leave enjoyed under the provisions regarding motherhood protection are counted for purposes of determination of the number of whole months of work.

Article 138
(REDUCTION OF THE VACATION PERIOD)

The vacation period referred in paragraph 1 of the preceding Article, or that determined in accordance with paragraphs 2 and 3 of the same Article, shall be reduced as a consequence of absences from work as defined in Article 161.

Article 139
(VACATION UNDER EMPLOYMENT CONTRACTS FOR A LIMITED PERIOD OF TIME)

1. Employees under contracts for a limited period of time that, either for its initial term or any extension thereof, do not last for more than one year, are entitled to a vacation

period corresponding to two working days for each whole month of work.

2. The vacation period referred in paragraph 1 may be replaced by the corresponding compensation to be paid at the end of the contract.

3. Article 137.4 shall apply to the determination of a whole month of work.

Article 140
(VACATION PLAN)

1. After consultation with the employees' representative body on the criteria to be adopted, a vacation plan shall be prepared in each work center, in which all the employees shall be included, showing the start and end dates of the respective vacation periods.

2. The vacation period shall be set, to the extent possible, by agreement between the employer and the employee; if agreement is not be possible, the vacation period shall be decided by the employer.

3. In preparing the vacation plan, the employer shall take into account the needs of the work center activities and shall take into consideration the following criteria:

   (a) Exclude from vacation the period of more intense productive activity;

   (b) Allocate on a pro-rata basis the most popular periods benefiting whenever possible the employees by turns in view of the periods enjoyed in the two preceding years;

   (c) Set the vacation periods in successive turns, or with total or partial stoppage of activity of the work center;

   (d) Give preference to those employees with family responsibilities so that they may choose the turns, if applicable, in accordance with the school holidays of their minor children;

   (e) Whenever possible, set for the same period the vacation of employees belonging to the same family household.

4. If vacations are set with a total or partial stoppage of activity in the work center, the duration of such stoppage cannot be shorter than 10 consecutive working days, the remaining vacation periods the employees may be entitled to being enjoyed at another time, unless they choose to receive a compensation for such period.

5. The employees engaged in maintenance, repair and similar works may be excluded from the vacation periods during the stoppage of activity.

6. In case no stoppage of activity occurs, vacations may be scheduled to be enjoyed in two separate periods if such is in the employee's interest.

7. The vacation planning shall be prepared and affixed at the work centers no later than 31 January each year, and shall be kept affixed as long as any employees are enjoying vacations during the same year.

Article 141
(ENJOYMENT OF VACATION)

Vacations shall be enjoyed during the calendar year in which they are due, but at the employee's request they may be enjoyed, in whole or in part, during the first quarter of the following year (whether together with that year's vacation or not), provided this does not cause inconvenience.

Article 142
(VACATION ACCUMULATION)

1. The employees with relatives living abroad may accumulate two or three year vacations to be enjoyed abroad, provided that they enjoy, in the first years, at least ten whole working days of vacation from the period due for such years.

2. The provision of the preceding paragraph may be applied by agreement to other employees who do not comply with the condition set forth therein but who wish to enjoy their vacation abroad or in other region of the national territory.

Article 143
(POSTPONEMENT OR SUSPENSION OF VACATION ENJOYMENT)

1. If imperative needs of the company or work center impose the postponement of a vacation period already set, or the suspension of a vacation period, the employee shall be indemnified for the expenses incurred and material damages suffered owing to such postponement or suspension.

2. The suspension of vacation cannot prejudice the enjoyment of 10 continuous complete working days of vacation.

3. The vacation period shall be changed whenever the employee, on the date set for the commencement of vacations, is temporarily prevented to do so for reasons beyond his/her control, namely due to illness or the compliance with legal obligations.

4. If the employee is taken ill when enjoying a vacation period, the vacation is suspended, provided the employer is at once informed of such illness by submission of a document evidencing same either issued or confirmed by the official health care services.

5. In the case referred in the preceding paragraph, the employer shall fix the date for enjoyment of the remaining vacation period.

Article 144
(ENJOYMENT OF VACATION IN CASE OF CONTRACT SUSPENSION)

If the employment contract is suspended before the vacation due in the year of such suspension have been enjoyed, for reasons not attributable to the employee, and for that reason the employee cannot enjoy such vacation up to the end of the first quarter of the next year, vacation due and not enjoyed shall be replaced by the payment of the corresponding compensation.

Article 145
(VACATION REGIME IN CASE OF CONTRACT TERMINATION)

1. If the employment contract is terminated, for any reason whatsoever, the employee is entitled to receive a compensation for the vacation due in the year of termination, unless already enjoyed.

2. Without prejudice to paragraph 1 above, the employee is entitled to a compensation corresponding to a vacation period of two working days for each whole month of work, as from January 1 until the date of termination.

3. If the employment contract terminates before the first vacation period is due, the provisions of paragraphs 1 and 2 are not applicable, but the employee shall be entitled to the compensation corresponding to a vacation period calculated on the basis of two working days for each whole month of work rendered as from the date of hiring until the date of contract termination.

Article 146
(VACATION COMPENSATION AND ALLOWANCE)

1. The employee's compensation during the vacation period shall be equal to the salary and fringe benefits the employee would receive during the same period if he/she rendered his/her regular work under the same conditions.

2. In addition to the vacation compensation, a vacation allowance is also due in accordance with Article 165. 1(a).

3. The reduction of the vacation period under Article 138, as well as the replacement of vacation for the corresponding compensation, shall not cause any reduction to the vacation allowance.

4. Vacation compensation and allowance shall be paid before vacation enjoyment has started.

Article 147
(VIOLATION OF THE RIGHT TO VACATION)

1. Whenever the employer prevents the enjoyment of vacation provided in the above Articles, the employee shall be entitled to an indemnification of twofold the compensation corresponding to the vacation period not enjoyed, and shall enjoy such period up to the end of the first quarter of the following year.

2. If the employee fails to comply with the obligation provided in Article 136.3, this will be considered a disciplinary offense, subject to the regime set forth in Article 48 and following Articles; in this case, the employer has the right to be refunded of the vacation allowance.

SECTION IV

LEAVE WITHOUT PAY

Article 148
(LEAVE WITHOUT PAY)

1. At the employee's written request, the employer may grant him/her a leave without pay, the duration of which shall be clearly stated in such request.

2. The period of leave is counted for seniority purposes, and the employee has the right to return to his/her job when reporting on the term of the leave.

3. For purposes of the vacation right, the unpaid leave is deemed effective time of work provided its duration does not exceed 30 days.

4. If the leave exceeds 30 days, Article 137.3, regarding the determination of the vacation period in the case of suspension of the employment contract, is applicable.

Article 149
(LEAVE FOR TRAINING PURPOSES)

1. By 30 days' advance written notice to the employer, the employee is entitled to leave without pay for 60 or more days in order to attend, either in the country or abroad, courses of technical or cultural training administered by a teaching or vocational training institution, or to attend intensive specialized courses or any similar ones.

2. The employer may refuse the leave if:

   (a) The employee has been given adequate vocational training, or a leave to the same purpose, within the past 24 months;

   (b) The employee has been less than three years at the service of the company;

   (c) The employee has been subject to a disciplinary sanction not inferior to the one referred in Article 49.1(c), for more than 30 days, due to an offense committed during the preceding three years;

   (d) The employee has not complied with the advance notice to the employer;

   (e) The employee is engaged in management, supervision or guidance position, or if the employee performs qualified functions, and it is not possible to adequately replace him/her during the leave period, either by company employees or by means of contracts for a limited period of time;

   (f) The employee cannot be adequately replaced in companies or work centers with less than 20 employees.

3. Article 137.3 is applicable to the leave provided in this Article.

4. The provisions of paragraph 1 do not prejudice the application of the special legislation regarding employee students in part time, nor the agreements freely settled between employer and employee, in accordance with Article 47.3.

SECTION V

ABSENCE FROM WORK

Article 150
(DEFINITION AND TYPES OF ABSENCES)

1. Absences from work may be justified or unjustified.

2. When the absence has a duration that is shorter than the regular daily working period to which the employee is subject to, the time of absence is accumulated so as to determine the days of absence.

3. If the work schedule has a different duration on the various days of the week, one-day absence is deemed to correspond to the average duration of the regular daily working hours.

4. Whenever absences from work cause loss of pay, the employer may deduct the time of absence from the salary of the relevant month, even if the time of absence is less than one day.

Article 151
(NOTICE AND JUSTIFICATION)

1. At least one week in advance, the employee shall give notice to the employer of his/her need to be absent from work and the reason thereof, and the anticipated duration of the absence, submitting the notice, requisition or summons which he/she may have received.

2. If the employee is aware of the need to be absent from work during the week prior to such absence having started, the notice referred in the preceding paragraph shall be immediately given, showing the mentioned document, if any.

3. If the absence was unforeseen, notice to the employer shall be given as soon as possible, but always before resuming work.

4. The employee must produce evidence of the reasons for the absence, in case such evidence is required by internal regulations or by the employer.

5. Unjustified absences are those which are caused by reasons not provided in the following Article, provided they are not authorized by the employer, as well as those in relation to which the employee has not fulfilled the obligations set forth in the preceding paragraphs of this Article.

6. False statements made by the employee to justify the absences shall constitute a serious disciplinary offense.

Article 152
(JUSTIFIED ABSENCES)

1. The following are justifiable reasons for absence from work:

(a) The employee's wedding, provided the absence does not last for more than 10 consecutive calendar days;

(b) One day of absence for the birth of a son/daughter;

(c) The death of close relatives, within the limits set forth in the following Article;

(d) The fulfillment of legal or military obligations that must be performed within the regular working hours, under the conditions and within the limits set forth in Article 154;

(e) The attendance to tests by working students, under the terms of the appropriate laws, and within the limits set forth in Article 155;

(f) The attendance of training, professional proficiency, professional qualification or job conversion courses decided by the employer;

(g) The impossibility to work due to reasons that cannot be blamed on the employee, such as an accident, illness or the need to give immediate assistance to members of his/her household in case of accident or illness, within the limits set forth in Article 156;

(h) Participation in cultural or sporting activities, either in representation of the country or the company, or in official contests under the terms of Article 156;

(i) The performance of necessary and urgent action in the exercise of leading functions in labor unions as a union representative, or as a member of the employees' representative body, within the limits set forth in Article 157;

(j) Authorization from the employer in view of reasons submitted by the employee which are not included above, but which the employer deems to be worthy of consideration.

2. Absences that are justified by the reasons set forth in subparagraphs (a) through (i) shall be paid, within the limits set forth in the preceding paragraph and in the next Articles.

3. Authorized absences under the terms of subparagraph (i) of paragraph 1 may or may not be paid as decided by the employer upon giving the authorization; if no decision is made, the absence is subject to payment.

4. Justified absences for the reasons stated in subparagraphs (c), (f), (h) and (i) of paragraph 1, when lasting for more than 30 calendar days, shall lead to the suspension of the employment contract, the relevant regime being applicable.

5. Justified absences shall always be counted for the employee's seniority.

Article 153
(ABSENCES FOR DEATH)

1. Absences due to the death of close relatives shall have the following limitations:

   (a) Eight working days in case of death of the employee's spouse or of any person who is confirmed to live with the employee as wife or husband, or the death of parents or children;

   (b) Four working days in the case of death of employee's grandparents, stepmother, stepfather, brothers and sisters, grandchildren, sons and daughters-in-law and brothers or sisters-in-law;

   (c) Two working days in case of death of employee's uncles or of any other person living at employee's home.

2. If the funeral takes place far from the work center, the employee is also entitled to the time required for traveling, without pay.

Article 154
(ABSENCES FOR THE FULFILLMENT OF OBLIGATIONS)

1. In the case of absences from work for the fulfillment of legal or military obligations, the employer shall pay the salary corresponding to such absences, up to the limit of 2 days per month, but not exceeding 15 days per year.

2. The judicial, military or police authorities or others with like power to summon the employee, or in relation to which the employee should perform any actions that are a legal obligation and thus justify the absence, shall provide the employee with suitable and detailed evidence to be presented to the employer, stating the place, date and period of attendance.

Article 155
(ABSENCES FOR SCHOOL TESTS)

1. Absences for tests by students are subject to the following limits:

   (a) One day, in the case of school tests or tests for knowledge evaluation held during the school year (term tests), divided into two half-day periods, one being the afternoon period of the immediately preceding day, if the test is held during the morning;

   (b) Two days for each subject of study and for each final test, either written or oral test, one day being the test day and the other the immediately preceding day.

2. In the case of subparagraph (b), should the tests be held in consecutive days, the preceding days shall be added up and, in relation to the first test, they shall be as many as the consecutive tests, there being included the weekly rest days, weekly complementary rest days and holidays that may occur during such period of time.

Article 156
(ABSENCES FOR ACCIDENT, ILLNESS OR ASSISTANCE)

1. The impossibility to work for the reasons referred in the first part of Article 152.1 (f) shall be paid within the limits and under the conditions set forth in the specific laws on protection of illness and accident situations, unless the employee is entitled to an illness allowance from Social Security or from an insurance carrier.

2. If the absence is determined by the need to give urgent assistance to the household members, its duration shall have the following limits:

   (a) In case of illness or accident of the spouse, parents, grand-parents, children over 10 years of age and in-laws of the same lineal degree, 3 working days per month, not exceeding 12 working days per year;

   (b) In case of illness or accident of a child, adopted child or stepchild under 10 years of age, 24 working days per year.

3. The limits set forth in the preceding paragraph may be extended at the employee's request, without pay.

4. Absences referred in paragraphs 2 and 3 cannot be enjoyed simultaneously by both spouses, and may only be enjoyed by one of them in case they both work for third parties.

Article 157
(ABSENCES FOR CULTURAL AND SPORTING ACTIVITIES)

Absences for the participation in cultural or sportive activities, as well as the respective preparatory actions, and should such participation be within the regular working hours, shall be subject to the following rules:

(a) Obligation to comply with Article 154.2;

(b) Absences shall be paid by the employer up to the limit of 12 working days per each calendar year.

Article 158
(ABSENCES FOR TRADE UNION ACTIVITY OR EMPLOYEES' REPRESENTATION)

1. Absences justified by necessary and urgent acts as referred in Article 152.1 (h) shall be paid within the following limits:

   (a) Four working days per month for the exercise of functions as a member of the leading bodies of a labor union;

   (b) Four or five hours per month for each labor union representative or for each member of the employees' representative body, if at the work center there are more than 200 employees affiliated in the relevant union, in the former case, and if there are more than 200 employees, in the latter case.

2. As an alternative to Article 151.1 through 4, absences referred in subparagraph (a) of the preceding paragraph may be justified by a written notice from the labor union management to the employer, given at least one day in advance or, should that not be possible, within the two days following the absence start, stating the dates and periods of time the union representative needs for the exercise of his/her duties, without mentioning the actions to be taken.

3. Whenever they wish to exercise their right set forth in subparagraph (b) of paragraph 1, even inside the work center premises, labor union representatives and members of the employees' representative body shall inform the employer of this fact, at least one day in advance.

4. Absences exceeding the limits set forth in subparagraph (a) of paragraph 1, provided the employer is given notice thereof, shall be justified but shall not be paid.

Article 159
(AUTHORIZED ABSENCES)

The employer may authorize the absence from work in case of death of persons who are not included in Article 153.1 if attendance of the employee to the funeral ceremonies is in accordance with the traditions of his/her people; then being applicable paragraph 2 of the same Article, the payment of the compensation being subject to Article 152.3.

Article 160
(CONSEQUENCES OF NON-JUSTIFIED ABSENCES)

Non-justified absences shall have the following consequences:

(a) Loss of pay;

(b) Deduction from the employee's seniority;

(c) Disciplinary offense whenever they reach 3 days in each month or 12 days in each year, or whenever, regardless of the number of days, they cause damage or serious risks that are known to the employee.

Article 161
(EFFECTS OF ABSENCES UPON THE VACATION PERIOD)

Absences shall have the following effects upon the duration of the vacation period:

(a) Reduction of the vacation period, in the proportion of one day vacation for one day absence, except that the vacation period shall not be reduced to less than 12 working days, or to less that 6 days in the cases referred in paragraphs 2 and 3 of Article 137 in case of unjustified absences;

(b) Justified absences that are not remunerated shall be deducted from the vacation period in the proportion of one-day vacation for each three-day absence, provided the reduction of the vacation period shall not exceed the limits set forth in the final part of the preceding subparagraph;

(c) Article 137.3 shall apply instead of subparagraph (b) above in case the employment contract is suspended in accordance with Article 152.4.

CHAPTER VIII

WORK COMPENSATION AND OTHER ECONOMIC RIGHTS OF THE EMPLOYEE

SECTION I

GENERAL PRINCIPLES

Article 162
(COMPENSATION)

1. The compensation includes the base salary and any other payments and allowances which are paid either directly or indirectly, in cash or in kind, and irrespective of their name and basis of calculation.

2. The following are not compensation:

   (a) The payment of overtime, unless it should be treated as compensation due to its regularity or amount;

   (b) Additional payments made by the employer to the employee with the purpose of reimbursement or allowance for expenses incurred by the latter in relation to the work, such as living allowances, travel and accommodation allowances, travel expenses, transportation allowance, compulsory lodging and other of an identical nature, unless that, due to their regularity and disproportion in relation to the expenses they are aimed at compensating, have to be considered as compensation, with regard to the excess only;

   (c) Occasional and voluntary gratuities not related to the rendering of work, or which are a reward in recognition for good services, provided that they are of a personal nature;

   (d) Family allowance and other benefits and subsidies from Social Security, or the respective complements, when paid by the employer;

   (e) All amounts paid to the employee as an indemnity or compensation for the transfer from work center, or for the suspension of the employment relationship, or for termination.

3. Unless evidence is given to the contrary, all payments regularly and periodically received by the employee from the employer are deemed to be part of the compensation.

4. Any doubts arising in the determination of the compensation shall be resolved by the judicial courts.

Article 163
(FORMS OF SALARY)

1. The salary may be regular, variable, or mixed.

2. The salary is regular, or by time, when it remunerates for the work carried out during a certain period of time, regardless of the results obtained.

3. The salary is variable, or by output, when it remunerates for the work performed in accordance with the results obtained within the period of time it refers to.

4. The salary is mixed when it is formed by a regular part and by a variable part.

5. The variable salary may have the following modalities:

   (a) Salary by the piece and on commission, when it refers only to the result of the work performed by the employee in the period of time it refers to, regardless of the time of performance;

   (b) Salary by the job, when it takes into account the duration of work, with the obligation to ensure a certain output during such period.

6. Insofar as the employer has adopted indicators of the work output and other means of productivity assessment, under the terms of Article 62 and following Articles, the employer may adopt systems of variable or mixed salaries as a way to improve the productivity levels.

Article 164
(NON-DISCRIMINATION AND EMPLOYEE'S GUARANTEES)

1. The employer shall guarantee, for the same job or for a job of the same value, and in accordance with the conditions of performance, qualification and output, equal compensation among the employees, without any discrimination whatsoever, and with observance of the provisions of this law.

2. The various constitutive parts of the salary shall be determined in accordance with similar rules for both men and women.

3. Professional grades, and classification and professional promotion criteria, as well as

all the other bases for compensation computation, namely the job evaluation criteria, shall be the same for both sexes.

4. The salary cannot be lower than the one that is determined for the work it compensates in the collective bargaining agreement or, in case such does not exist, the national minimum salary, except in the cases expressly provided in the law.

5. In the case of a variable salary, the respective bases of computation shall be determined in such a way so as to guarantee to the employee, working normally, a payment equal to that of an employee having an identical capability and being paid by time, when doing a similar work.

6. If the employee, during the time the employment relationship is in force, is unable to perform the work because the employer does not give him/her work to do for reasons not attributable to the employee, the employee is entitled to the whole salary, and the work not rendered cannot be compensated by work done in another time.

7. The employee who receives a variable salary is entitled to his/her regular salary whenever the work output decreases for reasons attributable to the employer.

8. In the case referred in the preceding paragraph, as well as in case the payments made under Article 162.2 are to be considered as a compensation, for the purpose of vacation compensation and computation of indemnities and compensations, the regular salary shall be the monthly average payments received during the previous twelve months of work, or during the duration of the contract, should this be less.

9. There shall be compensation whenever the payments actually received are, in the whole and by the annual computation, more favorable to the employee than the payments set forth in the law or in the applicable collective bargaining agreement.

10. For the determination of the hourly salary of the employee the following formula shall be used $S/h = \frac{Sm \times 12}{52s \times Hs}$,
in which S/h means the value of the hourly salary, Sm means the monthly base salary, 12 the number of months in a year, 52s means the number of labor weeks in a year, and Hs the regular weekly work hours.

Article 165
(ANNUAL ALLOWANCES)

1. All employees are entitled to the following minimum mandatory allowances, for each year of effective service:

(a) As vacation allowance, 50% of the base salary corresponding to the vacation period;

(b) As Christmas allowance, 50% of the base salary corresponding to the month of December.

2. The amounts established in paragraph 1 may be increased by collective bargaining agreement or individual employment contract.

3. The employee who, at the time of payment of such allowances, has not rendered effective work for a whole year, either due to the date of hiring or due to suspension of the employment relationship, is entitled to received the referred allowances calculated in proportion to the full months of work plus one month.

Article 166
(INFORMATION ON SALARY)

1. Prior to the taking of a job position by an employee, and whenever any change occurs regarding the same, the employer shall inform the employee, in an adequate and easily understandable way, on the applicable salary conditions.

2. Whenever the change of salary is applicable to a group of employees, and as a result of a salary revision granted by law or collective bargaining agreement, or by the employers' initiative, such information containing the new amounts shall be affixed in the place of payment and in the places usually frequented by the employees.

Article 167
(REDUCTION OF SALARY DUE TO ABSENCE)

1. Except in the cases expressly provided in the law, in collective bargaining agreements or in the employment contract, the salary is not due for the periods in which the employee is absent from work.

2. For the calculation of the amount to be deducted, the formula set forth in Article 164.10 shall apply; however, the payment cannot be less than the time of work actually rendered.

3. With the exceptions provided in the law or in collective bargaining agreements, the complementary or additional payments which accrue to the base salary which constitute the counter-part of the conditions under which the work is rendered cease to be due as soon as the work ceases to be subject to such conditions.

SECTION II

NATIONAL MINIMUM SALARY

Article 168
(FIXING THE NATIONAL MINIMUM SALARY)

1. The national minimum salary is periodically fixed by decree of the Council of Ministers, under proposal of the Ministers of Employment and Finance.

2. Prior to establishing the national minimum salary, the Minister of Employment shall make consultations with the Minister of Finance and the Ministers of the economic areas, and consultation meetings shall be held with the representatives of the most important organizations of employers and employees.

3. The following shall be taken into consideration for establishin the national minimum salary:

   (a) The evolution and trend of the national consumer price index; average level of salaries and social security allowances and the standard of living of other social groups;

   (b) The ruling economic factors, including the requirements of the economic development, the productivity standards and the need to attain and maintain a high level of employment.

Article 169
(FORMS OF THE NATIONAL MINIMUM SALARY)

1. The national minimum salary may take one of the following forms:

   (a) A sole guaranteed national minimum salary;

   (b) A national minimum salary for large economic groups (industry, trade, transports and services and agriculture);

   (c) A national minimum salary by geographical areas.

2. Options (b) and (c) of the preceding paragraph may be linked together with option (a), and option (c) may be linked together with option (b).

3. As the employees of any of the economic groups referred in subparagraph (b) of

paragraph 1 are progressively covered by collective bargaining agreements, the national minimum salary shall cease to adopt the option (c) set forth in the same paragraph.

Article 170
(FREQUENCY)

The frequency for establishing the national minimum salary shall be determined bearing in mind the evolution of the factors to be taken into consideration in accordance with Article 168.3.

Article 171
(BENEFICIARIES OF NATIONAL MINIMUM SALARY)

1. With the exceptions set forth in the law, the national minimum salary shall be applicable to all employees under a full time work regime, and the decree fixing it may exclude the employees who are covered by a collective bargaining agreement executed less than 6 months prior thereto.

2. For the employees in part-time work the application of the national minimum salary is made using the formula set forth in Article 164.10.

Article 172
(NULLITY OF SALARY INDEXATION)

Any provisions in collective bargaining agreements that directly or indirectly provide for indexation to the national minimum salary are null and void.

SECTION III

SALARY ASSESSMENT AND PAYMENT

Article 173
(FORM OF PAYMENT)

1. The salary shall be paid in cash, but it may be partially settled otherwise, namely in

foodstuffs, food, boarding and clothes.

2. The non-cash portion of the salary, if applicable, shall not exceed 50% of the total salary.

Article 174
(PAYMENT OF THE CASH PORTION)

1. The cash portion of the salary is paid in currency or, with the employee's agreement, or if so provided in the internal regulations or in the collective bargaining agreement, by bank cheque, postal order or bank deposit or transfer to the employee's order.

2. Except in the above cases, it is forbidden the payment of salaries in bonds, slips, tickets, credits to accounts, debt statements or any other form of substitution of the payment in currency.

3. The cash portion of the salary is paid directly to the employee or to the person appointed by the employee, in writing, and the employee shall be free to dispose of his/her salary, and the employer shall not restrict such freedom by any means.

4. The employer shall not, by any means, compel the employee to pay his/her debts, and the payment of the salary cannot be made in the presence of the employee's creditors.

Article 175
(PAYMENT OF THE NON-CASH PORTION)

1. The non-cash portion of the salary, if any, is aimed at satisfying the personal needs of the employee and the needs of his/her family and shall not, for any purpose whatsoever, be given a value higher than the current one in the region.

2. The non-cash portion of the salary shall be replaced by the corresponding cash amount provided the employee informs the employer, no later than 15 days prior to the date of payment, that he/she wishes the salary to be paid in cash only.

3. It is forbidden the payment of the salary in liquors, drugs or harmful psychotropic substances.

Article 176
(DUE DATES AND PAYMENT PERIODS)

1. The obligation to pay the salary is due at regular and equal periods which, except as

provided in the following paragraphs, are the month, the fortnight or the week, and it shall be punctually fulfilled up to the last day of the period it refers to, during the regular working hours.

2. The employee who is remunerated with an hourly or daily salary, and having been hired for a short-term task, shall be paid on each day after the end of the work.

3. In case of work remunerated by the piece, or by the task, the payment is made after the conclusion of each piece or of each task, unless its performance lasts for more than four weeks; in such case the employee shall receive, in each week, an advance amount not lower than 90% of the statutory national minimum salary, the balance being paid in full in the week following the piece or task completion.

4. Commissions acquired in the course of a quarter shall be paid during the month following the end of such quarter.

5. Share in the profits made during a fiscal year shall be paid during the quarter following such fiscal year.

6. In case of termination of the employment contract, salary indemnities and other amounts due to the employee under any title whatsoever shall be paid within three days following termination.

7. In case of dispute over the determination of the amounts due, the judge may, upon application made by the employer on the day following the day in which the dispute takes place, authorize the temporary withholding of the amounts in excess of those accepted by the employer or, should such refer to the base salary, the portion in excess of the amount calculated since the latest period confirmed to have been paid, with the basis which served for the determination of same.

8. Except as provided in paragraphs 1 and 6 above, employees who are absent from work on the day of payment may draw the amounts they are entitled to on any subsequent day during normal working hours.

Article 177
(PLACE OF PAYMENT)

1. Except if otherwise agreed, the payment of the salary shall be made at the place where the employee renders his/her services, or at the employer's payment services if such are located in the neighborhood of the work place.

2. Should a different place for salary payment have been agreed, the time spent by the employee to go to such place is considered as effective time of work.

3. The payment of the salary may not be made in any business selling liquors, or gambling-house or any amusement place, except for the employees of such businesses.

Article 178
(PAYMENT DOCUMENT)

1. The payment of the salary is evidenced by a receipt signed by the employee, or, if the employee is illiterate, by two witnesses chosen by him/her or by finger print; if the employer uses a collective pay-roll, the evidence results from the employee's or the witnesses' signatures on the relevant place.

2. The receipt or the collective pay-roll shall bear the identity of the employer, name and surname of the employee, his Social Security number, the period the payment refers to, specification of the amounts paid, all discounts and deductions made, as well as the total net amount paid.

3. At the time of payment, or prior thereto when it is made in accordance with one of the options provided in Article 174.1, the employee shall be given a copy of the receipt, or should the payment be made in accordance with one of such options or through a collective pay-roll a payment slip containing all the specifications required in the preceding paragraph shall be given.

4. If the employee, before the expiry of the statute of limitations, claims against the employer for non-payment of salaries, non-payment is presumed without possibility of rebuttal if the employer fails to submit the receipt or pay-roll referring to the claimed amount, except in case of force majeure.

5. In case the amounts paid are not allocated to other payments or fringe benefits, such amounts are supposed to refer to the employee's base salary.

SECTION IV

OFFSETTING AND DEDUCTIONS FROM SALARY

Article 179

(ACCEPTED DEDUCTIONS)

1. The employer shall not offset any credits it may have over the employee from his/her salary, or make any discounts or deductions, except those provided in the following paragraphs and Articles.

2. The employer shall make deductions to the State, and Social Security, or for other entities as required by law, or by final judicial decision, or by judicially ratified agreement, whenever it has received notification thereof.

3. At the employee's written request, the employer shall deduct from the salary the amount of the employee's due to the relevant labor union.

4. The employer may deduct from the salary the prices for supplied meals, for the use of telephones and other equipment and materials, for the supply of foodstuffs, and for other goods and services requested by the employee and that have been supplied on credit, as well as other expenses incurred at the employee's written request, provided that such are not supplies which are an integral part of the salary as provided in Article 173.1.

5. Amortization of loans granted by the employer, for building, repair, improvement or acquisition of lodging or other property, may also be deducted from the salary, provided prior authorization is obtained from the General Inspectorate of Labor.

6. Money advances and other loans granted by the employer at the employee's request may also be deducted from the salary, provided this does not exceed three times the base salary, except if authorization is obtained from the General Inspectorate of Labor.

7. The employer's credits referred in paragraphs 4 through 6 shall not bear interest, except, in regard to those referred to in paragraph 5, if such interest is expressly stated, within the limits set forth in the law, in the loan agreement submitted to the General Inspectorate of Labor for approval.

8. The amount of the deductions provided in paragraphs 4 through 6 shall not, in its whole, be higher than 25% of the net salary, after taxes and other deductions determined by law.

Article 180
(FORBIDDEN DEDUCTIONS)

It shall not be permitted, in any case whatsoever, to make any discount or any deduction from

the salary in order to guarantee to the employer and its representatives, or to an intermediary, a direct or indirect payment to obtain or to maintain a job.

Article 181
(EMPLOYER'S CREDITS)

Any credits of the employer on the employee, which do not comply with the provisions of paragraphs 4 through 6 of Article 179, may not be offset by deducting same from the salary without a final judicial decision or a court certified agreement acknowledging same, in which case the provision of paragraph 2 of the same Article shall apply.

Article 182
(NULL AND VOID PROVISIONS AND CLAUSES)

1. The provisions of collective bargaining agreements or employment contracts that allow for any discounts or deductions other than those provided in Article 179 or that increase the limits of deductions shall be null and void.

2. Any amounts deducted from the salary in violation of the provisions contained in this Section shall bear interest as of the date in which they are due, at the legal rate of interest, which the judge may raise up to twofold, and may always be claimed up to one year after termination of the employment contract.

SECTION V

SALARY PROTECTION

Article 183
(SALARY GUARANTEE IN CASE OF BANKRUPTCY OR INSOLVENCY)

1. In the case of the employer's bankruptcy or insolvency, the payment of salaries or indemnities due to the employees shall have precedence over any other credits on the employer, including the credits of the State and of Social Security, and they are privileged with regard to personal and real property, within the following limits:

   (a) The minimum amounts established in the law or in collective bargaining agreement, in case of payment of salaries, if falling due during the six months prior to the opening of the bankruptcy proceedings;

   (b) The amounts calculated in accordance with the law, in case of payment of indemnities, if falling due up to three months prior to the opening of the

bankruptcy proceedings;

(c) The limits established in the law, in case of payment of salaries or indemnities falling due prior to the periods set forth in subparagraphs (a) and (b) above, if the relevant lawsuit has been filed before the opening of the bankruptcy proceedings.

2. The privileged credits referred in the preceding paragraph, if they were recognized, shall be paid in full or, should the assets be insufficient to guarantee the whole of such credits to all the employees, shall be apportioned to the value of such assets, before any payments may be made to the remaining creditors.

3. Credits to employees which do not meet the requirements established in paragraph 1 shall be claimed in the bankruptcy proceedings and, if recognized, shall be classified and paid under the terms of the civil law and the civil procedure.

4. Whenever the credits referred in paragraph 1 are guaranteed and paid by a salary warranty fund or institution, this fund or institution shall be subrogated in the rights conferred upon the employee under paragraph 2.

Article 184
(LIMITS TO SALARY SEIZURE)

1. The base salary may not be seized below the amount of the statutory national minimum salary.

2. As to the portion in excess of the legal minimum, the salary may be seized in 25% of its value, such being also the limit of seizure to be applied to other credits of the employee related to salary payments, fringe benefits and indemnities.

3. The judge may raise the limit set forth in the preceding paragraph up to 50%, taking into account the needs of the employee's family, in case the seizure is aimed at securing the payment of debts for foodstuffs or medical assistance due to illness of the employee or of his/her close relatives.

Article 185
(WAIVER OF SALARY DURING EMPLOYMENT CONTRACT)

1. A receipt or a collective payment slip signed by the employee during the employment contract effectiveness, without protest or reserve, is not valid as a waiver to the payment of the whole or part of the salary, to other payments and salary complements that are due to him/her pursuant to a provision of the law or collective bargaining

agreement; this is so even if the employee has accepted to sign a statement “for settlement of any credit” or equivalent expression.

2. Any agreement dealing with the amount of the salaries payable to the employee and executed during the effectiveness of the employment relationship is only valid if ratified by a judge or by the president of the provincial body for labor conciliation.

Article 186
(PROHIBITION OF SALARY ASSIGNMENT)

1. The employee may not assign his/her salary credit, either for free or in exchange for compensation.

2. Any provisions whereby the employee waives his/her right to the salary or which determine the rendering of work for free, or which cause the payment of the salary to be subject to any fact of uncertain verification are null and void.

Article 187
(STATUTE OF LIMITATIONS OF SALARY CREDITS)

1. Salary credits, other payments and salary complements or indemnities are subject to a statute of limitations of two years as of the date in which they are payable, provided it does not exceed one year after the date of contract termination.

2. However, the statute of limitations shall be suspended if:

   (a) The employer acknowledges, in writing, the existence of the credit and its amount; or,

   (b) The employer is notified of a lawsuit for payment of the credit, or of a conciliation attempt promoted by the provincial body of labor conciliation.

SECTION VI

CANTEENS

Article 188
(DEFINITION AND RULES OF FUNCTIONING)

1. A canteen is deemed to be any of the employer's organization aimed at, directly or indirectly, the sale or supply of foodstuff and basic commodities to the employees, for

their and their families' regular needs.

2. The existence of canteens is permitted provided that:

   (a) The employees are not compelled to make use of them;

   (b) The sale or provision of goods is made without a profit;

   (c) The accounting thereof is absolutely autonomous and subject to the control of a surveillance committee composed by 3 to 5 members elected by the employees.

3. The prices for the goods to be sold shall be easily readable.

4. The sale of liquors is forbidden.

5. If a canteen does not exist, any other form of trade managed by the employer and intended for the employees is forbidden.

6. The prices of the goods supplied by a canteen to the employees may, with the agreement of the employees, be deducted from their salaries up to a percentage higher than the limit set forth in Article 179.8, but not to exceed 50%, provided the approval of the General Inspectorate of Labor is obtained.

Article 189
(INSTALLATION AND CLOSING UP)

1. The installation of a canteen is subject to prior authorization by the Minister of Employment, following opinion from the General Inspectorate of Labor.

2. Once the authorization is obtained, the employer shall ensure the installation of the canteen and facilitate its functioning, bearing all the respective fixed costs.

3. If within a range of 10 kilometers from the work center there are no foodstuff and essential commodity retail shops or sale organizations, and more than 200 employees work in such work center, the Minister of Employment may, by order upon a grounded proposal of the General Inspectorate of Labor, determine the installation of a canteen so as to satisfy the needs referred in paragraph 1 of the preceding Article.

4. Without prejudice to the control set forth in subparagraph (c) of paragraph 1 of the preceding Article, the canteen functioning and accounting shall be controlled by the General Inspectorate of Labor which, in case of violation of the provisions set forth in paragraphs 2 through 5 of the preceding Article, may determine its temporary closing,

for a period of one to two months.

5. If case of repeated violations allowing temporary closing, the Minister of Employment may, upon a grounded proposal of the General Inspector of Labor, determine the definitive closing of the canteen, or the transfer of management to a consumer cooperative if the canteen was created in accordance with this provision.

Article 190
(CONSUMER COOPERATIVES)

1. Consumer cooperatives may be established, for the employees of one employer or of several employers in the same area, which shall be managed by a committee elected by the employees, and which shall function pursuant to the terms of the commercial law and regulations to be approved by the Ministers of Employment and Commerce.

2. The employers shall encourage the establishment of such cooperatives and provide all the collaboration required to their normal functioning, and in particular bearing the respective fixed costs, in proportion to the respective number of employees that may make use of them.

3. The provisions of paragraphs 2, 3, 4 and 6 of Article 188 are applicable to the consumer cooperatives.

SECTION VII

OTHER ECONOMIC RIGHTS OF THE EMPLOYEES

Article 191
(RIGHTS OF THE TRANSFERRED EMPLOYEE)

1. In the cases in which the employee is hired to work in a place other than that of his/her usual residence, and at such a distance that makes it necessary the settlement of a new place of residence for the duration of the employment relationship, the employer shall ensure:

   (a) The transportation of the employee and family, either in case the family goes with the employee or joins him/her later on, at both the start and end of the contract period, as well as travels corresponding to annual vacations, if enjoyed at the place of usual residence;

   (b) Accommodation large enough to lodge the employee and family in proper conditions, and with respect for the adequate hygiene and sanitary measures

and others that may be determined by any relevant regulations;

(c) Adequate clothing and warm clothes for the climatic conditions at the place of work, in case the employee has usual residence in a region where such conditions are different;

(d) Other conditions, namely of nourishment, that are contemplated in the employment contract or that are determined by any relevant regulations.

2. If the employee is unable to obtain regular supply of foodstuff or essential commodities for him/her and family, due to the work center being more than 10 kilometers away from any commercial facilities or for any other clear reason, the employer shall ensure such supply.

3. At the employee's written request, or by authorization of the General Inspectorate of Labor following duly justified request of the employer, the guarantees provided in paragraph 1 may be replaced by a financial compensation.

4. The right to transportation referred in subparagraph (a) of paragraph 1 is governed by the provisions of Article 196.

5. For purposes of this law, the employee's family is deemed to be the spouse and minor children who usually live together with the employee.

Article 192
(CAFETERIA AND KITCHENS)

1. At work centers where the average number of employees employed is higher than a certain limit to be defined by specific regulations, or whenever so is determined by the Minister of Employment, cafeterias or kitchens shall be installed, so as to allow for the employees to have or to cook their meals during their daily work period.

2. The provision regarding fixed costs contained in Article 189.2 is applicable to the functioning of mess halls and kitchens.

Article 193
(FOOD CHARACTERISTICS)

1. The food for the employees, be it either included in the salary or paid for by them, or provided in compliance with legal or contractual provisions, shall be healthy, varied, sufficient and made of articles of a good quality, and it shall strictly obey not only the determinations of the regulations on health and hygiene, but also the written

instructions that may be issued by the General Inspectorate of Labor and the sanitary authorities.

2. Meals supplied at work centers may include soft drinks, but the inclusion of liquors is forbidden.

3. Whenever the food is to be paid by the employee, Article 188.6 applies.

Article 194
(SUBSTITUTION FOR FOOD)

In case the employees have been assigned or transferred, and their families have accompanied them or joined them later on, should food is included or being due to be supplied, as required by law or the contract, employees are entitled to its replacement by the supply of foodstuffs, to be taken every week, in enough quantity, apportioned to the number of members in the household.

Article 195
(EMPLOYEE'S RETURN)

1. At the end of the employment relationship, the transferred employee in accordance with Article 191.1 is entitled to return to his/her place of usual residence at the time of establishment of such relationship.

2. Such right includes the relatives who, under the terms of the law, have accompanied the employee or joined him/her later on, as well as the respective personnel objects.

3. If the employee does not wish to return within two weeks following the termination of the contract, the right set forth in the preceding paragraphs shall be forfeited, unless otherwise agreed.

4. Employer is further required to repatriate the employee if:

   (a) The employee, due to an accident or disease, becomes incapacitated for the performance of his/her job, either definitively or for a long period of time; in the latter case the return must take place as soon as medical authorization is given;

   (b) The employment contract is null and void, or if it expires for any reason during its execution, or terminates for any other reason not attributable to the employee;

(c) The employment contract terminates before its term for a reason attributable to the employee; in this case, the return costs shall be shared by the employer and the employee, in proportion to the time the contract was in force.

5. In the case of death of the employee or of any relative accompanying him/her in accordance with Article 191, the employer shall repatriate the body of the deceased.

Article 196
(CONTENTS OF THE RIGHT TO TRANSPORTATION)

1. In the return trip, as well as in the travel to the place where the work is to be rendered, which the employee is entitled in accordance with Article 191, the employer shall provide him/her and family with the necessary food, as well as the lodgment that may become required as a result of the duration of travel, whenever the route and means of transport are determined by the employer.

2. If the employee makes use of a route and means of transport that are different from those that had been determined by the employer, the employer is only liable up to the amount it would have spent with its option.

CHAPTER IX

SUSPENSION OF EMPLOYMENT RELATIONSHIP

SECTION I

GENERAL PROVISIONS

Article 197
(CONCEPT)

Suspension of the employment relationship exists whenever the employee is temporarily prevented from rendering work for reasons of his/her own but that cannot be attributable to him/her, or the employer is prevented or exempted from receiving such work.

Article 198 (SUSPENSION EFFECTS)

1. Except if otherwise expressly provided for, during the suspension period all rights and obligations of the parties under the employment relationship which are inherent to the effective provision of work shall cease, but the duties of respect and loyalty shall

remain.

2. During the suspension period for a reason pertaining to the employer, the employee may carry out a remunerated professional activity for another employer.

Article 199
(OTHER EFFECTS OF SUSPENSION)

1. The suspension period is counted for purposes of the employee's seniority; the employee maintains the right to his/her job position.

2. However, the employment contract shall expire and the employment relationship shall be extinguished once it becomes known that the impediment is definitive.

3. If the contract is for a limited period of time, the suspension does not prevent its termination due to expiration of the relevant term or in case of verification of a condition that causes the expiration.

Article 200
(RETURN)

1. As soon as the cause of suspension ceases to exist, the employee shall present himself to the employer in order to resume work under the former conditions, otherwise the contract will terminate.

2. Employee's return shall take place within 5 working days following the end of the causes of suspension, except in the cases expressly stated in Articles 204 and 209.

3. Upon the employee's return, the employer shall reinstate the employee in his/her job position or in an equivalent position.

Article 201
(APPLICABLE PROVISIONS)

1. The provisions of the following Section are specifically applied to the suspension of contract due to a fact pertaining to the employee.

2. The provisions of Section III of this Chapter are specifically applied to the suspension of contract due to a fact pertaining to the employer.

SECTION II

SUSPENSION OF CONTRACT FOR REASONS PERTAINING TO THE EMPLOYEE

Article 202
(FACTS THAT MAY CAUSE SUSPENSION)

1. The following are considered to be facts that prevent the rendering of work and which are not attributable to the employee but pertain to him/her:

   (a) The rendering of military service or substitutive civic service, and compulsory periods of military training;

   (b) Accident or disease, either occupational or natural;

   (c) Maternity leave;

   (d) The exercise of a public office, either by election or by appointment, and the fulfillment of management duties in state-owned companies, or a job of trust in said companies, provided that such office or duties are exercised on an exclusive basis;

   (e) Preventive arrest or the condition of being at the orders of judicial or criminal authorities, pending a convicting decision;

   (f) The performance of full-time labor union duties;

   (g) Imprisonment up to one year for a crime that has not caused damage to the employer, and that is unrelated to work;

   (h) Other facts of temporary force majeure that prevent the rendering of work.

2. The suspension takes place once the hindrance lasts for more than 30 consecutive days, but it may take place earlier once it is certain that the hindrance will exceed this period.

Article 203
(EFFECTS OF SUSPENSION ON EMPLOYEE)

1. The suspension of the contract causes the loss of salary as of the time it is effective.

2. The employee's fringe benefits, such as the lodging, are maintained and may not be replaced by money.

3. During the first six months of the suspension period the employee shall continue to enjoy the medical assistance as may be provided by the employer to its employees.

4. The effect of suspension on the right to vacation is determined in Article 137.3.

Article 204
(RETURN)

1. On expiration of the suspension, the time period for return to work provided in Article 200.2 is extended to 12 working days in the case of military service and similar cases, and other situations that resulted in an hindrance longer than 12 months.

2. Upon return to work, the employee shall deliver to the employer a document confirming the date in which the hindrance ceased to exist.

Article 205
(REPLACEMENT OF THE EMPLOYEE)

In order to perform the duties of the employee whose contract is suspended, the employer may at its discretion hire another employee for a limited period of time but for an uncertain term, in accordance with Article 15.1 (a).

SECTION III

SUSPENSION OF CONTRACT FOR REASONS PERTAINING TO THE EMPLOYER

Article 206
(CAUSES THAT MAY GIVE RISE TO SUSPENSION)

The suspension of the employment contract for a reason pertaining to the employer occurs whenever the employer is temporarily prevented or exempt from receiving the work of all or part of the employees of the company or work center for the following reasons:

(a) Occurrence of occasional facts or economical or technical factors with a limited duration;

(b) Catastrophes, accidents and other force majeure events such as the

interruption in the supply of energy or raw materials, which may cause the work center to be temporarily shut down or to have its activity temporarily slowed down;

(c) Call-up or mobilization of the employer, under the terms of the military laws;

(d) Temporary closing of the premises for repairs, to install equipment or by order of the competent authorities;

(e) Other cases foreseen and ruled by a special legal provision.

Article 207
(EFFECTS OF SUSPENSION ON EMPLOYER)

1. The situations referred in subparagraphs (a), (b) and (e) of the preceding Article are regulated by decree.

2. The situations referred in subparagraph (c) of the preceding Article are regulated by the following rules:

(a) The employer shall notify the General Inspectorate of Labor and the Employment Center of the work center area, up to the start of work suspension, of the occurrence of such fact and the causes thereof;

(b) The employer shall continue to pay the employees' salaries for a minimum period of two months;

(c) On expiration of such period, and whenever the establishment has not resumed its normal activity, and should the employer not continue to pay the salaries, the employer may declare the contracts terminated due to expiration, and shall pay the employees a compensation calculated pursuant to the terms of Article 262;

(d) The employer may deduct from the salaries referred in subparagraph (b) the amounts the employee may receive, within the same period of time, for exercising any other remunerated professional activity;

(e) The expiration of the contract shall be notified to the General Inspectorate of Labor and the Employment Center, within three days following the notification to the employees, stating that the compensations referred in subparagraph (c) have been paid or made available to the employees.

3. The above paragraph is not applicable if the establishment continues in activity, even

in case of Article 71.3;

4. The cases provided in subparagraph (d) of the preceding Article are governed by the following provisions:

   (a) The employee keeps the right to the salary for the whole period of temporary shutting down, up to the limit of six months;

   (b) At the expiry of this period of time, and whenever the establishment has not resumed its activity, the employer may declare that the contracts are terminated due to expiration, and pay the indemnities calculated pursuant to Article 261;

   (c) The provisions of subparagraphs (a), (d) and (e) of paragraph 2 are applicable.

Article 208
(RIGHT TO VACATION)

The right to vacation is not affected by the suspension situations referred in this Section, which, for this purpose, are considered as effective work.

Article 209
(CESSATION OF THE HINDRANCE)

Once the hindrance ceases, the employer shall notify, by adequate means, the employees whose contracts are suspended so that they may resume work; the time period for presentation provided in Article 200.2 shall be counted from the date of such notification.

Article 210
(RIGHT OF FIRST REFUSAL)

1. Within one year from the contract termination in accordance with subparagraph (c) of paragraph 2 and subparagraph (b) of paragraph 4 of Article 207, the employees whose contracts had been terminated shall have the right of first refusal in the hiring for available positions at the work center or company as long as they are properly qualified.

2. The employer shall notify the employees who had been terminated and possess such qualifications, so that they may exercise their right of first refusal within two weeks from such notification.

3. If this notification is not made, the employees who have the right of first refusal shall be entitled to an indemnity equal to one, two or three months of the salary they earned at the date of termination, as their contract had lasted for up to two, from two to five or more than five years, respectively.

CHAPTER X

TERMINATION OF EMPLOYMENT RELATIONSHIP

SECTION I

GENERAL PROVISIONS

Article 211
(JOB SECURITY)

1. The employee is entitled to job security; the employer shall not extinguish the employment relationship and terminate the employment contract for any reasons not foreseen in the law or with disrespect of the provisions of this Chapter.

2. The employment contract may be terminated due to the following:

   (a) For objective reasons, beyond the will of the parties;

   (b) Free decision of both parties;

   (c) Unilateral decision by any of the parties, opposable to the other party.

3. If the employment contract was established by appointment, it shall terminate by exoneration.

Article 212
(EXPIRATION OF CONTRACT DUE TO OBJECTIVE CAUSES)

1. The contract shall expire due to an objective cause beyond the will of the parties in the following cases:

   (a) Employee's death, total and permanent disability or partial but permanent disability of the employee that prevents him/her from working;

   (b) Employee's retirement;

(c) Employer's death, total and permanent disability or retirement of the employer, whenever this results in the shutting up of the company or discontinuance of the activity;

(d) Employer's bankruptcy or insolvency or extinction of the company as a legal entity;

(e) Employee's conviction, by final judgment, to an imprisonment term longer than one year, or regardless of its duration, in the cases provided in the law;

(f) Any occasional or force majeure occurrence that makes it definitely impossible to render or accept work.

2. The expiration of the contract due to objective reasons is governed by Section II.

Article 213
(TERMINATION OF CONTRACT BY FREE DECISION OF THE PARTIES)

1. The contract shall terminated by free decision of the parties in the following cases:

(a) Expiration of the contract for a limited period of time, due to expiry of the fixed term or completion of the work or service for which it was entered into;

(b) On grounds of valid clauses set forth in the contract, unless this constitute abuse on the part of the employer;

(c) Mutual agreement, during the effectiveness of the employment relationship.

2. The termination of the contract for the reasons referred in the preceding paragraph is governed by Section III.

Article 214
(TERMINATION OF CONTRACT BY UNILATERAL DECISION)

1. The termination of contract by decision of the employer is addressed in Section IV in the case of individual termination, and in Section V in the case of collective termination.

2. The termination of contract by the employee's initiative is governed by Section VI.

Article 215
(TERMINATION OF CONTRACT BY EXONERATION)

The exoneration of an appointed employee is governed by Section VII.

Article 216
(INDEMNITY OR COMPENSATION)

Indemnities or compensations due to the employee, in the cases where the termination of the contract gives rise to the right to be indemnified or compensated by the extinction of the employment relationship, are set forth in Section VIII.

Article 217
(WORK CERTIFICATE)

1. Upon termination of the employment contract, for whatever reason and manner, the employer shall deliver to the employee a work certificate stating the dates of hiring and termination of contract, the nature of the function or functions performed during the contract effectiveness, and the professional grade of the employee.

2. The work certificate may not contain any other reference, except references to the professional capabilities of the employee provided this is requested by the employee and accepted by the employer.

3. The employer shall forward a copy of such certificate to the Employment Center of the employee's area of residence.

SECTION II

EXPIRATION OF CONTRACT FOR OBJECTIVE REASONS

Article 218
(EXPIRATION DUE TO EMPLOYEE'S OLD AGE)

1. The employee who leaves service at the statutory retirement age has the right to a compensation based on the years of service in accordance with Article 262.

2. If by agreement, even if implicit, between the employer and the employee, the employee continues to work, the contract shall henceforth be in effect for periods of six months, successively renewed, up to the time when any of the parties wishes to terminate it.

3. The expiration of the contract in the case referred in the preceding paragraph shall be

subject to prior written notice given at least 30 days (if given by the employer) or 15 days (if given by the employee) in advance of the end of the initial period or of any subsequent renewal periods.

4. In such case, and to determine the compensation referred in paragraph 1, the successive periods in which the employee remains in service are accrued to the time of service determined on the date of the statutory retirement age.

Article 219
(EXPIRATION DUE TO A FACT PERTAINING TO THE EMPLOYER)

1. The expiration of the contract for the reasons referred in Article 212.1(d) gives the employee the right to be indemnified pursuant to Article 264.

2. For purposes of compensation, the expiration of the contract for the reasons referred in Article 212.1 (c) and (f) is equivalent to the situation provided in the preceding Article as long as the employer is prevented from receiving the work.

3. Expiration does not take place whenever the work center or company maintains its activity, in which case Article 71 and following Articles shall apply.

Article 220
(EXPIRATION DUE TO BANKRUPTCY OR INSOLVENCY)

1. In case of a court order of bankruptcy or insolvency, and while the establishment or company is not definitively shut down, the employment contracts shall progressively expire, subject to the provisions of paragraph 1 of the preceding Article, to the extent that the employees' work is no longer necessary for the functioning thereof.

2. While the establishment or company is still functioning, the trustee in bankruptcy shall pay to those employees that continue working the salaries that are due from the date of start of the proceedings.

SECTION III

TERMINATION OF CONTRACT BY MUTUAL AGREEMENT

Article 221
(EXPIRATION OF THE CONTRACT FOR A LIMITED PERIOD OF TIME)

Articles 15 through 18 govern the expiration of the contract for a limited period of time for a

fixed or uncertain term.

Article 222
(TERMINATION OF CONTRACT BY MUTUAL AGREEMENT)

1. The parties may at any time terminate the employment contract, either for a limited or an unlimited period of time, provided that they do so in a written document signed by both parties; otherwise, the termination is null and void.

2. The written agreement shall identify both parties and shall expressly state the termination of the contract, the date in which such termination is effective and the date of execution, as well as other provisions that the parties may agree provided they are consistent with the law.

3. The agreement is made in duplicate and each party shall keep one copy.

4. If the agreement provides for a compensation to the employee, the date or dates for the relevant payment shall be stated, it being understood that such does not include any credit that the employee may be entitled at the time of termination, neither those that are due to the employee as a consequence of termination, unless otherwise is expressly stated in the agreement that stipulates the compensation.

SECTION IV

INDIVIDUAL TERMINATION WITH JUST CAUSE

SUBSECTION I

(GENERAL PRINCIPLES)

Article 223
(DEFINITION)

Individual termination is considered to be the breaking of a contract for an indefinite period of time, or of a contract for a limited period of time prior to expiration of its term, and after the probation period has been concluded, whenever it is the result of a unilateral decision of the employer.

Article 224

(FORMS OF JUST CAUSE)

1. Termination may only be validly decided if grounded on just cause, which is considered to be the commitment by the employee of a serious disciplinary offense, or the verification of objective reasons, provided that in either case the maintenance of the employment relationship becomes virtually impossible.

2. Individual termination for just cause due to serious disciplinary offense committed by the employee is subject to Subsection II.

3. The termination for just cause due to objective reasons is subject to Subsection III.

SUBSECTION II

DISCIPLINARY TERMINATION

Article 225
(JUST CAUSE)

Just cause for termination shall, notably, be the following serious disciplinary offenses committed by the employee:

(a) Unjustified absences from work, provided they exceed three days in a month or twelve days in a year, or, regardless of their number, provided they cause damages or serious risks for the company and the employee is aware of this;

(b) Non-compliance with the working schedule, or lack of punctuality, not authorized by the employer, for more than 5 times in a month, provided that the periods of absence exceed 15 minutes in each time, counted as from the start of the regular working hours;

(c) Serious or repeated disobedience to lawful orders or instructions given by the employee's superiors and by those in charge of the organization and functioning of the company or work center;

(d) Repeated negligence in the performance of the obligations pertaining to the job or to the functions vested on the employee;

(e) Verbal or physical offenses to the employees of the company, to the employer and to its representatives and to the employee's superiors;

(f) Serious indiscipline, causing disruption in the organization and functioning of the work center;

(g) Theft, robbery, deception, fraud and other similar offenses committed in the company during the performance of work;

(h) Breach of professional confidentiality or disclosure of production secrets and other cases of unfaithfulness that causes serious damages to the company;

(i) Damages caused, either intentionally or owing to gross negligence, to the premises, equipment, tools or production and which are the cause of break in the production process or of serious loss for the company;

(j) Repeated and voluntary decrease of the work output, with reference to the established goals and the average output;

(k) The acceptance or offering of bribes and corruption in connection with the work or with the assets and interests of the company;

(l) Repeated drunkenness or drug addiction having a negative effect upon the work;

(m) Non-compliance with the rules and instructions regarding safety at work, and lack of hygiene, whenever repeated, or in the latter case which give rise to justified complaints from his/her workmates.

Article 226
(DISCIPLINARY PROCEEDINGS)

Disciplinary proceedings aimed at terminating the employee are subject to Article 50 and following Articles, and further the following:

(a) At the meeting referred in Article 51.1, the employee may appoint up to 5 witnesses whom the employer shall listen to, and, if the employee so wishes, the person chosen to accompany him/her, referred in Article 50.2(c), may also be present;

(b) The deadline for application of the disciplinary sanction provided in Article 52.1 shall be counted as from the latest hearing of witnesses, if any.

Article 227
(SPECIAL PROTECTION AGAINST TERMINATION)

1. The following are specially protected against termination:

(a) The employees who perform, or have performed, the functions of labor union director, of labor union representative, or member of the employees' representative body;

(b) Women covered by the regime of protection of motherhood;

(c) Former combatants, as defined by Article 2(a) of Decree No. 28/92, of June 26, 1992;

(d) Minors;

(e) Employees with a reduced work capacity, having a disability degree equal to or higher than 20%;

2. The employees referred in subparagraph (a) of the preceding paragraph against whom the employer decides to bring disciplinary proceedings for termination are subject, in particular, to Article 52.4, Article 55.2, Article 59.2 and 59.1(c) and Article 60. 2 and 3.

3. If the disciplinary proceedings are brought against a former combatant, and the employer is aware of this capacity, or if the employer is informed by the employee with documental confirmation until the date of the meeting referred in Article 51, the disciplinary proceedings shall be suspended after the decision referred in Article 52.1 if it involves termination; after suspension, the following steps shall be taken:

(a) A copy of the notice sent to the employee for the meeting as well as of the notice of termination that the employer intends to send to the employee pursuant 51.3 shall be immediately forwarded to the General Inspector of Labor, either under registered mail or in hand against a receipt;

(b) If within 10 working days from forwarding these documents the General Inspector of Labor sends no notice to the employer or if the Inspector does not oppose the termination, the employer may maintain its decision by sending to the employee the notice referred in Article 52.3;

(c) If the General Inspector of Labor opposes termination, stating his/her grounds, the employer may, if it disagrees with the Inspector's decision, appeal to the Minister of Employment who shall make a final decision within 30 days; if the Minister does not respond to the employer within 30 days, it is deemed that the Minister concurs with the termination.

4. If the employee is diminished in his/her work capacity, in accordance with subparagraph (d) of paragraph 1, the provisions of the preceding paragraph shall apply.

5. The regime set forth in the preceding paragraph shall apply if termination is aimed at employees belonging to the categories referred in subparagraphs (b), and (d) of paragraph 1.

Article 228
(NULLITY OF TERMINATION)

1. Termination is null and void if the employee is not notified for the meeting referred in Article 50.2, or if the meeting does not take place due to employer's fault, or whenever notice of termination is not given to the employee pursuant to Article 52.2.

2. Termination is also null and void if grounded on:

   (a) The employee's political, ideological or religious opinions;

   (b) Affiliation or non-affiliation of the employee in a certain labor union;

   (c) Any other reason that pursuant to Article 3.1 and Article 20.2 (b) may constitute discrimination.

3. If termination is null and void, the employer shall reinstate the employee and pay him/her the salaries and fringe benefits he/she ceased to receive until the date of reinstatement.

4. Notwithstanding the preceding paragraph, in the case of paragraph 1 the employer may prior to reinstatement repeat the disciplinary proceedings within 5 working days of the declaration of nullity.

5. In this case, the employer shall pay the salaries and fringe benefits not received by the employee until the date of the new notice of termination, if this decision is maintained.

6. The nullity of termination is declared by the court, pursuant to Articles 306 thru 316.

Article 229
(UNLAWFUL TERMINATION)

1. If the court, by final judgment, declares the termination to be unlawful, the employer shall immediately reinstate the employee in the same job position and benefiting from the same previous conditions, or, alternatively, shall indemnify the employee pursuant to Article 265.

2. If the employee does not wish to be reinstated, the employee shall be entitled to the indemnity referred in the preceding paragraph.

3. In addition to the reinstatement or the indemnity, the employee shall be entitled to the base salaries he/she would have received if he/she had continued to work, until the date in which the employee finds a new job or up to the date of final judgment, should this be prior thereto, but not to exceed 9 months' salary.

SUBSECTION III

INDIVIDUAL TERMINATION FOR OBJECTIVE REASONS

Article 230
(JUSTIFICATION)

In case economic, technological or structural circumstances occur, which may be clearly demonstrated, and which give rise to an internal reorganization or conversion, the reduction or the shutting down of activities, which makes it necessary to eliminate or significantly change job positions, the employer way terminate the employees who hold such jobs.

Article 231
(PROCEDURE FOR INDIVIDUAL TERMINATION)

1. An employer who wishes to carry out termination on the grounds referred in the preceding Article, provided the number of employees is lower than 5, shall give the employees' representative body a written notice stating in detail:

   (a) The economic, technological or structural reasons that impose reorganization, reduction or shutting down and a description thereof;

   (b) The jobs involved, stating the number of employees and their professional qualifications;

   (c) The possibility, or impossibility, to transfer those employees, the whole or part of them, into other existing jobs or jobs to be created as a result from reorganization, and for which the same or similar professional qualification is required which entitle them to an equal or a higher salary.

2. Such notice shall be sent together with the personnel chart of the work center, specifying sectors and services.

3. The employees' representative body shall have 7 working days to provide its written opinion, stating the grounds thereof, analyzing the reasons invoked and proposed measures, and it may suggest specific solutions for the placement of the employees involved, or for the reduction in jobs to be eliminated or changed.

4. Prior to issuing its opinion, but without extending the term thereof, the employees' representative body may request a meeting with the employer for clarification, and such meeting shall be held within the next two working days.

5. If no written opinion is delivered to the employer within the period set forth in paragraph 3, it is understood that the representative body has accepted the reasons submitted.

6. If the opinion is unfavorable, the employer, should it maintain its intention to proceed with the elimination or changing of jobs, shall submit a request for authorization thereto to the Provincial Services of the Ministry of Employment, with jurisdiction in the area of collective bargaining; this request shall be sent along with a copy of the notice addressed to the employees' representative body, as well as with a copy of the opinion issued by the latter, and also a copy of the personnel chart.

7. The Provincial Representative of the Ministry of Employment shall have 10 working days to make a decision; if no response is provided to the employer within this period, it is deemed that the Provincial Representative does not object to the proposed measure.

8. If the Provincial Representative opposes to the proposed measure, the employer may appeal to the National Director having jurisdiction in the collective bargaining area, who shall make the final decision within 15 days from the filing of the appeal; if no response if provided to the employer within this period, it is deemed that the National Director has accepted the claim.

9. Paragraphs 6 through 8 shall apply, with the necessary adjustments, if no employees' representative body exists in the company or work center; the employer shall mention this fact in the request for authorization.

Article 232
(PRIOR NOTICE)

1. If no objection is raised to the elimination or change of jobs in accordance with paragraphs 3, 5, 7 or 8 of the preceding Article, the employer shall send to the employee, or employees, who perform the jobs to be eliminated or changed a prior termination notice, at least 60 days in advance, if the employees are of a high or medium level, or 30 days, if they belong to other professional groups.

2. The prior notice shall mention the date upon which the employment contract is to terminate and shall be sent along with a copy of the notice referred in paragraph 1 of the preceding Article.

Article 233
(CRITERIA OF EMPLOYMENT KEEPING)

1. When deciding on the employees to be terminated, and it is not a case of shutting down of service or business, the employer shall observe the following preference for maintaining the jobs:

   (a) The most qualified;

   (b) In the case of equal qualification, those with a longer time of service.

2. For the purposes of subparagraph (b) of the preceding paragraph, it is added to the employee's time of service one year for the spouse or the person who, confirmedly, lives with the employee as spouse, and one year for each child under 14 years of age.

3. Termination of former combatants and of employees with a reduced capacity to work, having a degree of disability equal to or higher than 20%, is subject to authorization by the General Inspectorate of Labor in accordance with Article 227.3.

4. In any event, the employer may not terminate employees under an employment contract for an indefinite period of time as long as there are job positions with similar grade of difficulty performed by employees under fixed term contracts.

Article 234
(EMPLOYEE'S OPTIONS AFTER THE PRIOR NOTICE)

1. Within two weeks following the prior notice, the employee may:

   a) Challenge the application of the criteria referred in the preceding Article, mentioning the employees, or employee, who should be terminated before him/her;

   b) Indicate other possible jobs for which the employee believes that he/she can be assigned, even with a lower salary; in this case, the employee must state that he/she accepts the lower salary.

2. If the employee used the rights provided in the preceding paragraph, the employer shall take into consideration the employee's position and, within the next five days, shall give a reply, either accepting the reasons and proposals of the employee or maintaining its intention to terminate.

3. If the employer maintains its intention to terminate, the employment contract shall be terminated on the date stated in the prior notice, but the employer may do it on an earlier date, paying the salary corresponding to the prior notice so reduced.

Article 235
(EMPLOYEE'S RIGHTS)

1. During the prior notice period the employee is entitled to 5 working days of paid leave to seek a new job, and such leave may be enjoyed either fractionally or all in one time, the employer being given notice up to the day before the start of each absence.

2. The employee who has been terminated pursuant to this Subsection shall have preference in re-hiring for jobs that may become vacant in the company and for which the employee has the necessary qualifications, within the 12 months following termination.

3. For purposes of the preceding paragraph, the company shall comply with Article 210.2, otherwise paragraph 3 of same Article shall apply.

Article 236
(COMPENSATION)

The terminated employee is entitled to a compensation in accordance with Article 261.1.

Article 237
(JUDICIAL APPEAL)

1. The employee may appeal to the courts against termination, based on any of the following grounds:

   (a) Lack of authorization for the elimination or change of job;

   (b) Refusal to transfer the employee to another existing job indicated by the employee under Article 234.1(b);

   (c) Violation of the preference criteria for the maintaing of jobs;

(d) Lack of the authorization required by Article 233.3 in case the employee is included in any of the protected situations.

2. If the court declares the termination unlawful, the employee is entitled to resume his/her job immediately after the judgment becomes final.

3. If the employee does not wish to be reinstated, or if the employer is not willing to do so or is unable to do so due to the business having been shut down, the employee is entitled to a compensation pursuant to Article 263, in addition to the compensation that is due pursuant to Article 236.

4. If the employee is reinstated or paragraph 3 is applied, the employee is entitled to the base salaries counted as from the date of termination in accordance with Article 229.3.

5. The compensation calculated pursuant to Article 263 is replaced by a compensation calculated pursuant to Article 265 if the termination is declared unlawful on the grounds set forth in subparagraphs (a) or (d) of paragraph 1.

SECTION V

COLLECTIVE TERMINATION

Article 238
(SCOPE OF COLLECTIVE TERMINATION PROCEDURE)

Whenever, by the reasons set forth in Article 230, the extinction or change of jobs affects the employment of 5 or more employees, even if the termination of the employment relationship is made on different occasions within a period of three months, the collective termination procedure is applied, which is governed by this Section.

Article 239
(PROCEDURE FOR COLLECTIVE TERMINATION)

1. An employer who wishes to carry out a collective termination shall give notice to the employees' representative body and to the provincial services of the Ministry of Employment having jurisdiction in the area of collective employment relationship.

2. The notice shall include:

(a) The description of the economic, technological or structural reasons that are the grounds for termination;

(b) The measures of reorganization, reduction of activities or shutting down of services through which the employer proposes to adjust the activity of the company or business to the current situation;

(c) The number of employees to be terminated, indicating their respective professional qualifications and the sectors they pertain to;

(d) The criteria to be followed in selecting the employees to be terminated;

(e) Any other information that may be deemed useful for the evaluation of the existent conditions and the need and scope of termination.

3. Attached to such notice the employer shall send a copy of the personnel chart, containing the names and professional qualifications of the employees, as well as their distribution among the organizational areas of the business.

4. If no employees' representative body exists on the date the notice is submitted to the provincial services of the Ministry of Employment, the employer shall affix a written notice for all the employees to be affected by the reorganization, reduction or shutting down measures, informing them on the intended termination and that they may, within one week, elect a committee of three or five employees, as the intended termination affects up to 25 or more employees, to be their representative in the subsequent steps of the process.

5. If within 5 working days the employer receives notice of the formation of such committee, with identification of its members, the employer shall send to the committee a copy of the notice sent to the provincial services pursuant to paragraph 1.

Article 240
(CONSULTATION)

1. Within two weeks of the delivery of the notice referred in paragraphs 1 or 5 of the preceding Article, the employer shall promote the holding of at least three meetings with the employees' representative body or the committee expressly elected, for the exchange of information and explanations, so as to seek for solutions that may avoid or reduce the extent of termination.

2. If an agreement be reached, minutes of the meeting shall be drawn up stating the terms of such agreement; the minutes shall be signed by the employer or its representative and the employees' representatives.

3. If no agreement is reached, minutes shall also be drawn up summarizing the reasons

for non-agreement and the solutions submitted by the employees' representatives.

4. In either case, a copy of the minutes, or a clear statement of the reasons for which it was not possible to draw it up, even when such reasons are the representative committee having not been formed as referred in paragraph 4 of the preceding Article, shall be sent by the employer to the provincial services referred in paragraph 1 of the same Article.

Article 241
(INTERVENTION OF THE PROVINCIAL SERVICES)

1. If no agreement has been reached, the referred provincial services shall within 10 days convene a meeting with the employer and the employees' representatives, if the representative body exists or the committee has been elected, and shall try to obtain the agreement of the parties with regard to the intended termination to proceed or not, and the extension of same.

2. The Provincial Delegate shall give well-grounded notification to the employer and to the employees' representative body or committee, stating whether it opposes the collective termination or not; if no notification is provided, it is deemed that the Provincial Delegate does not oppose the termination.

Article 242
(CLAIM)

1. If the Provincial Delegate opposes termination, the employer may appeal to the National Director having jurisdiction in the area of collective employment relationship, or to the Ministry of Employment in case the planned termination affects 25 or more employees.

2. The appeal shall be decided within 15 days, and it may point to the prohibition or to the authorization of termination, either in its whole or in part.

3. If no notification is given to the employer within 15 days, it is deemed that no objection is raised to termination.

Article 243
(CRITERIA FOR TERMINATION)

When deciding on the employees to be terminated the employer shall comply with Article 233.

Article 244
(PRIOR NOTICE AND EMPLOYEES CHART)

1. In case agreement on termination has been reached in accordance with Article 240.2 and Article 241.1, or if no objection has been raised pursuant to Article 241.2 or Article 242.2 and 3, and should the employer maintain its intention to terminate, it shall send to each employee to be terminated a prior notice expressly stating the date in which the respective employment contract terminates and that the representative body or elected committee has agreed with the termination, or that no objection was raised by the appropriate authorities.

2. The prior notice period is counted as from the date of its delivery to the employee and it cannot be shorter than:

   (a) 60 days in the case of employees of a high or medium level or covered by Article 227.1;

   (b) 30 days for the remaining employees.

3. Except in the case of total shutting up of the establishment or service, if the application of the criteria provided in Article 233 results in the inclusion of former combatants or employees with a reduced capacity for work, with a disability rate equal to or higher than 20%, in the list of employees to be terminated, the employer may not terminate these employees without the prior consent of the General Inspectorate of Labor in accordance with Article 227.3.

4. The prior notice sent to the employees provided in paragraph 2 of this Article shall be null and void if the employer is given notice that the General Inspectorate of Labor objects to their termination.

5. The lack of prior notice, in the whole or in part, gives the employee the right to receive the salaries corresponding to the prior notice not given.

6. On the date on which the prior notice is given, the employer shall send to the Employment Center of the relevant area, with a copy to the provincial services of the Ministry of Employment, a chart identifying all the employees who were given termination notices, indicating in relation to each of them:

   (a) Full name;

   (b) Address;

   (c) Date of birth;

(d) Date of hiring;

(e) Date of contract termination;

(f) Social Security number;

(g) Profession;

(h) Professional grade;

(i) Latest base salary.

Article 245
(EMPLOYEES' RIGHTS)

Article 235 shall apply to the employees under the prior notice regime.

Article 246
(COMPENSATION)

The employee terminated through a process of collective termination is entitled to a compensation calculated pursuant to Article 261

Article 247
(UNLAWFUL TERMINATION)

The employee's termination is unlawful if:

(a) The reasons submitted for collective termination, pursuant to Article 239.2 (a), are proven to be inexistent;

(b) No agreement was reached;

(c) There was a violation of the criteria of preference in maintaining the employment;

(d) When involving employees protected by Article 227.1, authorization has not been obtained from the General Inspectorate of Labor.

Article 248
(DECLARATION OF UNLAWFULNESS AND EFFECTS THEREOF)

1. If the termination is declared unlawful, by final judgment, the employer shall reinstate the employee and pay him/her all the salaries he/she would have earned as from the date of termination until the date of judgment.

2. If the unlawfulness is based in subparagraph (b) of the preceding Article, the salaries referred in the preceding paragraph are subject to the limits set forth in Article 229.3.

3. If reinstatement is not possible or the employee does not wish to be reinstated, the employee is entitled to compensation to be determined under Article 263, which shall accrue to the compensation due under Article 246.

4. The compensation calculated under Article 263 shall be replaced by compensation calculated under Article 265 if termination is declared unlawful on the grounds set forth in subparagraphs (a) or (c) of the preceding Article.

Article 249
(COURT JURISDICTION)

1. The court shall declare the unlawfulness of the collective termination and establish the consequences thereof.

2. The declaration of unlawful termination on the grounds of Article 247 (a) and (b) shall only be made as a result of a lawsuit filed by the majority of the terminated employees; however, in any case 15 employees are sufficient and all the remaining employees involved shall benefit from this lawsuit.

SECTION VI

TERMINATION OF CONTRACT BY THE EMPLOYEE
Article 250
(FORMS OF TERMINATION)

1. The employee may terminate the contract with or without just cause.

2. The termination with just cause may be based on reasons pertaining to the employer or otherwise.

Article 251
(TERMINATION WITH JUST CAUSE PERTAINING TO THE EMPLOYER)

1. The termination of the contract by the employee is made with just cause pertaining to the employer whenever the employer violates, willfully and seriously, any of the employee's rights set forth in the law, in the collective bargaining agreement or in the employment contract.

2. The following are just cause for termination:

   (a) Failure to pay the salary in due time, and in the required manner;

   (b) Application of an improper disciplinary sanction, pursuant to Article 59;

   (c) Repeated or serious failure to comply with the rules on hygiene and safety at work;

   (d) Offenses against the employee's physical integrity, honor and dignity, or against any of the employee's close relatives, made either by the employer or by its representatives;

   (e) Willful and serious violation of the employee's rights provided in the law or contract;

   (f) Serious damages to the employee's property;

   (g) Willful behavior of the employer or its representatives with the purpose to lead the employee to terminate the contract.

3. The cessation of the contract by the employee on the grounds referred in the preceding paragraph is considered an indirect termination.

4. Indirect termination is only valid if made in writing, with enough data on the facts it is grounded on, and may only be carried out within 15 days from the date in which such facts became known.

5. Indirect termination gives the employee the right to receive compensation from the employer in accordance with Article 265.

Article 252
(TERMINATION WITH JUST CAUSE NOT PERTAINING TO THE EMPLOYER)

1. The employee may terminate the contract with just cause not pertaining to the

employer on the following grounds:

(a) The need to comply with legal obligations that are directly incompatible with the employment relationship;

(b) Substantial and permanent changes in the work conditions when decided by the employer under the right provided in Article 41.

2. The decision to extinguish the employment relationship is notified in writing to the employer, indicating the grounds it is based upon, and shall become effective immediately, and there shall be no responsibility on any of the parties in relation to the other.

Article 253
(TERMINATION OF CONTRACT WITHOUT JUST CAUSE)

1. The employee may extinguish the employment relationship without the existence of a cause for termination of the contract, by giving a written prior notice to the employer, at least 15 days or 30 days in advance, as his/her seniority is less than 3 years, or equal to or higher than 3 years, respectively.

2. These periods shall be increased to 30 or 60 days, in the same conditions of seniority, if the employee is of a high or medium level position.

3. The lack of prior notice, total or partial, shall make the employee liable to indemnify the employer by the amount of the salary corresponding to the prior notice period not given.

4. If the employer refuses the rendering of work during the prior notice period, the employer shall pay to the employee the salaries corresponding to the prior notice period that the employee is unable to comply with.

5. The indemnity regime for lack of prior notice provided in paragraph 3 shall apply whenever the employee resigns, claiming just cause on the grounds referred in Article 251.2 or Article 252.1, and these reasons are proven to be untrue.

Article 254
(ABANDONMENT OF WORK)

1. Abandonment of work occurs whenever the employee absents himself/herself from the

work center with the purpose, either declared or presumed, not to return.

2. It is presumed that the employee does not intent to return to work if:

   (a) Immediately before or after the absence has started, the employee has mentioned, either publicly or before his/her colleagues, his/her intention not to continue at the employer's service;

   (b) The employee enters into an employment contract with another employer; it is deemed that a contract exists if the employee starts working at a work center not belonging to the former employer;

   (c) The employee is absent for two consecutive weeks, without informing the employer on the reasons for such absence.

3. Should any of the cases mentioned in the preceding paragraph occur, the employer shall send a notice to the employee, to the employee's latest known address, declaring him/her to be in the situation of work abandonment if within three working days the employee does not justify with documents the reasons for the absence and the impossibility to comply with the obligation to notify and justify the absence set forth in Article 151.

4. Work abandonment is equivalent to contract termination without cause and without prior notice, the employee being required to pay the employer the indemnity set forth Article 253.3, without prejudice to Article 49, if applicable.

SECTION VII

EXONERATION OF APPOINTED EMPLOYEE

Article 255
(ASSIGNMENT)

The performance of functions of management of a business or department, or of other forms of higher responsibilities for the activities of a structural unit in a company, as well as the duties as a personal secretary thereto, or of the directorship or management bodies, and also of other duties requiring a special trust relationship, may be bestowed, on assignment, upon employees belonging to the company staff, or upon outside employees, and shall be governed by the provisions of the following Articles.

Article 256
(WRITTEN AGREEMENT)

1. The appointment on assignment is made by a written agreement entered into with the appointed employee including, at least, the following:

   (a) Identification of the parties;

   (b) Office or job to be performed by the appointed employee on assignment;

   (c) Professional grade and position held by the appointed employee in the company staff at the time of appointment, if applicable;

   (d) If the appointed person is external to the company and the agreement involves the transfer to the company staff after the end of the assignment, the position and professional grade the employee will have after the termination of the assignment;

   (e) The assignment duration and the possibility of its renewal, if the assignment is for a limited period of time.

Article 257
(TERMINATION OF ASSIGNMENT)

1. At any time any of the parties may terminate the assignment, except if the agreement referred in paragraph 1 of the preceding Article provides for a term in accordance with subparagraph (e).

2. Exoneration or termination of the assignment by the company shall be subject to prior notice to the employee of 30 or 60 days as the exercise of the office or duties lasted up to two years or more than two years, respectively.

3. Failure, total or partial, to give the notice entitles the employee to be indemnified by the amount of the salary corresponding to the period in question.

Article 258
(EMPLOYEE'S RIGHTS)

1. In case of exoneration, or at the term of the assignment, or in case the assignment is terminated by the employee, the employee is entitled to:

   (a) If the employee belongs to the company staff, resume the office and job position he/she held at the time of appointment, or that he/she has in the meantime been promoted to;

(b) If the employee does not belong to the company staff, instatement in the duties and professional grade that may have been agreed pursuant to Article 256 (d);

(c) The compensation that may have been provided in the agreement in case the above instatement is not applicable.

2. If the employee belongs to the company staff and the assignment terminates by exoneration, the employee is entitled to terminate the employment contract within 30 days following exoneration, being entitled to a compensation in accordance with Article 265.

3. The rights provided in subparagraph (a) of paragraph 1 and in paragraph 2 are not applicable if the termination of the assignment is due to disciplinary just cause and this has not been declared unlawful.

Article 259
(TIME OF SERVICE)

The time spent in the exercise of offices or duties on assignment are counted for all purposes as if it were spent in the professional grade the employee has in the company staff, or in such a grade as may the employee may be entitled pursuant to subparagraph (a) of paragraph 1 of the preceding Article.

Article 260
(EXCEPTION)

In case of an employee who does not belong to the staff of a State owned company, or in which the Government has the statutory right to appoint and exonerate directors, the fulfillment of such functions by governmental appointment is excluded from the regime set forth in this section, pursuant to subparagraph (g) of Article 2.

SECTION VIII

INDEMNITIES AND COMPENSATIONS

Article 261
(COMPENSATION FOR TERMINATION OF CONTRACT

FOR REASONS PERTAINING TO THE EMPLOYER)

1. The compensation due to the employee in case of termination of the employment contract for reasons pertaining to the employer is the equivalent to the base salary in force at the time of termination, multiplied by the number of years of service, up to the limit of 5, and to the amount thus obtained being added 50% of the same base salary multiplied by the number of years of service in excess of such limit.

2. The right to this compensation is provided:

   (a) In Article 236, in case of individual termination for objective reasons;

   (b) In Article 246, in case of termination;

   (c) In Article 207.4 (b) in the case of expiration of the contract following suspension for objective reasons.

Article 262
(COMPENSATION FOR RETIREMENT)

1. The compensation due in case of termination of employment contract due to retirement, provided in Article 218.1, shall be determined by multiplying 25% of the base salary in force at the time in which the employee reaches the statutory retirement age by the number of years of service on the same date.

2. The above compensation is also applicable in case of expiration after suspension of the contract in accordance with Article 207.2.

Article 263
(COMPENSATION FOR NON-REINSTATEMENT)

1. Whenever termination is for objective reasons, the compensation for non-reinstatement of the employee, or in case the employee does not wish to be reinstated, shall correspond to 50% of the base salary in force at the date of termination multiplied by the number of years of service of the employee.

2. The right to such compensation is provided:

   (a) In Article 237.3, if the right to reinstatement resulted from the termination for

objective reasons being declared unlawful, save in case of paragraph 4 of the same Article;

(b) In Article 248.3, if the right to reinstatement resulted from the collective termination being declared unlawful, save in case of paragraph 4 of the same Article.

Article 264
(INDEMNITY IN THE CASE OF BANKRUPTCY, INSOLVENCY OR WINDING UP OF THE EMPLOYER)

1. The compensation established in Article 219.1, which is due in the case of contract termination due to bankruptcy or insolvency of the employer and extinction of the company as a legal entity, shall be determined by multiplying 50% of the employee's base salary on the date of termination by the number of years of service on such date.

Article 265
(COMPENSATION FOR INDIVIDUAL TERMINATION)

1. The compensation due to the employee if individual termination on the grounds of disciplinary cause is declared unlawful by the court, and should reinstatement not occur, and in the case of indirect termination, provided for, respectively, in Article 229.1 and in Article 251.5, is determined by multiplying the base salary on the date of termination by the number of years of service on the same date.

2. The compensation determined under the preceding paragraph shall not be less than 3 months' base salary.

3. The compensation provided above shall also be due in the case of Article 20.3, Article 237.5, Article 248.4 and Article 258.2.

Article 266
(COMPENSATION TO EMPLOYEES UNDER SPECIAL PROTECTION)

If an employee under special protection pursuant to Article 227.1(c) and (d) is terminated without prior authorization of the General Inspectorate of Labor, if applicable, the compensation provided in Article 263 or Article 265, as the case may be, shall be increased by 50%.

Article 267

(SENIORITY)

For purposes of the preceding Articles of this Section, in determining the employee's seniority any periods of three months or more shall be counted as one year of service.

CHAPTER XI
CONDITIONS APPLICABLE TO SPECIAL GROUPS OF EMPLOYEES

WOMEN WORK

SUBSECTION I

SPECIFIC CONDITIONS APPLICABLE TO WOMEN

Article 268
(EQUAL TREATMENT AND NON-DISCRIMINATION AT WORK)

1. Working women shall be treated equally and not discriminated in relation to men.

2. The following is guaranteed to working women:

   (a) Access to any occupation, profession or job;

   (b) Equal opportunities and treatment in the access to training and occupational proficiency actions;

   (c) The right that grades, appraisal and promotion criteria be equal for both sexes, the provisions of Article 164.3 being applicable;

   (d) The right to equal salary for equal work;

   (e) The right to not be subject to any type of discrimination based on sex.

3. For purposes of subparagraph (d) of the preceding Article it is considered that:

   (a) Equal work is the work rendered to the same employer, whenever the duties and tasks performed are equal or of an objectively similar nature;

   (b) Work of an equal value is the work rendered to the same employer whenever the tasks performed, though of a different nature, are considered as equivalent by application of objective criteria on job evaluation.

Article 269
(FORBIDDEN AND RESTRICTED JOBS)

1. Women shall not be employed in noxious or dangerous jobs, as well as in jobs that involve real or potential risks to the genetic function.

2. It particular, women shall not perform work underground and in mines.

3. The prohibition of paragraph 1 may not apply if the employment of women in such jobs is in work places that have adequate and effective equipment that eliminates the risks effectively or potentially involved.

4. A Joint Executive Decree of the Ministers of Employment and Health shall establish the list of jobs that women are prevented to perform, as well as the conditions that are applicable to the work of women in such jobs.

5. The list referred in the preceding paragraph shall be revised from time to time in order to take into account the scientific and technical advancements.

Article 270
(PART-TIME WORK)

Except in case of serious inconvenience, the employer shall facilitate part-time work in any of the options provided in Article 119, with a proportional reduction in pay, to women who have settled home and family responsibilities.

Article 271
(DURATION AND ORGANIZATION OF WORK)

1. Without prejudice to the provisions of this law regarding the duration and organization of work time, women are guaranteed the following rights:

   (a) The rest period between the end of work in one day and the beginning of work on the following day, set forth in Article 97.6, is increased to 12 hours;

   (b) Women shall not work at night in industrial plants without authorization from the General Inspectorate of Labor.

2. The authorization provided in subparagraph (b) of the preceding paragraph may only be granted in the following cases:

   (a) In case of force majeure that causes the functioning of the work place to be

abnormally altered;

(b) Whenever the raw materials to be processed are perishable and are likely to be lost if the work is interrupted;

(c) If the work is organized in rotational shifts, the women have agreed to be included in the shifts.

3. The request for allowing women to work at night shall be decided within three working days, in view of the arguments submitted, otherwise the authorization shall be deemed granted.

4. Prohibition of night work for women in industrial plants is not applicable:

(a) To the women who carry out management functions, or of a technical nature, involving responsibility;

(b) To the women who work in hygiene or welfare services provided they are not regularly engaged in manual work.

5. Women referred in the preceding Article who is responsible for children under 10 years of age are subject to Article 104.4.

SUBSECTION II

MOTHERHOOD PROTECTION

Article 272
(SPECIAL RIGHTS)

1. During pregnancy and after child-birth, working women have the following special rights:

(a) Not to perform, without reduction in pay, any tasks that are inconvenient to their condition, or that call for an uncomfortable or harmful posture; the employer shall ensure work that is appropriate to this condition;

(b) Not to work overtime or to be transferred to another work place, unless the other place is located in the same geographical area and the change is due to change of tasks as provided in the preceding subparagaraph;

(c) The General Inspectorate of Labor may not authorize the rendering of work at night, in the cases referred in Article 271. 2, or to cease to do night work should the woman be doing so;

(d) Not to be terminated, except in case of a disciplinary offense that makes virtually impossible the employment relationship to continue;

(e) To break the daily work for two periods of half an hour each, without reduction in pay, for the child's suckling, whenever the child remains, during the working hours, at the work place premises or at a kindergarten belonging to the employer;

(f) To benefit from the maternity leaves provided in the following Articles.

2. In order to enjoy the rights provided in the preceding paragraph, the woman shall as soon as possible make proof of her pregnancy before the employer by submitting a document issued by the health offices, unless her condition is evident.

3. The prohibitions set forth in subparagraphs (a), (b) and (c) of paragraph 1 shall be applicable up to three months after child-birth, but some of them may be extended if the need for such extension is justified by a medical document.

4. Prohibition of termination except for a serious disciplinary offense set forth in subparagraph (d) of paragraph 1 shall remain up to one year after child-birth.

5. The General Inspectorate of Labor is entitled to ascertain whether the offense committed by the woman causes the employment relationship to be immediately and virtually impossible to maintain; to this effect, Article 227.3 shall apply.

6. The breaks in the daily work for suckling referred in subparagraph (e) of paragraph 1 shall take place at the times chosen by the woman, with the agreement of the employer whenever possible; if the woman does not bring the child to the work place, these breaks shall be replaced by extending in one hour the break for rest and meal or, if the woman so chooses, by reducing the regular daily work period, either at the beginning or at the end, but in either case with no reduction in pay.

Article 273
(MATERNITY LEAVE)

1. At child-birth the woman is entitled to a three-month maternity leave.

2. The maternity leave starts 4 weeks before the anticipated date of child-birth; the remaining leave is enjoyed after birth.

3. The portion of the leave to be enjoyed after child-birth shall be extended for two more weeks in the case of multiple birth.

4. If the birth occurs later than the anticipated date, the leave shall be extended for the time necessary in order to last for 9 complete weeks after birth.

5. During the first 6 weeks after child-birth the employer shall not allow the woman to resume work, even if she is not willing to enjoy the maternity leave in its entirety.

6. During the leave, the employer shall advance to the woman the maternity allowance due by Social Security and, if necessary, the employer shall complement it up to the net salary that the woman would receive if she were in effective service; the employer is entitled to be refunded of the allowance advanced.

7. The maternity leave is for all purposes considered to be effective working time, except in terms of salary payment which shall be paid by Social Security.

Article 274
(MATERNITY LEAVE IN EXCEPTIONAL CASES)

1. In case of miscarriage or still-birth, the leave to be enjoyed after the date of the occurrence is of 6 weeks, and the woman may not waive this right, the provisions of paragraphs 6 and 7 of the preceding Article being applicable.

2. If the child dies before the expiry of the maternity leave, the leave is interrupted if at least 6 weeks have elapsed after birth; the woman shall resume work one week after the baby's death.

Article 275
(COMPLEMENTARY MATERNITY LEAVE)

1. After the maternity leave referred in Article 273 expires, the woman may remain on leave, for child attendance, for a maximum period of 4 weeks.

2. Such complementary leave is not paid, and may only be enjoyed if prior notice stating the duration thereof is given to the employer, and provided the company does not have a kindergarten or a day-nursery.

Article 276
(ABSENCES DURING PREGNANCY AND AFTER BIRTH)

1. During the pregnancy period and until 15 months after birth, the woman is entitled to one day's absence per month without reduction in pay for medical assistance to her condition and to take care of the child.

2. This right cannot be cumulated in the after birth period with the part-time work referred in Article 270.

Article 277 (TERMINATION BY WOMAN'S INITIATIVE)

During the pregnancy period and until 15 months after birth, the woman may terminate the employment contract by giving one-week prior notice, without obligation to indemnify the employer.

Article 278
(PROTECTION AGAINST TERMINATION FOR OBJECTIVE CAUSES)

During pregnancy and until 12 months after birth, the woman enjoys the same regime of protection against individual termination for objective reasons and against collective termination that is provided in Article 233.3 and Article 244.3 for former combatants and employees with a reduced capacity to work.

Article 279
(ADDITIONAL VACATION)

Women in charge of their own minor children shall enjoy one additional day of vacation per each child under 14 years of age.

Article 280
(STRUCTURES FOR PROTECTION TO CHILDREN)

1. The State shall progressively implement a nationwide structure network for children safekeeping, such as kindergartens, day-nurseries and infant gardens, with adequate size and location, equipped with human and technical resources and appropriate conditions for the children full development.

2. Companies which are large enough to justify it, shall cooperate with the State in the implementation of such structures, namely by making available adequate premises which the State shall equip with adequate technical and human means.

3. Companies who cooperate in the implementation of such structures shall be given preference in the acceptance of their employees' children.

SECTION II

UNDER-AGE EMPLOYEES

Article 281
(GENERAL PRINCIPLES)

1. The employer shall ensure to its under age employees, even when under the apprenticeship regime, work conditions adequate to their age, avoiding any risk to their safety, health and education as well as any damage to their full growth.

2. The employer shall take measures leading to the professional training of the minors at its service, and shall request the cooperation of the relevant State entities whenever it does not possess the necessary means for such purpose.

3. The State shall create and ensure the professional training structures adequate to the integration of minors in active life.

Article 282
(EXECUTION OF THE EMPLOYMENT CONTRACT)

1. The employment contract executed with minors with the minimum age to be admitted to work is only valid if expressly authorized by the minor's father, legal guardian or the person or institution in charge of such minor, or in their absence, the General Inspectorate of Labor.

2. For minors who have already completed 16 years of age such authorization may be implicitly given.

3. The authorization to execute the employment contract involves the authorization to exercise the rights and to comply with the obligations arising from the employment relationship, to receive the salary and to terminate the contract.

4. The employment contract with minors shall be executed in writing, and the minor shall submit evidence that he/she is over 14 years of age.

5. The minor's legal representative, as referred in paragraph 1, may at any time, in writing, oppose to the continuation of the employment contract; this opposition is effective two weeks after notification to the employer, or immediately if the grounds for such opposition are the need for the minor to attend a public educational institute or any professional training activity.

6. The opposition right of the legal representative ceases in case the minor, either by marriage or any other legal means, attains his/her majority.

Article 283
(PERMITTED TYPES OF WORK)

Minors shall only perform light works, which do not require great physical effort, and are unlikely to cause damage to their health and physical and mental development, and that are capable of providing them with learning and training conditions.

Article 284
(PROHIBITED OR CONDITIONAL WORK)

1. Minors shall not perform work which, due to its nature and potential risks, or the conditions in which it is performed, may cause damage to the minors' physical, mental or moral development.

2. Minors shall not work in theaters, cinemas, nightclubs, cabarets, dancings and similar businesses, or the business of seller or propagandist of pharmaceutics.

3. A Joint Executive Decree from the Ministries of Employment and Health shall establish the types of work that are prohibited or conditioned to minors, as well as the conditions under which the minors who have completed 16 years of age may have access to such types of work for the purposes of on-the-job training.

Article 285
(MEDICAL EXAMS TO MINORS)

1. Prior to hiring, the minor shall be subject to a medical exam in order to ascertain his/her physical and mental capability for the performance of the relevant job.

2. Medical exams shall take place every year until the minor reaches the age of 18, so as to make sure that the performance of the relevant job does not cause damage to the minor's health and development.

3. The General Inspectorate of Labor may, at its own initiative, request additional medical exams.

4. If the medical exam report determines the need to adopt certain work conditions or the transfer to another job, the employer shall implement such determination.

5. The employer shall maintain confidential the reports of the medical exams made to minors, except that it shall make them available to the health official entities and to the General Inspectorate of Labor.

Article 286
(COMPENSATION)

The minor's salary is determined by reference to the salary of an adult employee of the same profession, or to the minimum national salary in case of un-skilled work; except in the case of Article 36, the salary shall not be lower than the percentages shown below:

(a)	14 years of age	- 50%
(b)	15 years of age	- 60%
(c)	from 16 to 17 years of age	- 80%

Article 287
(WORK DURATION AND ORGANIZATION)

1. The minor's regular working hours cannot exceed 6 daily hours and 34 weekly hours if younger than 16 years of age, and 7 daily hours and 39 weekly hours if between 16 and 18 years.

2. Overtime is forbidden but it may be authorized by the General Inspectorate of Labor on an exception basis if the minor has completed 16 years of age and overtime is to avoid serious damage in the situations described in Article 102.2 (a) and (b).

3. Overtime performed in the exceptional cases referred in the preceding paragraph shall not, in any case, exceed 2 hours per day and 60 hours per year.

4. Minors younger than 16 years of age shall not work between 8 p.m. of one day and 7 a.m. of the following day, and may not work in rotational shifts.

5. Minors who are 16 or older may only work during the period referred in the preceding paragraph if this is absolutely indispensable for their professional training and prior authorization from the General Inspectorate of Labor has been obtained.

Article 288 (PROTECTION AGAINST TERMINATION)

Termination of minors shall be subject to the special authorization of the General Inspectorate of Labor provided in Article 227.3 (a) and (b), Article 233.2 and Article 244.2 for former combatants and employees with a reduced work capability.

Article 289
(SPECIAL WORK CONDITIONS)

The work by minors shall be subject to the following special conditions:

(a) The work schedule shall be organized so that the minor may attend school or any official professional training activity in which he/she may be enrolled;

(b) The employer and those with authority at the work center shall educate the minor in terms of the attitude regarding work, safety and hygiene at work and work discipline;

(c) Insofar the profession or skilled work for which the minor was hired shows not to be adequate to the minor's capabilities, the employer shall to the extent possible and after consultation with the minor's legal representative promote his/her transfer to a different job and tasks;

(d) The minor may only be transferred from the work center with express authorization of the legal representative.

SECTION III

EMPLOYEES WITH REDUCED WORK CAPACITY

Article 290
(GENERAL PRINCIPLES)

1. Employers shall promote the employment of employees with a reduced capacity to work, providing adequate work conditions and, either by cooperating with the State or by their own initiative, carrying out proper actions for professional training and

improvement or professional conversion.

2. The government shall encourage and support, by the most adequate and convenient means, the companies' policies in terms of employment of employees with a reduced work capacity.

3. Among the incentives to be considered by the Government there shall be the exemption from contributions for the Social Security, assessed on the salaries of such employees, and the granting of financial incentives for the hiring of such employees for a period of time to be defined in a Joint-Executive Decree.

4. The Government shall develop a special policy of incentives and support for disabled people injured in war actions.

Article 291 (REQUIREMENTS OF OCCUPATION AND JOB)

The jobs of employees whose work capacity is affected by reduction of the physical or mental capacity, whether such reduction is generated at birth or acquired later, shall be in accordance with the type and degree of disability, and shall take into account the employee's existing or remaining capacity to work.

Article 292 (WORK DURATION AND ORGANIZATION)

1. Whenever necessary, the work schedules of employees with a reduced capacity to work shall be arranged so that they can start and finish their daily work outside the peak hours for the public transports of passengers.

2. Whenever they so require, these employees shall work in part-time, with reduction of the regular daily work hours.

3. Employees with a reduced capacity to work shall not work overtime or at night.

Article 293 (COMPENSATION)

1. Employees with a reduced capacity to work, who work full time, shall receive compensation as follows:

   (a) The salary shall be proportional to the degree of effective capacity for the

performance of the job or functions;

(b) The verification of the degree of effective capacity shall be made, at the request of the employee, or the applicant to a job, or the employer, by the public health services, and shall take into consideration the specific requirements of the employee's job;

(c) If the degree of effective capacity is equal to or higher than 90%, in relation to the actual job or occupation, the employee shall be deemed as having an effective 100% capacity;

(d) The salary shall not be less than 50% of the salary of an employee occupying the same position in normal conditions of performance.

2. The salary reduction resulting from the application of the criteria defined in the preceding paragraph does not prevail upon the principle of equal work – equal pay.

3. An employee with a reduced capacity to work equal or higher than 30% who is also a former combatant is entitled to additional five working days of paid vacation.

CHAPTER XII

SOCIAL AND CULTURAL DEVELOPMENT OF EMPLOYEES

Article 294
(GENERAL PRINCIPLE)

1. The companies shall cooperate with the Government in promoting the social and cultural promotion of employees and their physical development.

2. To this end, employers shall to the extent possible and in addition to other obligations provided in this law carry out the policy established in the following Articles, and shall actively cooperate with the relevant authorities, the labor unions, and the employees' representative bodies.

Article 295
(SOCIAL FACILITIES FOR EMPLOYEES)

In accordance with their dimension and work organization conditions, the companies shall create and maintain adequate places for the employees to rest, socialize and spend their spare time, as well as for the improvement of their cultural level and physical development.

Article 296
(TRANSPORTATION)

Taking into account the distance from the work center in terms of public transportation and the degree of utilization of same, the companies may complement the public transport network in order to contribute, as refers the economy and rationalization of means, to the assiduity and punctuality of employees, as well as for them to start work in good physical conditions and psychological availability that allow for a high degree of work productivity.

Article 297
(PROMOTION OF CULTURE AND SPORTS)

1. To the extent possible, the companies shall support the employees' initiatives for the preservation and expansion of the national culture, namely at the formation of theatrical, musical and dancing groups, and to the cultural promotion of employees.

2. Companies shall further support and encourage the employees' initiatives for the practice of sports and physical exercise.

Article 298
(SOCIAL FUND)

1. Companies with a certain minimum number of employees to be defined in regulations may create a social fund to provide social assistance to employees, which shall be funded with a percentage of the profits before taxes.

2. In this respect, State-owned companies shall comply with the provisions of their by-laws or specific regulations.

3. A collective bargaining agreement or an agreement with the employee’s representative body may establish that a percentage of the employees' salary, not to exceed 0.5%, be deducted and paid to such social fund.

4. Through Joint Executive Decree of the Ministers of Finance and Employment, the government may establish a minimum number of employees above which the creation of such social fund is recommended, and the maximum percentage of profits to be allocated and the form of its management, which shall be joint by employer's and employees' representatives.

Article 299

(SCHOOL PREMISES)

Any employer who is authorized to have at its service minors not having the mandatory schooling, provided these are 20 or more, shall, in case the nearest school is at a distance of more than 5 kilometers from the work center, cooperate with the official services for education in order to install a schoolroom within the work center or in the neighborhood thereof.

CHAPTER XIII

GUARANTEE OF RIGHTS ARISING FROM EMPLOYMENT RELATIONSHIP

SECTION I

STATUTE OF LIMITATIONS AND EXPIRATION OF RIGHT OF ACTION

Article 300
(STATUTE OF LIMITATIONS)

1. All rights, credits and obligations of the employee or the employer arising from the implementation of the employment contract, its violation or its termination, are subject to a statute of limitations of one year starting on the day following the day of contract termination.

2. The statute of limitations set forth in the preceding paragraph shall specifically apply to salary credits, additional and complementary payments, indemnities and compensations due for contract termination, payments in kind and also the reimbursement of expenses incurred.

3. The provisions of the preceding paragraphs shall not prevail upon the special statute of limitations for outstanding credits during the performance of the contract provided in Article 187.1.

Article 301
(EXPIRATION OF THE RIGHT TO CLAIM REINSTATEMENT)

The right to take legal action for reinstatement in the company, in case of either individual or collective termination, expires after 180 days starting on the day after the day of termination.

Article 302

(EXPIRATION OF THE RIGHT OF ACTION IN CASE OF NON-PECUNIARY RIGHTS)

The right to demand the fulfillment of non-pecuniary obligations or the performance of actions that cannot be performed after contract termination shall expire within one year from the date they are due, but within the general statute of limitations set forth in Article 300.1.

Article 303
(SUSPENSION OF TERM)

The statute of limitations provided in Articles 300 thru 302 is suspended with the filing of the request for intervention of the provincial conciliation body or the lawsuit claiming the credits or the performance of the obligations.

Article 304
(WAIVER OF A CREDIT)

After termination of the employment relationship, the employee may waive, in all or in part, any credit he/she may have over the employer, and enter into any settlement, negotiation and offsetting agreements regarding such credits.

SECTION II

(COURTS' JURISDICTION)

Article 305
(INDIVIDUAL EMPLOYMENT DISPUTE)

An individual employment dispute is the one which arises between the employee and the employer for reasons related to the establishment, maintenance, suspension and termination of the employment relationship or to the execution of the employment contract and the satisfaction of the rights and the fulfillment of the obligations of both parties arising from said contract, as well as the recourse to disciplinary sanctions against the employee.

Article 306
(COURTS' JURISDICTION)

1. Provincial courts, through their Labor Section, have jurisdiction to accept and decide on individual employment disputes.

2. The above paragraph does not prejudice any other powers that the law may give to the

Labor Section of a provincial court.

3. Except in the following Article and in Article 309.5, the filing of a lawsuit resulting from an individual employment dispute shall be preceded by a conciliation attempt.

4. The establishment, functioning and territorial jurisdiction of the Labor Sections of the provincial courts, as well as the procedural rules, shall be set forth in specific statutes.

SECTION III

CONCILIATION OF INDIVIDUAL EMPLOYMENT DISPUTES

Article 307 (CONCILIATION ATTEMPT)

1. Any employment dispute shall mandatorily be subject to a conciliation attempt prior to the filing of a lawsuit with the court.

2. The above is not applicable if the dispute refers to:

   (a) Nullity of disciplinary termination on the grounds of Article 228.1 and 2;

   (b) Unlawful individual termination for objective reasons based on the grounds referred in Article 237.1 (a);

   c) Unlawful collective termination, based on the grounds referred in Article 247(a) and (b).

3. In the cases referred in subparagraphs (a) and (b) of the preceding paragraph, the person concerned may file the lawsuit immediately with the Labor Section of the relevant appropriate court.

4. In the case of subparagraph (c), of paragraph 2, Article 249.2 applies.

Article 308 (CONCILIATION BODY)

1. The conciliation attempt is carried out by the provincial body for the conciliation of employment disputes with the Labor Section, which is part of the organization of the provincial delegation of the Ministry of Employment.

2. This body is chaired by the appropriate Delegate of the Attorney General Office and is

made up of two advisors, one being a representative of the employers of that Province and the other a representative of the employees.

3. The Delegate of the Attorney General may request the assistance of the Provincial Delegate of the Ministry of Employment in order to carry out his/her functions.

4. The employers' and employees' advisors are appointed, respectively, by the employers' and employees' associations of that Province or, if such do not exist or fail to make the appointment within 30 days of this law coming into force, directly by the employers and the employees in meetings convened by the Provincial Delegate of the Ministry of Employment.

5. The employers' and employees' advisors may be appointed in lists of 5 persons so as to allow the replacement by another advisor in the list in case the first advisor in the list is not able to attend the meetings of the conciliation provincial body, or if such person may not be present should the dispute involve the company he/she belongs to or in which he/she works.

6. The absence of the advisors, or of any of them, does not prevent the conciliation attempt from taking place.

Article 309 (FILING OF APPLICATION)

1. The application for the conciliation attempt is filed in three copies by the interested person, either the employee or the employer, with the Delegate of the Attorney General Office, and shall include:

   (a) The applicant's name and that of the employer or the employee against whom it is directed, and respective addresses;

   (b) The claims presented and grounds thereof, described in a summarized but clear manner;

   (c) Whenever possible, the indication of the claimed amounts, if of a pecuniary nature.

2. The application for the conciliation attempt may be submitted orally; in this case, the General Attorney Office shall put it in writing, in three copies.

3. The applicant to the conciliation attempt shall include therein all claims he/she has against the other party prior thereto.

4. If the Delegate of the General Attorney Office considers that the application is clearly and totally inoperative, or with no legal grounds, the Delegate shall reject it, by means of a grounded decision issued within five days following the submission of the application; the interested party shall be notified of this decision and, if he so requests, shall be handed a copy of the decision and of the application for the conciliation attempt, such being stated in the respective file.

5. In case of rejection of the application, the interested person may file a lawsuit with the court, without prior conciliation attempt, along with the copies received pursuant to the preceding paragraph.

6. The suspension of the statute of limitations and expiration terms referred in Article 303 shall cease after 30 days from the date on which the interested person was notified in accordance with paragraph 4.

7. The appropriate Delegate of the General Attorney Office shall reject the application, notifying the interested person on such, if the conciliation provincial body has no territorial jurisdiction due to the employment relationship to which the dispute refers to have developed under the jurisdiction of another provincial delegation.

Article 310
(NOTICE OF MEETING)

1. If no rejection is issued, and within the time period set forth in paragraph 4 of the preceding Article, the appropriate Delegate of the General Attorney Office shall appoint the day and time for the conciliation attempt meeting, to be held within 10 to 15 days: the services of the General Attorney office shall send the notice to the parties and the advisors within the following 48 hours.

2. The notices shall be sent by the fastest and most reliable way, taking into account the existing conditions, and may also be sent through the administrative and police authorities, who shall be subject to the obligation to cooperate provided in Articles 76 and 77 of Law No. 18/88, of December 31, 1988.

3. In case of evident difficulty or disturbance in the communication systems, the deadline for scheduling the conciliation attempt may be extended for 30 days.

4. The notice of the meeting shall state the day, time and place of the meeting and the purpose thereof, and it shall be sent to the party against who a claim was made together with a copy of the application.

5. The meeting may be held in a place different from the office and place of the Provincial Delegation of the General Attorney Office, in view of the parties' interests, the final part

of Article 312.2 or other relevant circumstances in accordance with Article 66 of Law 18/88, of December 31, 1988.

Article 311
(ATTENDANCE)

1. The parties shall attend in person the conciliation attempt meeting.

2. If the employee is under age he/she may be accompanied by the legal representative.

3. The employee may also be accompanied by a representative of his/her labor union or by a workmate.

4. The employer may be represented by a director or by an employee with management responsibilities at the work center where the employee works or has worked, bearing a written statement, which shall be attached to the file, in which shall be expressly defined the representative powers and a statement that any confession or acceptance by such representative shall be binding on the employer.

5. The parties may also be accompanied by a lawyer with a power of attorney, which shall be attached to the file, and which shall be valid for any lawsuit that may take place between such parties should no conciliation be reached, or if conciliation is only partial.

6. In addition to the members of the provincial conciliation body, only the parties, their representatives and accompanying persons, and an official who will act as the secretary, may attend the meeting for conciliation.

Article 312
(FAILURE TO ATTEND)

1. If any party fails to attend the meeting on the appointed day and time, the following procedure shall be followed:

   (a) If the absence is justified until the appointed time, the conciliation attempt is postponed to one of the 10 following days, a new notice being sent to the absent party;

   (b) If the absence is not justified, the request is cancelled in case the absent party is the applicant of the conciliation attempt;

   (c) If the absence is not justified, the party in default being the one against whom the request had been filed, the applicant is given a document stating that the

conciliation attempt could not take place; the application may file the appropriate lawsuit within 30 days;

(d) In case of subparagraphs (b) and (c), the absent party is subject to a fine in accordance with the law;

(e) If the second meeting for the conciliation attempt cannot take place due to absence of one or the two parties involved, even if the absence is justified, there shall be no further postponement; in this case, the application is cancelled, and the statement referred in subparagraph (c) is delivered to the applicant, unless the applicant is the absentee, and the absence has not been justified, in which case subparagraph (b) shall apply;

(f) The fine to be applied under subparagraph (d) shall be annulled in case the absentee justifies his/her absence within five days in a way that is acceptable to the Chairman.

2. Once the conciliation attempt meeting has started, the Chairman may suspend it, for it to be resumed within a maximum of 15 days, at the request of any of the parties for a better consideration of the case, or if the provincial conciliation body deems it convenient for further investigation of the facts.

Article 313
(CONCILIATION ACT)

1. At the conciliation attempt meeting, with the presence of the parties and their accompanying persons, if any, the Chairman shall hear the arguments of the applicant and the claimed party, and immediately after shall summarize the request and the grounds thereof, and the position of the other party, and ask the parties whether they are willing to reach an agreement.

2. If there is no agreement, the Chairman advises which, in his/her opinion and without prejudice to the review the court may make, might be a possible compromise based on equity and balance, in view of the facts presented, the evidence submitted and the applicable law; after this, the Chairman shall invite the advisors to submit their opinion, if they so wish.

3. Forthwith, the Chairman shall ascertain again whether the parties are willing to conciliate and the conditions thereto.

4. If agreement is reached, the Chairman shall make sure that the minutes of the meeting include, in addition to the names of the attendants and their capacities,:

(a) A description of the various claims, the value of each claim and the total amount claimed;

(b) The issues on which agreement was reached; whenever the agreement has a financial value, such value shall be referred;

(c) The agreed deadlines for fulfilling the agreement if it is not to be fulfilled immediately; if the agreement is to be fulfilled immediately, this shall ne stated in the minutes;

(d) The claims of the application for a conciliation attempt which were waived;

(e) In case of partial conciliation, the applicant shall be asked to confirm that he/she whishes to waive the claims in relation to which not agreement was reached.

5. If no agreement was reached, the Chairman shall make sure that the minutes of the meeting include, in addition to the names of the attendants and their capacities,:

(a) The information referred in subparagraph (a) of the preceding paragraph;

(b) The total value claimed;

(c) The reasons why agreement was not possible;

(d) The applicant's statement that he/she does not waive the claim presented, if this is the case; the application shall always be asked about this issue.

6. The information referred in subparagraph (a) of paragraphs 4 and 5 may be made by reference to the application for the conciliation attempt if the Chairman considers this sufficient for the claim to be understood.

7. The minutes of the conciliation attempt meeting shall be prepared with do delay and shall be signed by the participants who are able to sign.

Article 314
(RATIFICATION OF THE AGREEMENT)

1. Once the minutes containing an agreement, either total or partial, are prepared and signed, the Chairman states therein the ratification of the agreement reached, except in the case of the following paragraph.

2. If the Chairman considers that the agreement is contrary to the principles of good faith

and equity, particularly if it seriously harms the employee's rights, in case such rights might be satisfied, the Chairman shall state his/her opinion, duly grounded, in the minutes.

3. If no ratification is made for the reasons referred in the preceding paragraph, any of the parties may declare, such being transcribed at once, that he/she wishes the case, including the minutes containing the Chaiman's statement, to be sent to the court for ratification by the judge.

4. The file shall be sent within five working days following such declaration, and the judge, after review by the appropriate Delegate of the Attorney General Office, shall come to a final resolution taking into account the information contained in the file and the reasons stated by the Chairman.

5. The ratification of the agreement, pursuant to paragraph 1 or paragraph 4, makes it an enforceable document, without prejudice to the judge's right to review the legality of the agreement confirmed under paragraph 1in case of actual enforcement.

6. The control of legality referred in the preceding paragraph is to ascertain whether the agreement recorded in the minutes, which was submitted as an enforceable document, violates any mandatory legal provisions or any indisposable rights, but it may not affect the rights to waiver and of conditional disposition set forth in Articles 304 and Article 185.1.

Article 315 (FILING OF THE LAWSUIT)

1. In case no agreement was reached, or it was only partial and the applicant made the statement referred in Article 313.4(e) and 313.5(d), the Chairman shall forward the file to the court register office, against receipt, within five working days following the conciliation attempt.

2. On the day following submittal, the provincial conciliation body shall notify the applicant of the date on which the file was entered into the court.

3. If the file is not forwarded to the court in the period of time referred in paragraph 1, and without prejudice of the disciplinary responsibility that may exist, the applicant may, by request to the judge of the Labor Section to be filed with the court register office, request that the Chairman of the provincial conciliation body be notified to submit the file within a period of three working days, on pain of being charged of disobedience.

Article 316

(IMPROVEMENT OF THE PROCEEDINGS)

1. Within 30 days of the file entry into the court, the plaintiff shall submit the following:

   (a) The evidence he/she may have available and which had not been submitted with the application for the conciliation attempt; the plaintiff shall not appoint more than three witnesses for each fact, nor more than five or seven in the whole, as the case is within the jurisdiction of the provincial court or beyond it;

   (b) An additional pleadings for the improvement of the claim, in triplicate; however, the plaintiff shall neither increase the claims nor the amounts discussed in the conciliation attempt as mentioned in the minutes thereof.

2. Once the documents referred in the preceding paragraph are submitted, or having elapsed the period of time referred in the same paragraph, the proceedings are submitted to the judge.

3. If no additional pleadings is added as referred in subparagraph (b) of paragraph 1, the judge shall declare the proceedings to be void, unless the judge considers that the description of the claim and the causes thereof contained in the file received from the conciliation body is sufficient to proceed.

4. If no evidence is submitted, the relevant provisions of the procedural law shall apply.

5. Once the additional pleadings are added, or in case of the final part of paragraph 3, the judge shall order that the defendant be notified to present his/her defense; the subsequent terms of the procedural law shall apply.

6. The deadline referred in paragraph 1 is counted from the notification of the appointment of the "pro bono" attorney if the applicant for the conciliation attempt is the employee and he/she has requested such “pro bono” attorney to be appointed within 10 days from the entry of the file into the court registry.

CHAPTER XIV

MISCELLANEOUS AND FINAL PROVISIONS

Article 318
(PUNISHMENT OF VIOLATIONS)

Violations of this law and ancillary legislation are punished with a fine as provided in a specific law, which shall determine the maximum and minimum amounts for each violation, the competent entities for applying the fines, the criteria for gradation thereof and the deadlines for filing the relevant legal actions.

Article 319
(NON-CONVERTIBILITY)

Fines applied for violation of this law cannot be converted into prison sentences, as provided in the appropriate law.

Article 320
(DEFINITIONS)

The attached annex, which is an integral part of this law, contains definitions for a better understanding of the terms used herein.

Article 321
(REGULATIONS)

This law shall be regulated by the Government within 18 months from its effective date.

Article 322
(REFERENCES)

The references made in this law refer to its Articles, unless otherwise indicated.

Article 323
(DOUBTS AND OMISSIONS)

The doubts and omissions arising in the interpretation and application of this law shall be resolved by the National Assembly.

Article 324
(REPEAL)

Any legislation which addresses the matters covered by this law in a different manner is hereby repealed, namely:

(a) Law 6/81, of 24 August 1981;
(b) Article 1 (g) and (m) of Law 11/75, of 15 December 1975;
(c) Decree 88/81, of 7 November 1981, regarding absences from work;
(d) Decree 18/82, of 15 April 1982, regarding motherhood protection;
(e) Decree 55/2, of 9 July 1982, regarding work by minors;
(f) Decree 61/82, of 3 August 1982, regarding the duration of work and the organization of the work time;
(g) Decree 16/84, of 24 August 1984, regarding the establishment of the employment relationship;
(h) Executive Decree 30/87, of 25 July 1987, which approved the regulation on vacation;
(i) Chapters V, VI and VII of the Cooperant Worker Statute, approved by Law 7/86, of 29 March 1986;
(j) Decree 32/91, of 26 July 1991, regarding collective termination;
(k) Chapter V of Decree 28/92, of 26 June 1992; the provisions of this General Labor Law are applicable instead of Chapter V of Decree 28/92, both the general provisions and the provisions regarding the specific work conditions of the former combatants and the employees with reduced capacity to work.

Article 325
(EFFECTIVE DATE)

This law is effective 60 days from its publication.

Reviewed and approved by the National Assembly, in Luanda, on 5 August 1999.

The President of the National Assembly, *Roberto António Francisco de Almeida*

Promulgated on 15 December 1999.

Be it published.

The President of the Republic, JOSÉ EDUARDO DOS SANTOS

ANNEX

To Article 320 of the General Labor Law

DEFINITIONS

For purposes of this law, the following definitions shall apply:

(a) SHIPOWNER – Any person or company on account of which a ship is prepared to set sail.

(b) WORK CENTER – Each of the company units that are physically separated, in which an activity is performed through a group of employees under a single authority.

(c) EMPLOYMENT CONTRACT – The contract whereby the employee provides his/her work to the employer, within the relevant organization and under the employer's direction and authority, in exchange for compensation.

(d) APPRENTICESHIP CONTRACT – The contract whereby an industrial or agriculture employer, or a craftsman, accepts to provide, or to have someone else providing, a methodical, complete and on-the-job professional training to a person who at the beginning of the apprenticeship is between 14 and 18 years of age; this person accepts to comply with the instructions and directions received from the employer and to perform, under proper supervision, the tasks that are assigned in order for his/her training, in the conditions and during the period of time agreed.

(e) TRAINING CONTRACT – The contract whereby an industrial, agriculture or service provider employer accepts to receive for on-the-job training, in order to improve the trainee's knowledge and adjust it to his/her academic level, a person between 18 and 25 years of age with a technical or professional degree, or an officially recognized professional or labor course, or a person between 18 and 30 without such degree or course, provided in both situations that the trainee has not entered into an employment contract until such time with the employer in question or any other employer.

(f) EMPLOYMENT CONTRACT AT HOME – The contract in which the work is performed at the employee's home or work center, or in another place freely chosen by the employee, without any direction or authority from the employer, provided that, in view of the salary paid, the employee is deemed to be in the economic dependence of the employer.

(g) RURAL EMPLOYMENT CONTRACT – The contract for the performance of a professional activity in agriculture, silviculture, provided the work is dependent upon the seasons and the climate conditions.

(h) EMPLOYMENT CONTRACT ABOARD VESSELS – The contract between a ship owner,

or its representative, and a sailor in order to perform work aboard a navy, commercial or shipping vessel.

(i) EMPLOYMENT CONTRACT ABOARD AIRCRAFT – The contract between an employer, or its representative, and an individual person in order to perform work aboard a commercial aircraft.

(j) TASK EMPLOYMENT CONTRACT – The contract between an employer, or the owner of a work, establishment or plant, and a person of entity, whereby this person or company performs certain tasks and services on the basis of a work sub-contract.

(k) CONTRACT FOR GROUPS – The contract in which a group of employees agrees to provide their professional work to an employer, but the employer only assumes this capacity in relation to the leader of the group, not its individual members.

(l) EMPLOYER – Any person or entity, public or private, whether mixed or private company, cooperative or labor organization, which organizes, commands and receives work from one or more employees.

(m) ESTABLISHMENT – Any stable organization of means, instruments or factors put together and organized by the employer in order to provide a service or a productive activity, in which the employees are individually and collectively subject to this law and the remaining sources of Employment Law.

(n) ABSENCE – The employee's absence from the work center during the normal daily work period.

(o) FLEXIBLE WORK SCHEDULE – The schedule in which the starting and finishing hours of work are not applicable to all employees, and in which each employee is free to choose his/her work schedule within the limits provided in the law.

(p) DISCIPLINARY INFRACTION – Any faulty behavior of the employee that violates the duties arising from the employment relationship, namely those provided in Article 46 of this law.

(q) WORK PLACE – The work center where the employee performs work on a regular and permanent basis.

(r) SAILOR – Any person, male or female, who accepts to the ship owner, or representative, to perform his/her professional activity aboard a vessel.

(s) APPOINTMENT – The action whereby an employee, whether belonging to the company personnel list or not, is charged with the management of any type of company or division, or is given responsibilities which require a special relation of trust, provided this is made with the

employee's agreement, for a limited period of time and only in the cases permitted by law.

(t) NORMAL WORK SCHEDULE – The period during which the employee is at the employer's disposal to perform the work that the employee is required to perform under the employment relationship, in exchange for the base salary.

(u) AVAILABILITY REGIME – The regime in which the employee must remain at the employer's disposal for certain time beyond the normal work period, inside or outside the work center, in order to respond to exceptional and unforeseeable work needs.

(v) COMPENSATION – All payments of an economic nature made by the employer to the employee in compensation for the work performed by the employee and in relation to the rest periods which the law considers equivalent to the work periods.

(w) TASK EMPLOYEE – The person or entity which, through a sub-contract with the contractor, or a contract with the owner of the work, establishment or plant, accepts to perform specific tasks or services related to a specialized profession or activity, by contracting employees, under indefinite or term employment contracts, and supplying to them the necessary tools and raw materials.

(X) EMPLOYEE – Any person, national or foreign resident, who freely agrees to make his/her work available to an employer, in exchange for compensation, within the employer's organization and under the employer's authority and direction.

(Y) NON-RESIDENT FOREIGN EMPLOYEE – The foreign national with professional, technical or scientific qualification in a field in which Angola is not self-sufficient, who is hired in a foreign country to perform his/her activity in Angola for a limited period of time.

(Z) NIGHT EMPLOYEE – The employee whose work schedule is exclusively at night, or which includes at least three hours at night.

(aa) MANDATORY OR COMPULSORY WORK – Any work or service that is demanded from a person by resorting to threats or force, and which the person has not agreed to perform.

(bb) OVERTIME WORK – The work performed outside the normal daily work period, whether in advance or after such period, during breaks for rest and meals or in the day or half-day of complementary weekly rest.

(cc) – NIGHT WORK – The work performed between 10.00 p.m. of one day and 6.00 a.m. of the following day.

(dd) PART-TIME WORK – The schedule in which the employee only works in the work center during certain number of days per year, month or week, or during a number of hours per day lesser than 2/3 of the number of days or hours of normal daily work under a full schedule

regime.
The President of the National Assembly, *Roberto António Victor Francisco de Almeida.*

The President of the Republic, JOSÉ EDUARDO DOS SANTOS

REPUBLIC OF ANGOLA

GENERAL LABOR LAW

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