THE CROATIAN PARLIAMENT

1872

Pursuant to Article 89 of the Constitution of the Republic of Croatia, I hereby issue the

DECISION

PROMULGATING THE LABOUR ACT

I hereby promulgate the Labour Act passed by the Croatian Parliament at its session on 15 July 2014.

Class: 011-01/14-01/109

Reg. No.: 71-05-03/1-14-2

Zagreb, 18 July 2014

The President of

the Republic of Croatia

Ivo Josipović, m. p.

LABOUR ACT

TITLE I

GENERAL PROVISIONS

Subject matter of the Act

Article 1

This Act regulates employment relationships in the Republic of Croatia unless otherwise provided for by another law or a published and valid international agreement, as concluded and ratified in accordance with the Constitution of the Republic of Croatia.

Article 2

(1) By virtue of this Act, the following European Union directives shall be transposed into the Croatian legal order:

- Council Directive 91/533/EEC of 14 October 1991 on an employer's obligation to inform employees of the conditions applicable to the contract or employment relationship (OJ L 288, 18.10.1991),
- Directive 2002/73/EC of the European Parliament and of the Council of 23 September 2002 amending Council Directive 76/207/EEC on the implementation of the

principle of equal treatment for men and women as regards access to employment, vocational training and promotion, and working conditions (OJ L 269, 05.10.2002),

- Council Directive 1999/70/EC of 28 June 1999 concerning the framework agreement on fixed-term work concluded by ETUC, UNICE and CEEP (OJ L 175, 10.7.1999),

- Council Directive 94/33/EC of 22 June 1994 on the protection of young people at work (OJ L 216, 20.8.1994),

- Council Directive 2010/18/EU of 8 March 2010 implementing the revised Framework Agreement on parental leave concluded by BUSINESSEUROPE, UEAPME, CEEP and ETUC and repealing Directive 96/34/EC (SL L 68, 18.3.2010),

- Directive 2008/104/EC of the European Parliament and of the Council of 19 November 2008 on temporary agency work (OJ L 327, 5.12.2008),

- Council Directive 97/81/EC of 15 December 1997 concerning the Framework Agreement on part-time work concluded by UNICE, CEEP and the ETUC (OJ L 014, 20.1.1998),

- Directive 2003/88/EC of the European Parliament and of the Council of 4 November 2003 concerning certain aspects of the organisation of working time (OJ L 299, 18.11.2003),

- Directive 2006/54/EC of the European Parliament and of the Council of 5 July 2006 on the implementation of the principle of equal opportunities and equal treatment of men and women in matters of employment and occupation (OJ L 204, 26.7.2006),

- Council Directive 98/59/EC of 20 July 1998 on the approximation of the laws of the Member States relating to collective redundancies (OJ L 225, 12.8.1998),

- Council Directive 2001/23/EC of 12 March 2001 on the approximation of the laws of the Member States relating to the safeguarding of employees' rights in the event of transfers of undertakings, businesses or parts of undertakings or businesses (OJ L 82, 22.3.2001),

- Directive 2002/14/EC of the European Parliament and of the Council of 11 March 2002 establishing a general framework for informing and consulting employees in the European Community (OJ L 80, 23.3.2002),

- Council Directive 2000/78/EC of 27 November 2000 establishing a general framework for equal treatment in employment and occupation (OJ L 165, 27.6.2007),

- Council Directive 92/85/EEC of 19 October 1992 on the introduction of measures to encourage improvements in the safety and health at work of pregnant workers and workers who have recently given birth or are breastfeeding (tenth individual Directive within the meaning of Article 16 (1) of Directive 89/391/EEC) (OJ L 348, 28.11.1992),

- Council Directive 91/383/EEC of 25 June 1991 supplementing the measures to encourage improvements in the safety and health at work of workers with a fixed-duration employment relationship or a temporary employment relationship (OJ L 206, 29.7.1991),

(2) The Government of the Republic of Croatia shall submit to the European Commission unique reports on the implementation of Directive 94/33/EC, Directive 2008/104/EC, Directive 2003/88/EC, Directive 2002/73/EC, Directive 2006/54/EC, Directive 2000/78/EC, Directive 91/383/EEC and Directive 92/85/EEC, of the content and within the deadlines as laid down by these directives.

Gender equality

Article 3

Gender neutral language shall be used in this Act and shall apply equally to both men and women.

Definition of terms "worker" and "employer"

Article 4

(1) Within the meaning of this Act, the term worker (employee, staff member, labourer, officer, clerk and similar - hereinafter: the worker) shall mean an employed natural person performing certain works for an employer.

(2) Within the meaning of this Act, the term employer shall mean a natural or legal person employing a worker and for which an employed worker performs certain works.

(3) A natural person who is, in accordance with legal provisions on companies, as a member of board or executive director, or a natural person in a different capacity who, in accordance with specific provisions, individually and independently or jointly and severally, is authorised to manage the operations of an employer may as an employed worker perform certain works for the employer.

(4) The provisions of this Act on fixed-term employment contract, termination of employment contract, periods of notice and severance pay shall not apply to the person referred to in paragraph 3 of this Article.

Records on workers employed with employer

Article 5

(1) The employer shall be obliged to keep records on workers he employs.

(2) The records referred to in paragraph 1 of this Article must contain information on workers and working time.

(3) The employer shall upon request be obliged to submit to labour inspector information referred to in paragraph 2 of this Article.

(4) A minister responsible for labour affairs (hereinafter: the Minister) shall by virtue of an ordinance stipulate the contents and the manner of keeping records referred to in paragraph 1 of this Article.

Electronic records on workers

Article 6

(1) An institution that is by virtue of specific provisions on pension insurance responsible for keeping records on insured persons shall in an electronic data base keep electronic records on persons being insured on the basis of employment relationship.

(2) The employer shall be obliged to deliver to the electronic data base of the institution referred to in paragraph 1 of this Article information on workers, including any change thereto as it may occur during the employment relationship, in a manner, of a content and within the time period as stipulated by virtue of specific provisions on pension insurance.

(3) The Minister shall by virtue of an ordinance prescribe the content and the manner of keeping records on workers, including the exchange thereof between the institutions with public authority in accordance with specific provisions on personal data protection.

Fundamental obligations and rights arising from employment relationship

Article 7

(1) The employer shall be obliged to ensure work for an employed worker and pay remuneration for the work performed, and the worker shall be obliged to perform the work following the instructions provided by the employer in line with the nature and type of work.

(2) The employer shall be entitled to determine the place and the manner of performing the work, and shall respect the worker's rights and dignity.

(3) The employer shall be obliged to ensure safe working conditions with no detrimental effects to the health of worker, in accordance with a special law and other regulations.

(4) Any direct or indirect discrimination in the area of labour and working conditions shall be prohibited, including the selection criteria and requirements for employment, advance in employment, professional guidance, education, training and retraining, in accordance with this Act and special laws and regulations.

(5) The employer shall be obliged to protect the worker's dignity during the work in case of acts, uncalled for and contrary to this Act and special legal provisions, of superiors, collaborators and persons with whom the worker contacts on a regular basis while performing his tasks.

Obligation to comply with employment relationship legislation

Article 8

(1) In employment relationship, both the employer and the worker shall be obliged to comply with the provisions of this Act and other laws, published and valid international agreements concluded and ratified in accordance with the Croatian Constitution, other legal provisions, collective agreements and working regulations.

(2) Before the worker starts working, the employer shall be obliged to enable the worker to acquaint himself with the employment-related regulations and inform the worker about the organisation of work as well as health and safety protection at work.

(3) The regulations on safety and health at work, collective agreements and working regulations must appropriately be made available to the workers.

(4) The general provisions of the law of civil obligations shall apply to the conclusion, validity and termination of employment contracts or to other issues related thereto, collective agreements or agreements between the works council and the employer, which are not regulated by this Act or any other laws and regulations, in accordance with the nature of such contracts.

Freedom of contract

Article 9

(1) The employer, worker and works council, as well as trade unions and employer associations, may agree on working conditions that are more favourable for the worker than the conditions provided for by this Act or any other laws and regulations.

(2) The employer, employer associations and trade unions may by virtue of a collective agreement agree on working conditions less favourable than the conditions provided for by this Act only if it is explicitly regulated by this Act or any other laws and

regulations.

(3) Unless otherwise provided for by this Act or any other laws and regulations, where a right arising from an employment relationship is differently regulated by the employment contract or working regulations, an agreement concluded between the works council and the employer, a collective agreement or by law, the most favourable right for the worker shall apply.

TITLE II

INDIVIDUAL EMPLOYMENT RELATIONSHIPS

1. ESTABLISHING AN EMPLOYMENT RELATIONSHIP

Concluding an employment contract

Article 10

(1) An employment relationship shall be established by virtue of an employment contract.

(2) Where an assignment contract with the worker concluded by the employer has the features of employment, due to the nature and type of work and the employer's authority, it shall be deemed that the employment contract has been concluded with the worker, unless the employer proves otherwise.

(3) Where the employer has no need for a specific worker's work, he may post that worker temporarily to a company associated with him, within the meaning of a specific provisions on companies, for a maximum period of six consecutive months, on the basis of an agreement between the associated employers and a written consent of the worker.

(4) The agreement referred to in paragraph 3 of this Article must contain information concerning:

1) name and place of business of associated employers,
2) full name and residence of the worker,
3) dates of commencement and termination of temporary post,
4) place of work and tasks to be performed by the worker,
5) remuneration, bonuses and pay periods, and
6) duration of a regular working day or week.

(5) The written worker's consent to the agreement referred to in paragraph 3 of this Article shall be regarded as an appendix to the employment contract, for the purpose of defining a fixed-term assignment at the associated employer.

(6) The provisions of Chapter 6 of this Act on temporary employment shall not apply to the post referred to in paragraph 3 of this Article.

(7) In relation to the worker referred to in paragraph 3 of this Article, the associated employer shall be regarded as the employer obliged to apply the provisions of this Act and any other laws and regulations governing the safety and health protection at work.

Employment contracts of indefinite duration

Article 11

(1) Unless otherwise provided for by this Act, an employment contract shall be a contract of indefinite duration.

(2) The employment contract of indefinite duration shall produce legal obligations for

the contracting parties until its termination, in a manner provided for by this Act.

(3) Where an employment contract does not define its duration, it shall be regarded as a contract of indefinite duration.

Fixed-term employment contracts

Article 12

(1) Exceptionally, an employment contract may be concluded for a fixed term, for the purpose of taking up an employment where the end of the employment is determined by objective conditions such as reaching a specific date, completing a specific task, or the occurrence of a specific event.

(2) The employer may enter into a successive fixed-term employment contract with the same worker solely on objective grounds, which must be clarified in the same contract or in a letter of engagement referred to in Article 14, paragraph 3 of this Act.

(3) The cumulative duration of all successive fixed-term employment contracts, including the first employment contract, may not exceed three consecutive years, unless where it is necessary for the purpose of replacing a temporarily absent worker or where it is on objective grounds allowed by law or a collective agreement.

(4) The limitations referred to in paragraphs 2 and 3 of this Article shall not apply to the first fixed-term employment contract.

(5) Any change or amendment to the fixed-term employment contract affecting its prolongation shall be regarded as a next successive fixed-term employment contract.

(6) An interruption of less than two months shall not be regarded as the interruption of the three-year period referred to in paragraph 3 of this Article.

(7) Where an employment contract is not concluded in compliance with the provisions of this Act or where a worker continues to work at the employer's after the expiry of the contract, it shall be deemed that the concluded contract was of indefinite duration.

Working conditions for fixed-term workers

Article 13

(1) The employer shall be obliged to ensure to the fixed-term worker the same working conditions comparable to a worker with an employment contract of indefinite duration concluded with the same employer or, under a specific regulation, with an employer associated with him, with same or similar qualifications and skills, who is engaged in the same or similar work.

(2) Where there is no comparable permanent worker with the employer referred to in paragraph 1 of this Article with same or similar qualifications and skills who is engaged in the same or similar work, the employer shall be obliged to ensure for the fixed-term worker the conditions defined by collective agreement or any other regulation applicable to him, as determined for the permanent worker who is engaged for similar tasks and possesses similar professional knowledge and skills.

(3) Where the working conditions are not provided for in a manner referred to in paragraph 2 of this Article by a collective agreement or another regulation applicable to the employer, the employer shall ensure the appropriate working conditions for his fixed-term worker comparable to the conditions for his permanent worker engaged in similar tasks and who possesses similar qualifications and skills.

(4) The employer shall be obliged to inform his fixed-term workers about assignments for which these workers could enter into an employment contract of indefinite duration and to ensure training and education for them under the conditions comparable to those for permanent workers.

Employment contract form

Article 14

(1) The employment contract shall be concluded in writing.

(2) The existence and validity of such a contract shall not be affected by the failure of contracting parties to enter into a written contract.

(3) Where an employment contract is not concluded in writing, the employer shall be obliged to deliver to the worker a letter of engagement prior to the start of employment.

(4) Where the employer fails to conclude a written employment contract with the worker or fails to deliver to the worker the letter of engagement prior to the start of employment, it shall be deemed that he entered into the employment contract of indefinite duration with the worker.

(5) The employer shall be obliged to deliver to the worker a copy of the application for mandatory pension and health insurances within eight days after the expiry of the time limit for the application for mandatory insurances under specific laws and regulations.

(6) The employment contracts for seafarers and workers on board seagoing fishing vessels shall be registered with the county public administration office or the City of Zagreb office responsible for labour.

(7) The Minister shall by virtue of an ordinance stipulate the registration procedure and the contents of the registry of employment contracts for seafarers and workers on board seagoing fishing vessels.

Mandatory content of written employment contracts or a letter of engagement

Article 15

(1) The written employment contract or the letter of engagement referred to in Article 14 (3) of this Act must contain information concerning:

1) the identities of the parties and their residence and the registered place of business,
2) place of work; where there is no fixed or main place of work, a reference that the work is performed at various places,
3) the title, nature or category of the work for which the worker is employed or a brief specification or description of the work,
4) the date of commencement of employment,
5) in the case of a fixed-term employment contract, the expected duration thereof;
6) the duration of paid annual leave to which the worker is entitled or, where this cannot be indicated when the contract is concluded or the letter of engagement is given, the procedures for allocating and determining such annual leave;
7) the length of the periods of notice to be observed by the worker and the employer or, where this cannot be indicated when the contract is concluded or the letter of engagement is given, the method for determining the periods of notice;
8) the basic salary, the bonuses and the frequency of remuneration payment to which the worker is entitled;
9) duration of a regular working day or week.

(2) The information referred to in paragraph 1, sub-paragraphs 6, 7, 8 and 9 of this Article may in the employment contract or the letter of engagement be given in the form of a reference to the laws, other regulations or administrative provisions, collective agreement or working regulations governing those particular points.

Mandatory content of the written employment contract for permanent seasonal jobs

Article 16

(1) Where the employer is mostly engaged in seasonal activities, a fixed-term employment contract may be concluded for permanent seasonal jobs.

(2) In the case of concluding the contract referred to in paragraph 1 of this Article, the employer shall be responsible for the application for extended pension insurance, for contributions and calculation and payment thereof.

(3) In addition to information referred to in Article 15 of this Act, the contract from paragraph 2 of this Article must contain additional information concerning:

1) conditions for and time during which the employer shall pay contribution for extended pension insurance,
2) time limit within which the employer is obliged to offer the worker entry into employment contract for the next season,
3) time limit within which the worker is obliged to provide his feedback concerning the offer from sub-paragraph 2 of this paragraph; this time limit may not be less than eight days.

(4) Where the worker unjustifiably declines the employment contract, the employer shall be entitled to claim a refund of contributions paid for the worker.

(5) The information referred to in paragraph 3, sub-paragraph 1 of this Article may be contained in the contract in the form of a reference to a collective agreement or working regulations governing those particular points.

Mandatory content of the written contract of employment at alternative workplace

Article 17

(1) In addition to information referred to in Article 15, paragraph 1, sub-paragraphs 1 to 9 of this Act, a written employment contract or a letter of engagement for works to be performed at the worker's home or outside the employer's premises, must contain additional information concerning:

1) working hours,
2) machinery, tools and equipment required that the employer is obliged to provide, install and maintain,
3) the use of worker's own machinery, tools and other equipment, and reimbursement of costs related thereto,
4) reimbursement of other worker's costs related to the performance of works,
5) method of worker's education and training.

(2) The provisions of Article 15, paragraph 2 of this Act shall apply accordingly to the contract referred to in paragraph 1 of this Article.

(3) The remuneration to the worker with whom the employer concludes the contract referred to in paragraph 1 of this Article may not be determined in the amount below the remuneration to the worker engaged in the employer's premises in the same or similar tasks.

(4) The contract from paragraph 1 of this Article may not be concluded either for the

works referred to in Article 64, paragraph 1 of this Act or any other works determined as such by this Act or any other laws and regulations.

(5) The employer shall be obliged to ensure safe working conditions for the worker, and the worker shall be obliged to comply with all safety and health protection measures in accordance with specific provisions.

(6) The provisions of this Act concerning the organisation of working time, overtime, reorganisation of working time, night work and break shall also apply to the contract referred to in paragraph 1 of this Article, unless otherwise provided for in specific provisions, a collective agreement, an agreement entered into between the works council and the employer or in the employment contract.

(7) The amount of work and time periods for the works performed under the contract referred to in paragraph 1 of this Article may not impact the worker's entitlement on daily, weekly and annual periods of rest.

Mandatory content of the written employment contracts or the letter of engagement in the case of expatriation of the worker

Article 18

(1) Where a worker is temporarily posted abroad for an uninterrupted period exceeding thirty days, the written employment contract or the letter of engagement must, in addition to the information referred to in Article 15 of this Act, contain the information concerning:

1) the duration of employment abroad;
2) the organisation of working time;
3) paid non-working days and holidays;
4) the currency to be used for the payment of remuneration;
5) other benefits in cash or kind attendant on the employment abroad;
6) the conditions governing the worker's repatriation.

(2) The information referred to in paragraph 1, sub-paragraphs 2, 3, 4 and 5 of this Article may in the employment contract or the letter of engagement be given in the form of a reference to the laws, other regulations or administrative provisions, collective agreement or working regulations governing those particular points.

(3) The employer must hand over to the worker prior to his expatriation a copy of the application for mandatory health insurance for the duration of work abroad, provided that such insurance is the employer's obligation under specific provisions.

(4) Where his employer posts the worker to a company associated to the employer, treated as such under specific provisions on companies, that has an establishment abroad, the employer may post the worker, subject to the latter’s written consent, to that associated company for a period of up to two years, subject to an agreement concluded between the associated employers.

(5) The provisions of paragraph 6 of this Act on temporary employment shall not apply to the post referred to in paragraph 4 of this Article.

The minimum employment age

Article 19

It shall be prohibited to employ a person under fifteen, of fifteen or above fifteen years of age and under eighteen years of age who is still subject to compulsory full-time elementary schooling.

Legal capacity of minors for entering into employment contract

Article 20

(1) Where a legal representative authorises a minor of or above fifteen years of age to conclude an employment contract, with the exception of a minor who is still subject to compulsory full-time elementary schooling, the minor shall have a legal capacity for the purpose of concluding and terminating such contract and for taking any legal actions with regards to the rights and obligations arising from or relating to such contract.

(2) The authorisation referred to in paragraph 1 of this Article shall not apply to legal actions for which the legal representative needs the consent of an authority responsible for social welfare.

(3) The employer may not employ the minor referred to in paragraph 1 of this Article with no authorisation of the legal representative or the consent of the authority responsible for social welfare to conclude an employment contract.

(4) In the case of a dispute between the legal representatives or between the legal representative(s) and the minor, the authorisation for concluding an employment contract shall be subject to the decision of the authority responsible for social welfare, with due account taken of minor's interests.

(5) The legal representative may withdraw or limit the authorisation from paragraph 1 of this Article or terminate the employment relationship on behalf of the minor.

(6) The guardian may give the authorisation referred to in paragraph 1 of this Article to the minor only with a previous consent of the authority responsible for social welfare.

(7) The authorisation referred to in paragraph 1 of this Article shall be given in writing.

Prohibition of certain works by minors

Article 21

(1) A minor may not be employed to perform works likely to harm their safety, health, morals or development.

(2) The Minister shall stipulate the works referred to in paragraph 1 of this Article by virtue of an ordinance.

(3) Without a prior health assessment the employer may not employ a minor for works that can be performed by the minor only after such an assessment.

(4) The Minister shall by virtue of an ordinance stipulate the works to be performed by minors only after the assessment of health conditions for performing those particular works.

Supervising certain works by minors

Article 22

(1) Where a minor, his parent or guardian, works council or trade union have any doubts that the works performed by the minor will put his safety, health, morals or development into risk, they may request from the employer that an authorised physician performs a health assessment of the minor and provides his findings and opinion of whether the works performed by the minor indeed harm his safety, health, morals or development.

(2) The costs of the health assessment, findings and opinion referred to in paragraph 1

of this Article shall be borne by the employer.

(3) Where the results of findings and the opinion referred to in paragraph 1 of this Article show that the works performed by the minor harm his safety, health, morals or development, the employer shall be obliged to offer to the minor the conclusion of employment contract for other appropriate works; where there are no such other works, he may give him a notice of dismissal in a manner and under the conditions stipulated by this Act.

Special requirements for entering into employment contract

Article 23

(1) Where specific employment relationship requirements are defined by law, regulations or administrative provisions, collective agreements or working regulations, an employment contract may be concluded only with a person meeting those particular requirements.

(2) A foreign national or a stateless person may enter into an employment contract under the conditions stipulated by this Act and specific provisions governing the employment of these persons.

The worker's obligation to inform the employer about sickness or some other circumstances

Article 24

(1) On the occasion of concluding the employment contract and during the employment relationship, the worker shall be obliged to inform the employer about sickness or any other circumstances precluding or hindering the exercise of obligations arising from the employment contract or harming the life or health of people that the worker makes contact with while executing the employment contract.

(2) In order to assess health capacities for particular tasks, the employer may direct the worker to a health assessment.

(3) The costs of health assessment referred to in paragraph 2 of this Article shall be borne by the employer.

Information that may not be requested

Article 25

(1) In the process of selecting the applicants for a job (an interview, testing, survey or similar) and concluding an employment contract as well as during the employment relationship, the employer may not request from the worker any information that is not directly related to the employment relationship.

(2) The answers to the questions referred to in paragraph 1 of this Article that are not allowed may be sustained.

2. WORKING REGULATIONS

Obligation to adopt working regulations

Article 26

(1) The employer who employs a minimum of twenty workers shall be obliged to adopt and make publicly available the working regulations governing remuneration, organisation of work, procedures and measures for protecting worker dignity, anti-discrimination measures and any other issues of importance for the workers employed with the employer, if these issues are not regulated by a collective agreement.

(2) Particular working regulations may also be adopted for a particular employer's undertaking and parts thereof or for particular groups of workers.

The procedure of adopting working regulations

Article 27

(1) The adoption of working regulations by the employer shall be subject to consultations with the works council in the cases, in a manner and under the conditions stipulated by this Act.

(2) The working regulations referred to in paragraph 1 of this Article must contain the date of entry into force.

(3) The working regulations from paragraph 1 of this Article may not enter into force prior to the expiry of the eight-day period of their publication.

(4) The working regulations shall be amended in a manner stipulated by this Act.

(5) The Minister shall stipulate the method of publishing the working regulations referred to in paragraph 1 of this Article by virtue of an ordinance.

(6) The works council may request the competent court to declare null and void the unlawful working regulations or the parts thereof.

3. PROTECTION OF LIFE, HEALTH AND PRIVACY

The employer's obligations to protect the life, health and morals of workers

Article 28

(1) The employer shall be obliged to provide and maintain plants, machinery, equipment, tools, workplace and the access thereto, and to organise work in such a manner so as to ensure the protection of life and health of workers, in accordance with specific provisions and the nature of work performed.

(2) The employer shall be obliged to inform the worker about any dangers pertaining to the work performed by the worker.

(3) The employer shall be obliged to train the worker for the work to be performed in such a manner so as to ensure the protection of the worker's life and health and prevent accidents.

(4) Where the employer is responsible for providing accommodation and food to the workers, due account shall be taken of protecting the life, health, morals and religion of the workers.

Protection of worker's privacy

Article 29

(1) The worker's personal data may be collected, processed, used or disclosed to third parties only if it is regulated by this Act or any other law or where it is necessary for the purpose of exercising the rights and obligations arising from the employment relationship or pertaining thereto.

(2) Where the personal data referred to in paragraph 1 of this Article must be collected, processed, used or disclosed to third parties for the purpose of exercising the rights and obligations arising from the employment relationship or pertaining thereto, the employer shall beforehand determine the data to be collected, processed, used or disclosed to third parties for the said purpose by virtue of the working regulations.

(3) The worker's personal data may be collected, processed, used or disclosed to third parties solely by the employer or a person duly authorised by the employer to do so.

(4) Wrong records of personal data shall be corrected immediately.

(5) Personal data for the keeping of which legal or material grounds cease to exist shall be deleted or removed otherwise.

(6) The employer who employs a minimum of twenty workers shall be obliged to appoint a person trustful to the workers who is, apart from the employer, authorised to supervise whether the personal data are collected, processed, used or disclosed to third parties in accordance with the law.

(7) The employer, the person referred to in paragraph 6 of this Article or any other person to whom in the course of his duties the worker's personal data are revealed, shall permanently keep the confidentiality of that data.

4. PROTECTION OF PREGNANT WORKERS, PARENTS AND ADOPTIVE PARENTS

Prohibition of discrimination of pregnant workers, women who have recently given birth or are breastfeeding

Article 30

(1) The employer may not refuse to employ a woman due to her pregnancy or offer her the conclusion of an amended employment contract under less favourable conditions on the grounds of her pregnancy, recent childbirth or breastfeeding within the meaning of specific provisions.

(2) The employer may not request any information whatsoever about pregnancy or direct any other person to do so, unless the worker personally demands for a particular entitlement provided for by laws, regulations and administrative provisions for the purpose of protecting pregnant workers.

Protection of pregnant workers, women who have recently given birth or are breastfeeding

Article 31

(1) The employer shall be obliged to offer a pregnant worker, a worker who has recently given birth or is breastfeeding within the meaning of a specific provisions, who performs works that have harming effects on her or the child's life or health, an appendix to the employment contract during the entitlement period providing for a fixed-term performance of other appropriate tasks.

(2) In the event of dispute between the employer and the worker, only a physician specialised in occupational medicine shall be competent to assess the appropriateness of the

tasks performed by the worker or other works offered in the case referred to in paragraph 1 of this Article.

(3) Where the employer is not in the position to act in a manner provided for in paragraph 1 of this Article, the worker shall be entitled to take a leave in accordance with specific provisions.

(4) With the expiry of entitlement in accordance with specific provisions the appendix referred to in paragraph 1 of this Article shall also cease to take effects and the worker shall continue performing the works she has previously performed under the employment contract.

(5) The appendix to the employment contract referred to in paragraph 1 of this Article may not result in the reduction of the worker's remuneration.

Presumption of full time work

Article 32

Where the previous length of employment relationship is of relevance for acquiring certain rights arising from the employment relationship or pertaining thereto, periods of maternity, parental or adoption leave, part-time work, periods of short-time work due to intensified childcare, the leave of pregnant women or a breastfeeding mother, and the periods of leave or short-time work having to care for a child with serious developmental disabilities shall be regarded as full-time work.

Maternity and parental rights

Article 33

The worker shall exercise their maternity and parental rights during the employment relationship in accordance with specific provisions.

Prohibition of dismissal

Article 34

(1) During pregnancy, maternity, parental or adoption leave, periods of part-time work, periods of short-time work due to intensified childcare, the leave of pregnant women or a breastfeeding mother, and the periods of leave or short-time work due to the care for a child with serious developmental disabilities, and within fifteen days after the end of pregnancy or the end of use of such entitlements, the employer may not terminate the employment contract of the pregnant woman and a person exercising any of these rights.

(2) The dismissal referred to in paragraph 1 of this Article shall be null and void if at the date of dismissal the employer is aware of circumstances referred to in paragraph 1 of this Article or if the worker within fifteen days after the delivery of notice informs the employer about the circumstance referred to in paragraph 1 of this Article and supports it with an adequate certificate issued by a competent physician or another competent authority.

(3) The employment contract for a person referred to in paragraph 1 of this Article shall be terminated upon the death of the employer who is a natural person, upon the termination of a small business by virtue of law or by the deregistration of a sole trader.

(4) The employment contract of the person referred to in paragraph1 of this Article may during the liquidation procedure, in accordance with specific provisions, be terminated due to business reasons.

The worker's right to terminate the employment contract by an extraordinary notice of termination

Article 35

(1) A worker exercising the right on maternity, parental or adoption leave, part-time work, short-time work due to intensive childcare, leave of pregnant women or a breastfeeding mother, and on the leave or short-time work having to care for a child with serious developmental disabilities or a worker whose employment contract is held in abeyance until the child's third year of age in accordance with specific provisions, may terminate the employment contract by giving an extraordinary notice of termination.

(2) An employment contract may be terminated in a manner referred to in paragraph 1 of this Article fifteen days prior to the date of the worker's reinstatement, at the latest.

(3) A pregnant worker may terminate the employment contract by giving an extraordinary notice of termination.

The right to reinstatement to the former or an equivalent position

Article 36

(1) On the expiry of maternity, parental and adoptive leave, a leave for the purpose of taking care of and nursing a child with severe developmental disabilities and the abeyance of the employment relationship until the child's third year of age in accordance with specific provisions, the worker who exercised any of these rights shall be entitled to return to his former position within one month after the date having notified the employer about the end of exercising of such a right.

(2) Where there is no need for the works performed by the worker prior to the exercise of rights referred to in paragraph 1 of this Article, the employer shall be obliged to offer the conclusion of employment contract for an equivalent post with working conditions not less favourable compared to those of the works performed by the worker prior to the exercise of such a right.

(3) The worker who has exercised the right referred to in paragraph 1 of this Article shall be entitled to additional training, where there has been a change in the technique or method of work, and to benefit from any improvement in working conditions during his absence to which he would have been entitled.

5. PROTECTION OF WORKERS SUFFERING FROM TEMPORARY OR PERMANENT INCAPACITY FOR WORK

Obligation to report temporary incapacity for work

Article 37

(1) The worker shall be obliged to inform the employer about his temporary incapacity for work as soon as possible and to deliver to him a medical certificate of temporary incapacity for work and the expected duration thereof within three days at the latest.

(2) A competent physician shall be obliged to issue the certificate referred to in paragraph 1 of this Article to the worker.

(3) If, due to justified reasons, the worker was not in the position to fulfil the obligation referred to in paragraph 1 of this Article, he shall be obliged to do so as soon as

possible, but no later than three days after the reasons thereof cease to exist.

(4) The Minister shall stipulate the contents and the method of issuing the certificate referred to in paragraph 1 of this Article by virtue of an ordinance.

Prohibition of dismissal due to temporary incapacity for work caused by injury at work or an occupational disease

Article 38

During the temporary incapacity for work due to medical treatment or recovery from an injury at work or an occupational disease the employer may not terminate the employment contract of the worker who has suffered from an injury at work or an occupational disease.

Prohibition of discrimination as regards advance in employment or the exercise of other rights

Article 39

Injury at work or an occupational disease may not constitute a ground for discrimination as regards worker's advance in employment and the exercise of other rights and benefits arising from the employment relationship or pertaining thereto.

The right to reinstatement or to an equivalent position of the worker who suffered from temporary incapacity

Article 40

(1) The worker who suffered from temporary incapacity for work due to injury or injury at work, illness or occupational disease, whose capacity for work following the medical treatment or recovery has been established by a competent physician or a competent authority pursuant to specific provisions, shall have the right to return to this job.

(2) Where there is no need for the works previously performed by the worker, the employer shall be obliged to offer him a conclusion of an employment contract for an equivalent post, which must to the greatest possible extent be comparable to the post previously held by the worker.

(3) Where the employer is not in the position to offer the conclusion of employment contract for an equivalent post, or where the worker refuses the offered change to the employment contract, the employer may give him a notice of dismissal in a manner and under the conditions prescribed by this Act.

(4) In the event of a dispute between the employer and the worker, only a physician specialised in occupational medicine shall be competent to assess the appropriateness of the offered post referred to in paragraph 2 of this Article.

(5) The worker from paragraph 1 of this Article shall be entitled to additional training, where there has been a change in the technique or method of work, and to benefit from any improvement in working conditions during his absence to which he would have been entitled.

The right to employment in other jobs

Article 41

(1) If, in accordance with specific provisions a competent authority establishes the

worker's partial work capacity or a partial loss of work capacity or an immediate danger of reduction of work capacity, the employer shall, taking into consideration the expert opinion of that authority, offer the worker to conclude an employment contract for the performance of a job that he is able to perform and which must, to the greatest possible extent, correspond to the position previously held by the worker.

(2) In order to provide the position referred to in paragraph 1 of this Article, the employer shall adjust the work to the abilities of the worker, alter the schedule of working hours, and undertake other measures to provide appropriate work to the worker.

(3) Where the employer has undertaken all the measures referred to in paragraph 2 of this Article without being able to ensure the adequate position to the worker or where the worker has refused the offer to conclude an employment contract for the performance of a job corresponding to his capabilities in accordance with the expert opinion of the competent authority, the employer may, with the consent of the works council, terminate the employment contract.

(4) In the event of a dispute between the employer and the worker, only a physician specialised in occupational medicine shall be competent to assess the appropriateness of the offered works referred to in paragraph 1 of this Article.

(5) Where the works council does not consent to the notice of dismissal to the worker referred to in paragraph 1 of this Article, the consent may be replaced by an arbitrary decision.

Severance pay in case of injury at work or occupational disease

Article 42

(1) A worker who has suffered an injury at work or an occupational disease, and following any medical treatment and professional rehabilitation, to whom the employer is not able to ensure an adequate position referred to in Article 41 of this Act, shall be entitled to a severance pay equivalent to twice the rate for severance pay to which the worker is entitled, provided that he fulfils the conditions for the severance pay entitlement stipulated by this Act.

(2) The worker referred to in paragraph 1 of this Article, who unjustifiably refuses the offered job referred to in Article 41 of this Act, shall not be entitled to severance pay in double amount.

Priority as regards training and education

Article 43

The worker who has suffered an injury at work or an occupational disease shall have priority as regards training and education organised by the employer.

6. TEMPORARY WORK

Temporary employment agency

Article 44

(1) Temporary employment agency (hereinafter: the agency) means an employer who, based on worker assignment contract, assigns workers to another employer (hereinafter: the user undertaking) to work there temporarily.

(2) Within the meaning of this Act, an assigned worker means the worker employed by the agency in order to assign him to the user undertaking.

(3) The agency may perform the activity of assigning workers to the user undertakings provided that it is established in accordance with specific provisions and registered with the ministry responsible for labour affairs (hereinafter: the Ministry).

(4) In addition to the activities referred to in paragraph 1 of this Article, the agency may perform economic activities pertaining to employment provided that it holds an appropriate license under specific provisions.

(5) The agency may not perform the activities referred to in paragraph 1 of this Article prior to the registration with the appropriate Ministry's registry.

(6) While performing the activities referred to in paragraph 1 of this Article, the agency may not charge the worker a fee for being assigned to the user undertaking or a fee for the entry into an employment contract between the assigned worker and the user undertaking.

(7) The agency shall deliver to the Ministry the statistical data on the activities referred to in paragraph 1 of this Article.

(8) The Minister shall stipulate the contents and the method of and time limits for the submission of data referred to in paragraph 7 of this Article by virtue of an ordinance.

Worker assignment contract

Article 45

(1) A worker assignment contract between the agency and the user undertaking shall be in written form.

(2) In addition to the agency's general terms of operations, the elements of the contract referred to in paragraph 1 of this Article shall include:

1) the number of assigned workers required by the user undertaking,
2) the period of assignment,
3) the place of work,
4) the works to be performed by assigned workers,
5) the method and period during which the user undertaking must deliver to the agency the calculation for remuneration to be paid and the regulations applied at the user undertaking for the purpose of determining the remuneration, and
6) the person authorised to represent the user undertaking before the assigned workers.

(3) In the event of assigning workers to the user undertaking located abroad, the contract referred to in paragraph 1 of this Article shall, in addition to the data from paragraph 2 of this Article, contain information concerning:

1) the legislation applicable to the assigned worker's employment relationship,
2) the assigned worker's rights to be exercised pursuant to this Act and other laws and regulations of the Republic of Croatia, which shall be ensured to the assigned worker by the user undertaking,
3) the obligation to bear the costs of repatriation.

(4) The contract referred to in paragraph 1 of this Article may not be concluded for the purpose of:

1) replacing the workers in strike at the user undertaking,
2) performing works that were performed by workers subject to the collective redundancy procedure referred to in Article 127 of this Act effected by the user undertaking in a previous period of six months,
3) works that were performed by the workers whose employment contracts were

terminated by the user undertaking due to business reasons in a previous period of six months,

4) works that are, under the regulations on safety protection at work, regarded as works under special working conditions, and the assigned worker does not meet the particular requirements,
5) assigning workers to another agency.

(5) By virtue of the contract referred to in paragraph 1 of this Article, the agency and the user undertaking may agree that the user undertaking shall for the assignment period keep records on assigned workers' working time, as well as the time limits and method for the delivery of the records to the agency.

Temporary assignment contract

Article 46

(1) The agency may conclude a temporary assignment contract of fixed or indefinite duration with the worker.

(2) In addition to the information from Article 15, paragraph 1, sub-paragraph 1 and sub-paragraphs 4 to 7 of this Act or, in the case of assignment of worker by the agency to the user undertaking located abroad, from Article 18, paragraph 1 of this Act, the contract referred to in paragraph 1 of this Article must contain information concerning:

1) the contract being concluded for the purpose of assigning a worker for temporary work at the user undertaking,
2) a reference to works that the worker will be assigned to perform,
3) obligations of the agency to the worker during the period of the assignment.

(3) In the period when the assigned worker with an employment contract of indefinite duration is not assigned to the user undertaking, he shall be entitled to the remuneration determined in a manner referred to in Article 95, paragraph 5 of this Act.

(4) The contract referred to in paragraph 1 of this Article concluded for an indefinite duration that is equal to the period of the worker's assignment to the user undertaking must contain information concerning:

1) names of contracting parties and their residence or registered place of business,
2) the expected duration of the contract,
3) the registered place of business of the user undertaking,
4) the place of work,
5) the works to be performed by the assigned worker,
6) the date of the beginning and the end of employment,
7) remuneration, bonuses and pay periods,
8) the duration of a regular working day or week.

(5) The agreed upon remuneration and other working conditions applicable to the assigned workers may not be lower or less favourable when compared to the remuneration or working conditions applicable to the worker employed with the user undertaking for the performance of the same tasks, which would be applicable to the assigned worker should he have concluded an employment contract with the user undertaking.

(6) As for other working conditions applicable to the assigned worker within the meaning of paragraph 5 of this Article, they include working time, breaks and rest periods, safety at work protection measures, protection of pregnant workers, parents, adoptive parents and youth, and non-discrimination, in accordance with specific anti-discrimination regulations.

(7) By way of derogation from paragraph 5 of this Article, the less favourable

working conditions applicable to the worker assigned to the user undertaking when compared to those applicable to the worker employed at the user undertaking may be agreed upon by collective agreement concluded between the agency or an association of agencies and trade unions.

(8) Where the remuneration and other working conditions cannot be determined in accordance with paragraphs 5 and 6 of this Article, they shall be determined by the worker assignment contract.

Termination of temporary assignment contract

Article 47

(1) The provisions of this Act on collective redundancies shall not apply to the termination of temporary assignment contracts.

(2) The agency may extraordinarily terminate a temporary assignment contract in the event of circumstances at the user undertaking referred to in Article 116, paragraph 1 of this Act and if the user undertaking informs the agency thereof in writing within fifteen days of the date of discovery of the fact providing for the grounds for an extraordinary notice of dismissal.

(3) The extraordinary notice of dismissal referred to in Article 116, paragraph 2 of this Act shall take effect as of the day of the written notification from paragraph 2 of this Article.

(4) The fact that the need for assigned worker at the user undertaking ceased to exist prior to the expiry of assignment period may not constitute a ground for the termination of temporary assignment contract.

(5) Where an assigned worker finds that during his assignment at the user undertaking any of his rights arising from the employment relationship were violated, he shall seek protection of the violated right with the employer in a manner determined in Article 133 of this Act.

Restriction of worker assignment period

Article 48

(1) The user undertaking may not use the work of the assigned worker for the performance of the same works for an uninterrupted period exceeding three years unless it is necessary for the purpose of replacing a temporarily absent worker or where it is allowed by collective agreement on the grounds of some other objective reasons.

(2) An interruption of less than two months shall not be regarded as the interruption of the three-year period referred to in paragraph 1 of this Article.

Agency's obligation towards assigned workers

Article 49

(1) Prior to assigning the worker to the user undertaking, the agency shall hand over an assignment letter, which shall contain the information referred to in Article 46, paragraph 2 of this Act, to the worker.

(2) Prior to assigning the worker to the user undertaking, the agency shall inform the worker about any specific professional qualifications or skills required for the performance of

works at the user undertaking, and about any work-related risks regarding health and safety protection at work, and for that purpose it shall train the assigned worker in accordance with the regulations on health and safety protection at work, unless it has been regulated as a user undertaking obligation in the worker assignment contract.

(3) The agency shall train the assigned worker and inform him about new technologies applicable to the works to be performed by the assigned worker, unless it has been regulated as a user undertaking obligation in the worker assignment contract.

(4) The agency shall pay to the assigned worker the remuneration for the work performed at the user undertaking as defined by contractual provisions even in the case where the user undertaking fails to deliver to the agency the calculation of remuneration to be paid.

Obligations of user undertaking

Article 50

(1) In relation to the assigned worker the user undertaking shall be regarded as the employer within the meaning of the obligation of implementing the provisions of this Act and other laws and regulations governing the safety and health protection at work and a special protection of particular categories of workers.

(2) In the course of concluding the contract referred to in Article 45 of this Act, the user undertaking shall fully and truthfully and in writing inform the agency about the working conditions applicable to the permanent workers employed with the user undertaking performing the works to be performed by the assigned worker.

(3) The user undertaking shall at least once a year notify the works council about the number and reasons for taking assigned workers, and shall inform the assigned workers about vacancies for which they meet the requirements.

Indemnity

Article 51

(1) Any damage to a third party caused by the assigned worker during his work at the user undertaking or related thereto shall be indemnified by the user undertaking, who shall be regarded as the employer considering the recourse liability of the assigned worker.

(2) The agency shall be held responsible for any damage caused by the assigned worker to the user undertaking during his work or related thereto, pursuant to the general provisions of the law of civil obligations.

(3) Where the assigned worker suffers any damage at work or in relation to the work at the user undertaking, he may file a claim against the agency or the user undertaking, in accordance with the provisions of Article 111 of this Act.

Record keeping

Article 52

(1) The application for the registration with the Ministry shall be submitted by the agency in writing.

(2) The agency's application shall be supported by the evidence of having been established in accordance with specific provisions.

(3) The Ministry shall issue the registration certificate containing the agency's

registration number and the date of registration.

(4) The agency shall in their legal transactions, business documents, letters and contracts indicate their registration number with the Ministry.

7. PROBATIONARY PERIOD, EDUCATION AND TRAINING FOR WORK

Contracting and duration of probationary period

Article 53

(1) A probationary period may be agreed upon by the employment contract.

(2) The length of the probationary period referred to in paragraph 1 of this Article may not exceed six month.

(3) The failure of the worker to fulfil the position requirements during the probationary period shall constitute a just cause for terminating the employment contract.

(4) The provisions of this Act on termination of employment contract shall not apply to the termination referred to in paragraph 3 of this Article, with the exception of Article 120, Article 121, paragraph 1 and Article 125 of this Act.

(5) In the case of contracted probationary period, the period of notice shall be minimum seven days.

Obligation to provide education and training for work

Article 54

(1) In line with his capacities and business requirements, the employer shall ensure schooling, education, vocational as well as professional training for the worker.

(2) The worker shall, in line with his working abilities and business requirements, take part in schooling, education, vocational and professional training.

(3) In the event of changes to or introduction of new patterns or organisation of work, the employer shall, in line with capacities and requirements of work, provide the worker with vocational or professional training.

Definition of trainee and the allowed period of employment contract with a trainee

Article 55

(1) The employer may employ a person employed for the first time in the occupation for which he received schooling as a trainee worker (apprentice or any other trainee - hereinafter: the trainee).

(2) The trainee from paragraph 1 of this Article shall be trained for independent work in the occupation for which he received schooling.

(3) A fixed-term employment contract may be concluded with a trainee.

Traineeships

Article 56

(1) The methods for training a trainee for independent work shall be stipulated by

working regulations or defined in the employment contract.

(2) In order to get trained for independent work, the trainee may be temporarily assigned to another employer.

Duration of traineeship

Article 57

Unless otherwise provided for by law, the length of the traineeship shall be one year at the most.

Qualification examination

Article 58

(1) After the expiry of traineeship, the trainee shall take a qualification exam, provided that it is laid down by laws and regulations, collective agreement or working regulations.

(2) Where the content of and methods for taking a qualification examination are not laid down by laws and regulations or collective agreement, the content of and methods for taking a qualification examination shall be laid down by working regulations.

(3) The employer shall be allowed to give a regular notice of dismissal to a trainee who has not passed the qualification examination.

Unremunerated traineeships

Article 59

(1) Where a qualification examination or work experience is laid down by laws and regulations as a prerequisite for the performance of jobs within a certain occupation, the employer may admit a person who completed schooling for such an occupation to professional training without entering into an employment relationship with him (unremunerated traineeship).

(2) The period of traineeship referred to in paragraph 1 of this Article shall be counted in the traineeship and the work experience period when they are stipulated as a prerequisite for the performance of jobs within a certain occupation.

(3) The unremunerated traineeship referred to in paragraph 1 of this Article shall not exceed the traineeship period.

(4) Unless otherwise provided for by this Act or another law, the provisions of this Act and other laws and regulations governing employment shall apply to unremunerated trainees, with the exception of the provisions on concluding employment contracts, remuneration and compensation, and termination of employment contracts.

(5) An unremunerated traineeship contract shall be concluded in writing.

8. WORKING TIME

Definition of working time

Article 60

(1) Working time shall mean any period during which the worker is obliged to be at work, at the employer's disposal (on stand-by) to carry out his duties in accordance with the employer's instructions, at his working place or another place determined by the employer.

(2) The period during which the worker is available for the employer's request for performance of works, should a need arise, shall not be regarded as working time, where the worker is neither located at his working place nor at another place determined by the employer.

(3) The availability period and remuneration shall be regulated by the employment contract or collective agreement.

(4) The period during which the worker is at work upon the employer's request shall be deemed working time, notwithstanding whether the works are performed at the place determined by the employer or the place selected by the worker.

Full-time work

Article 61

(1) Full-time work shall not exceed 40 hours a week.

(2) Where the working time is not laid down by law, collective agreement, agreement between the works council and the employer or by employment contract, it shall be deemed that full-time work means 40 hours a week.

(3) A full-time worker shall be allowed to conclude an employment contract with another employer for a maximum period of 8 hours a week or up to 180 hours a year only with the written consent of the employer or the employers with whom the worker already has a concluded employment contract.

Part-time work

Article 62

(1) Part-time work shall be any working time shorter than full-time work.

(2) The worker shall not be allowed to work at several employers with a working time exceeding forty hours a week.

(3) The worker referred to in paragraph 2 of this Article, whose total working time is forty hours a week, shall be allowed to conclude an employment contract with another employer for a maximum period of eight hours a week or up to one hundred and eighty hours a year only with the written consent of the employers with whom the worker has the employment contract already concluded.

(4) When concluding a part-time employment contract, the worker shall inform the employer about part-time employment contracts concluded with other employer or employers.

(5) Where a previous duration of the employment relationship with the same employer is of importance for the exercise of rights arising from the employment relationship, the periods of part-time work shall be regarded as full-time work.

(6) Unless otherwise provided for by collective agreement, working regulations or employment contract, the remuneration and other substantial rights of workers (long-service award, annual leave pay and Christmas bonus, etc.) shall be regulated and paid in proportion to the contracted working time.

(7) The employer shall be obliged to take into consideration the request of a full-time worker who is a contracting party in an employment contract for the entry into a part-time

employment contract, and *vice-versa*, provided that there is such a work option at the employer's.

Working conditions for part-time workers

Article 63

(1) The employer shall be obliged to ensure to the part-time worker working conditions comparable to those of the full-time worker with an employment contract concluded with the same employer or, under specific provisions, with an employer associated to him, having the same or similar qualifications and skills, who is engaged in the same or similar work.

(2) If the employer referred to in paragraph 1 of this Article has not employed a comparable full-time worker with the same or similar qualifications and skills who is engaged in the same or similar work, the employer shall be obliged to ensure his worker with a part-time employment contract the conditions regulated by collective agreement or any other regulation applicable, as are determined for a worker with a full-time employment contract who is engaged in similar work and possesses similar qualifications and skills.

(3) Where the working conditions are not defined in a manner referred to in paragraph 2 of this Article by collective agreement or another regulation applicable to the employer, the employer shall ensure the appropriate working conditions to his worker with a part-time employment contract comparable to the conditions for his worker with a full-time employment contract who is engaged in similar work and possesses similar qualifications and skills.

(4) The employer shall make possible to his part-time workers to take part in training and education under the same conditions applicable to his full-time workers.

Short-time work

Article 64

(1) For jobs involving exposure to harmful effects in spite of the implementation of health and safety at work protection measures, the working time shall be shortened in proportion to the harmful effects on the worker's health and capacity for work.

(2) The jobs referred to in paragraph 1 of this Article and working time related thereto shall be regulated by specific provisions.

(3) The worker engaged in the jobs from paragraph 1 of this Article shall be allowed to perform those particular works only for the duration of working time as defined in paragraph 2 of this Article and shall not be allowed to perform such works at another employer.

(4) It may be laid down in collective agreement or employment contract that the worker who is not engaged full-time in the jobs referred to in paragraph 1 of this Article may work part-time in other jobs of different nature than the jobs referred to in paragraph 1 of this Article, but for no longer than the full-time limit.

(5) As for the remuneration and the exercise of other rights arising from the employment relationship or relating thereto, a short-time work referred to in paragraph 1 of this Article shall be equal to the full-time work.

Overtime work

Article 65

(1) In the case of force majeure, an extraordinary increase in the scope of work and in other similar cases of a pressing need, the worker shall, at the employer's written request, work longer than the full-time or part-time working hours (overtime work).

(2) By way of derogation from paragraph 1 of this Article, where the employer, due to the nature of a pressing need, is not in a position to hand over a written request for overtime work before it begins, he shall be obliged to confirm the oral request in writing within seven days starting from the date overtime work was requested.

(3) If the worker works overtime, the total working time of the worker may not exceed 50 hours a week.

(4) The overtime work per worker may not exceed 180 hours a year, unless otherwise provided for in collective agreement, in which case it may not exceed 250 hours a year.

(5) Overtime work by minor workers shall be prohibited.

(6) A pregnant worker, a parent of a child under three years of age and a single parent of a child under six years of age who works part-time at several employers, and the worker referred to in Article 63, paragraph 3 and Article 62, paragraph 3 of this Act, may work overtime only when their written consent to such work is given to the employer, except in the case of force majeure.

Patterns of working time

Article 66

(1) The duration of worker's working time may be either evenly or unevenly distributed over days, weeks or months.

(2) Where working time is unevenly distributed, its duration may in one period be longer than full-time work or part-time work, and shorter in another.

(3) The patterns of working time shall be laid down by laws and regulations, collective agreement, agreement between the works council and the employer, working regulations or by employment contract.

(4) Where the pattern of working time is not laid down as defined in paragraph 3 of this Article, it shall be determined by virtue of the employer's written decision.

(5) Where the working time is unevenly distributed, the period covered by such a pattern may not be less than one month nor may it exceed one year, and such a pattern of working time must correspond either to the worker's full-time or part-time work, as applicable.

(6) Where the working time is unevenly distributed, the worker may work up to 50 hours a week, including overtime work.

(7) Where the working time is unevenly distributed, the worker may work up to 60 hours a week, if it is agreed upon by collective agreement, including overtime work.

(8) Where the working time is unevenly distributed, the worker may not, in any period of four successive months, work more than 48 hours a week on average, including overtime work.

(9) Uneven distribution of working time may be regulated under collective agreement as a total number of working hours during the period of uneven distribution of working time, with no restrictions referred to in paragraphs 6 and 7 of this Article applicable, but the total number of working hours, including overtime work, may not exceed the average of 45 hours a week within the four month period.

(10) The period referred to in paragraphs 8 and 9 of this Article may be six months under collective agreement.

(11) During the period of uneven distribution of working hours, the worker's pattern of working hours may be changed only for the remaining part of defined period of uneven distribution of working hours.

(12) Where prior to the expiry of defined period of uneven distribution of working hours the worker's working hours already correspond to the full-time or part-time work, as applicable, the employer shall request the worker to work overtime during the remaining part of the defined period, should there be a need for the work of that particular worker.

(13) Where the worker, whose fixed-term employment contract is about to expire, has worked more than the average full-time or part-time work as defined by the contract, as applicable, the number of hours exceeding the average full-time or part-time work as defined by the contract shall be regarded as overtime work.

(14) The period of annual leave and temporary unavailability for work shall not be counted in the four month period, or six month period, as referred to in paragraphs 8, 9 and 10 of this Article.

(15) The employer must inform the worker of his pattern of working hours or any change thereto at least one week in advance, except in the event of a pressing need for that particular worker's work.

Redistribution of working time

Article 67

(1) Where the nature of work requires so, the full-time or part-time work may be reorganised so that during the period, which is not to exceed twelve successive months, it exceeds full-time or part-time work in one period, and is less than full-time or part-time work in another period; this must be done in such a manner that the average working time under the redistribution scheme may not exceed the full-time or part-time work.

(2) Where the redistribution of working time is not agreed upon and provided for in a collective agreement or an agreement between the works council and the employer, the employer shall establish the redistribution of working time scheme including the reference to the works and number of workers covered by the redistribution of working time scheme, and shall submit that redistribution scheme to a labour inspector in advance.

(3) The redistributed working time shall not be regarded as overtime work.

(4) The redistributed working time may not exceed 48 hours a week during the period in which it lasts longer than full-time or part-time work, including overtime work.

(5) By way of derogation from the provision of paragraph 4 of this Article, the redistributed working time during the period in which it lasts longer than full-time or part-time work may exceed 48 hours a week, but it may not exceed 56, or 60 hours a week if the employer performs seasonal business activities, under the assumption that it is provided for in collective agreement and that the worker gives to the employer a written statement of his voluntary consent to such work.

(6) The worker who does not agree to work longer than 48 hours a week under the redistributed working time scheme must not suffer any adverse consequences.

(7) The employer shall deliver to the labour inspector, upon his request, the list of workers who gave their written consent referred to in paragraph 5 of this Article.

(8) The redistributed working time in the period during which it exceeds either the full-time or part-time work may last up to four months, unless otherwise provided for in collective agreement, in which case it may not exceed six months.

(9) The fixed-term employment contract for works performed under redistributed working time scheme shall be concluded for such a period so as to worker's average working

time must correspond to the full-time or part-time work defined by the contract.

Protection of vulnerable categories of workers

Article 68

(1) Minors may not work more than 8 hours in a 24-hour period.

(2) The worker working part-time for two or more employers, a pregnant worker, a parent with a child under three years of age and a single parent with a child under six years of age may work under the uneven distribution of working time scheme referred to in Articles 66 and 67 of this Act only if they hand over to the employer a written statement of their voluntary consent to such work.

Night work

Article 69

(1) Unless otherwise provided for by this Act, any other law or regulation, collective agreement or an agreement between the works council and the employer, night work means any work performed between 10 p.m. and 6 a.m., an in agriculture sector between 10. p.m. and 5 a.m.

(2) In the case of minors working in industry, any work in the period between 7 p.m. and 7 a.m. shall be regarded as night work.

(3) In the case of minors not working in industry, any work in the period between 8 p.m. and 6 a.m. shall be regarded as night work.

(4) The Minister shall lay down which business activities shall be regarded as industry within the meaning of paragraph 2 of this Article by virtue of an ordinance.

(5) Night worker means any worker who regularly works at least three hours of his daily working time as a normal course during night time, and any worker who works at least one third of his working time during the period of twelve successive months during night time.

(6) Normal working hours for night workers shall not, in the period of four months, exceed an average of 8 hours in any 24-hour period.

(7) Where, based on danger assessment carried out pursuant to specific provisions on protection at work, the night worker is exposed to special hazards or heavy physical or mental strain, the employer shall ensure that such a worker does not work more than 8 hours in any period of 24 hours during which he performs night work.

Prohibition of night work

Article 70

(1) Night work by minors shall be prohibited, unless such a work is a pressing need in business activities regulated by special legislation and where it may not be performed by adult workers; in such a case the minor may neither work between midnight and 4 a.m. nor may he work longer than 8 hours in any period of 24 hours during which he performs night work.

(2) In the event of night work referred to in paragraph 1 of this Article, the employer shall ensure that such a work is performed under the surveillance of an adult.

Shift work

Article 71

(1) Shift work means any method of organising work in shifts, whereby workers succeed each other at the same work station according to a certain pattern, which may be continuous or discontinuous.

(2) Shift worker means any worker who performs his work in different shifts, at the employer whose work is organised in shifts, based on patterns of working time, during the period of one week or one month.

(3) Where the work is organised in shifts that include night work, the change of shifts shall be ensured so as to limit the uninterrupted work in night shift to maximum one week.

Employer's obligations towards shift and night workers

Article 72

(1) In organising night or shift work, the employer shall be obliged to take special care so as to adapt the organisation of work to the worker and ensure that safety and health protection is adapted to the nature of night or shift work.

(2) The employer shall be obliged to ensure safety and health protection to night and shift workers adapted to the nature of their work, as well as that the functioning of sufficient protection and prevention services applicable to all other workers are available at any time.

(3) The employer shall be obliged to provide night workers with a health assessment before their assignment and thereafter at regular intervals, in accordance with the regulation from paragraph 8 of this Article.

(4) By way of derogation from paragraph 3 of this Article, the health assessment of night worker performing works under specific working conditions provided for in regulations or administrative provisions on protection at work, shall be conducted in accordance with those provisions.

(5) The costs of health assessment referred to in paragraph 3 of this Article shall be borne by the employer.

(6) Where a health assessment referred to in paragraph 3 of this Article establishes that the night worker suffers from health problems connected with the fact that he performs night work, the employer shall be obliged to ensure such a pattern of working time so that the worker can perform the same job in day work.

(7) Where the employer is not able to ensure for the worker referred to in paragraph 6 of this Article to perform the same job in day work, he shall be obliged to offer to the worker the employment contract for day work to which he is suited and which to the greatest possible extent shall be comparable to the works previously performed by the worker.

(8) The Minister shall stipulate the content, the method of and time limits for conducting health assessment referred to in paragraph 3 of this Article by virtue of an ordinance.

9. REST AND LEAVE

Break

Article 73

(1) Unless otherwise provided for by specific provisions, the worker who works at least 6 hours a day shall be entitled to a daily period of rest (a break) of minimum 30 minutes.

(2) The minor who works at least 4 and half hours a day shall be entitled to a daily period of rest (a break) of minimum 30 consecutive minutes.

(3) The part-time worker or minor at two or more employers with total daily working hours at all employers of at least 6 and 4.5 hours respectively, shall be entitled to a break at each employer proportionate to his contracted part-time work.

(4) The rest period referred to in paragraphs 1, 2 and 3 of this Article shall be counted in working time.

(5) Where, due to its specific nature it is not possible to interrupt the work in order to take a rest referred to in paragraph 1 of this Article, the period and method of taking the rest shall be provided for in collective agreement, agreement between the works council and the employer or employment contract.

Daily rest

Article 74

(1) The worker shall be entitled to a minimum daily rest period of 12 consecutive hours per 24-hour period.

(2) By way of derogation from paragraph 1 of this Article, the employer shall be obliged to ensure that his adult seasonal worker performing works that involve two periods of work split up over the day, is entitled to a minimum daily rest period of 8 consecutive hours.

(3) The worker referred to in paragraph 2 of this Article shall be afforded equivalent periods of compensatory rest right after his working time with no rest, or with a shorter period of rest.

Weekly rest

Article 75

(1) The worker shall be entitled to a weekly minimum uninterrupted rest period of 24 hours plus the hours of daily rest referred to in Article 74 of this Act.

(2) The minor shall be entitled to a weekly minimum uninterrupted rest period of 48 hours.

(3) The rest referred to in paragraphs 1 and 2 of this Article shall be used by the worker on Sundays or the day before or day after Sunday.

(4) Where the worker is not in a position to use the rest period referred to in paragraphs 1 and 2 of this Article, he shall be afforded equivalent periods of compensatory weekly rest right after his working time with no weekly rest, or with a shorter period of rest.

(5) As an exception, the shift workers or workers who due to objective technical reasons or organisation of work cannot use the rest period referred to in paragraph 1 of this Article, shall be afforded a weekly minimum uninterrupted rest period of minimum 24 hours, without counting in the daily rest referred to in Article 74 of this Act.

Entitlement to annual leave

Article 76

The worker shall be entitled to a paid annual leave in each calendar year.

Duration of annual leave

Article 77

(1) The worker shall be entitled to a annual leave of at least four weeks in each calendar year, and the minor and a worker engaged in works involving exposure to harmful effects in spite of the implementation of health and safety at work protection measures shall be entitled to at least five weeks of annual leave.

(2) A period of annual leave longer than the minimum period laid down in paragraph 1 of this Article may be defined by collective agreement, agreement between the works council and the employer, working regulations or employment contract.

(3) The first-time worker or the worker with the interruption period between two employments exceeding eight days shall acquire the entitlement to annual leave provided for in paragraphs 1 and 2 of this Article after six consecutive months of employment with that employer.

Proportion of annual leave

Article 78

(1) The worker who does not satisfy the condition for the acquisition of entitlement to annual leave as laid down by Article 77, paragraph 3 of this Act, shall be entitled to a proportion of annual leave, which shall be determined as a period of one twelfth of annual leave referred to in Article 77, paragraphs 1 and 2 of this Act, for each elapsed month of employment relationship.

(2) By way of derogation from Article 77 of this Act, the worker whose employment relationship is terminated shall be entitled to the proportion of annual leave in that calendar year.

(3) The employer who grants to the worker referred to in paragraph 2 of this Article annual leave in a period longer than the period to which he would have been entitled prior to the termination of employment relationship, shall not have right to claim any refund of remuneration paid for the use of annual leave.

Determination of annual leave

Article 79

(1) The annual leave referred to in Articles 77 and 78 of this Act shall be determined for the worker as a number of working days depending on the worker's weekly working time pattern.

(2) National holidays and non-working days stipulated by law, periods of temporary incapacity for work assessed by competent physician and days of paid leave shall not be counted in the period of annual leave.

(3) By way of derogation from paragraph 2 of this Article, where the worker should work on the day of holiday or a non-working day stipulated by law, but instead upon his request uses annual leave, that day shall be counted in the period of annual leave.

(4) In calculating the duration of annual leave as provided for in Article 78, paragraphs 1 and 2 of this Act, at least one half of the days of annual leave shall be rounded up to a whole day of annual leave, and at least one half of the month of work shall be rounded up to the whole month.

(5) Where the worker's employment relationship is terminated exactly in the middle of a month that has an even number of days, the right to one twelfth of annual leave for that

month shall be exercised at the employer with whom his employment relationship is being terminated.

Nullity of waiver of annual leave entitlement

Article 80

An agreement under which a worker waives his entitlement to annual leave in return for compensation shall be null and void.

Remuneration during annual leave

Article 81

During annual leave the worker shall be entitled to remuneration in the amount defined by collective agreement, working regulations or employment contract, which may not be less than his average monthly remuneration over the previous three months (counting in any benefits in cash or in kind representing compensation for work).

Allowance in lieu of annual leave

Article 82

(1) In the case of termination of employment contract, the employer shall be obliged to pay to a worker who did not use his annual leave an allowance in lieu of annual leave.

(2) The allowance referred to in paragraph 1 of this Article shall be determined in proportion to the number of days of unused annual leave.

Taking portions of annual leave

Article 83

Where the worker uses his annual leave in portions, he must use at least two consecutive weeks of annual leave in the calendar year for which he exercises the right to annual leave, unless otherwise agreed upon by the worker and the employer, provided that the worker has acquired the entitlement to annual leave exceeding two weeks.

Carrying over annual leave to the next calendar year

Article 84

(1) The worker shall be entitled to carry over the unused portion of annual leave longer than the portion of annual leave referred to in Article 83 of this Act, and use it by 30 June of the following calendar year, at the latest.

(2) The worker who has acquired the right to a proportion of annual leave shorter than the portion of annual leave referred to in Article 83 of this Act, may carry it over and use it by 30 June of the following calendar year, at the latest.

(3) The worker may not carry over to the next calendar year a portion of annual leave referred to in Article 83 of this Act if he was allowed to use that leave.

(4) The worker shall be entitled to use the annual leave or a portion thereof which is either interrupted or unused in the year it was acquired due to illness or maternity leave,

parental or adoption leave, or the leave for having to take care of a child with serious developmental disabilities, after returning to work, and by 30 June of the following calendar year, at the latest.

(5) By way of derogation from paragraph 4 of this Article, the worker shall be entitled to use the annual leave or a portion thereof, which, due to maternity leave, parental or adoption leave, or the leave for having to take care of a child with serious developmental disabilities, he was not in a position to use or was not allowed by the employer to use by 30 June of the following calendar year, by the end of calendar year in which he returned to work.

(6) A seafarer, worker abroad or a worker on duty in national defence forces may use the annual leave in full in the following calendar year.

Annual leave schedule

Article 85

(1) The annual leave schedule shall be prepared by the employer, in accordance with collective agreement, working regulations, employment contract and this Act, by 30 June of the current year, at the latest.

(2) The two or more employers of the same part-time worker who fail to agree upon his annual leave in the same period shall be obliged to afford him the use of annual leave on his request.

(3) In preparing the annual leave schedule, the organisation of work requirements and the options for rest available to the workers shall be taken into account.

(4) The employer must inform the worker of the duration and the period of use of annual leave at least 15 days before annual leave is to be taken.

(5) The worker shall be entitled to take one day of annual leave at his convenience, provided that he inform the employer thereof at least three days in advance, with the exception of cases in which it is not possible for specific justified reasons on the employer's part.

Paid leave

Article 86

(1) During the calendar year, the worker shall be entitled to be free from work with remuneration (paid leave) for important personal purposes, and, in particular for those related to marriage, childbirth, serious illness or death of an immediate family member.

(2) Unless otherwise provided for by collective agreement, working regulations or employment contract, the worker shall be entitled to the leave referred to in paragraph 1 of this Article for seven working days a year in total.

(3) Member of the immediate family referred to in paragraph 1 of this Article shall mean a spouse, blood relatives in the direct line and their spouses, brothers and sisters, step-children and adopted children, children in foster care, step-father and step-mother, adoptive parent and person to whom the worker is obliged to provide statutory maintenance, and a person with whom the worker is in an extramarital union.

(4) The worker shall be entitled to paid leave during education, vocational or professional training or during education for the purposes of engaging in the works council or trade union work, under the conditions, for the duration and with remuneration determined by collective agreement, agreement between the works council and the employer or working regulations.

(5) For the purpose of acquiring the rights arising from employment or related thereto, the periods of paid leave shall be regarded as time spent at work.

(6) Unless otherwise provided for by collective agreement, agreement between the works council and the employer or employment contract, the worker who is a voluntary blood donor shall be entitled to one day off work on the day of blood donation.

Unpaid leave

Article 87

(1) The employer may grant the worker unpaid leave, at the worker's request.

(2) Unless otherwise provided for by law, during unpaid leave, the rights and obligations arising from employment or related thereto shall be held in abeyance.

10. DIFFERENT REGULATION OF WORKING TIME, NIGHT WORK AND REST

Different regulation for specific categories of workers

Article 88

(1) The provisions of this Act on working time, breaks, daily and weekly rest shall not apply to workers on board seagoing fishing vessels.

(2) The Minister shall, alongside a prior opinion of the minister responsible for maritime affairs and the minister responsible for fisheries, adopt working regulations on working time, breaks and leave for workers on board seagoing fishing vessels.

(3) The provisions of this Act on maximum duration of weekly working time, period referred to in Article 66, paragraph 8 of this Act, night work and daily or weekly rest, due to the specificity of their work, shall not apply to those workers whose duration of the working time cannot be measured and/or predetermined or whose working time can be determined by the workers themselves (managing executive or a family worker with the employer - natural person, living in the same household with the employer and performing certain works for the employer under employment contract, etc.), provided that they have contracted with the employer their autonomous decision-taking powers in that respect.

(4) A managing executive referred to in paragraph 3 of this Article shall mean the worker authorised to manage the employer's operations, to autonomously conclude legal acts in the name and on the account of the employer, whose working time pattern cannot be predetermined and who is autonomous in decision-making about organisation of working time.

(5) The employer shall be obliged to inform the works council about contracts concluded with the workers referred to in paragraph 3 of this Article.

Different regulation by means of laws or collective agreement

Article 89

1. Unless otherwise provided for by specific provisions, the employer may for his adult workers provide for derogations from the provisions on duration of working time for night worker, daily or weekly rest, provided that the worker is afforded equivalent periods of

compensatory rest in accordance with paragraphs 2 and 3 of this Article, during which the employer is obliged to provide for the exercise of this right, and particularly:

1) when the worker's place of work and his place of residence are distant from one another, or where the worker's different places of work are distant from one another,
2) in the case of security and surveillance activities requiring a permanent presence in order to protect property and persons,
3) in the case of activities involving the need for continuity of service or production, particularly:
   - services relating to the reception, treatment and care provided by hospitals or similar establishments, residential institutions and other legal entities performing social care-related activities, and prisons,
   - dock or airport workers,
   - in the case of services directly related to the press, radio, television, cinematographic production, postal and telecommunications services, ambulance, firefighting and civil protection services,
   - gas, water and electricity production, transmission and distribution, household refuse collection and incineration plants,
   - industries in which work cannot be interrupted on technical grounds,
   - research and development activities,
   - workers concerned with the carriage of passengers on regular urban transport services,
4) where there is a foreseeable surge of activity, particularly in:
   - agriculture,
   - tourism,
   - postal services,
5) in the case of workers in railway transport, whose activities are intermittent, and who spend their working time on board trains or whose activities are linked to transport timetables,
6) in the case of force majeure and where occurrences are due to unusual and unforeseeable circumstances.

(1) In the case referred to in paragraph 1 of this Article, a daily rest afforded to the worker may not be less than 10 consecutive hours, or a weekly rest of less than 20 consecutive hours.

(2) By way of derogation from paragraph 2 of this Article, a daily rest of at least 8 hours may be provided for by means of collective agreement.

(3) The worker shall be afforded periods of compensatory daily or weekly rest right after the end of period at work due to which the worker used a shorter daily or weekly rest.

11. REMUNERATION AND COMPENSATION

Determining pay

Article 90

(1) The employer shall be obliged to calculate and pay remuneration to the worker in the amount provided for by means of law, collective agreement, working regulations or employment contract.

(2) Where bases and criteria for remuneration are not provided for by collective agreement, the employer employing at least 20 workers shall be obliged to determine them by means of working regulations.

(3) Where the remuneration is not determined in a manner referred to in paragraphs 1 and 2 of this Article, and the employment contract does not contain sufficient information to be used for that purpose, the employer shall be obliged to pay the worker adequate remuneration.

(4) Adequate remuneration means remuneration regularly paid for equal work or, where it is not possible to establish such remuneration, a remuneration determined by the court on a case by case basis.

Equal pay for women and men

Article 91

(1) The employer shall be obliged to pay equal remuneration to female and male workers for the same work or for work to which equal value is attributed.

(2) For the purposes of paragraph 1 of this Article, two persons of different sex perform the same work or work to which equal value is attributed if:

1) they perform the same work under the same or similar conditions or if they could substitute one another at the workplace,
2) the work one of them performs is of a similar nature to that performed by another, and the differences between the work performed by them and conditions under which it is performed have no significance in relation to the overall nature of the work or they appear so rarely that they have no significance in relation to the overall nature of the work,
3) the work one of them performs is of equal value as that performed by another, taking into account criteria such as qualifications, skills, responsibilities and conditions under which the work is performed and whether the work is of manual nature or not.

(3) Within the meaning of paragraph 1 of this Article, remuneration shall mean a basic or minimum salary plus any additional benefits of any kind paid by the employer to the female or male worker for the work performed, either directly or indirectly, in cash or in kind, under an employment contract, collective agreement, working regulations or any other laws and regulations.

(4) Any provision in an employment contract, a collective agreement, working regulations or any other legal act contrary to paragraph 1 of this Article shall be null and void.

Payment of remuneration and compensation

Article 92

(1) Remuneration shall be paid after the work has been performed.

(2) Remuneration and compensation shall be paid in money.

(3) Unless otherwise provided for by the collective agreement or employment contract, remuneration and compensation for the previous month shall be paid no later than within the fifteenth day of the current month.

(4) Within the meaning of this Act, remuneration and compensation means a remuneration and compensation in gross amount.

Documentation on remuneration, compensation and severance pay

Article 93

(1) The employer shall be obliged to hand over to the worker a payroll account, no later than 15 days after the remuneration, compensation or severance pay is paid, evidencing the method of determining these amounts.

(2) The employer who fails to make the payment of remuneration, compensation or severance pay within their due dates, or who fails to pay them in the full amount, shall be obliged to provide the worker with a payroll account for the amounts he was required to pay, by the end of month in which the payment of remuneration, compensation or severance pay was due.

(3) The payroll accounts referred to in paragraph 2 of this Article shall be instruments permitting enforcement.

(4) The Minister shall stipulate the contents of payroll accounts referred to in paragraphs 1 and 2 of this Article by virtue of an ordinance.

Entitlement to remuneration increase

Article 94

The worker shall be entitled to an increased remuneration for arduous working conditions, overtime and night work, and for work on Sundays, holidays, and on other days that are not working days according to the law.

Compensation

Article 95

(1) The worker shall be entitled to compensation for periods in which he does not work due to legitimate reasons established by law, regulations or administrative provisions, collective agreement, working regulations or employment contract.

(2) The period referred to in paragraph 1 of this Article that is subject to compensation at the expense of the employer shall be established by law, regulations or administrative provisions, collective agreement, working regulations or employment contract.

(3) The worker shall be entitled to compensation during the period of work interruption due to the fault of the employer or due to other circumstances beyond the worker's responsibility.

(4) The worker who refuses to work due to non-compliance with the laws and regulations on protection of the safety and health of workers shall be entitled to compensation for the period until the prescribed measures are implemented, unless the worker has been assigned to other comparable position during this period.

(5) Unless otherwise provided for by this Act or another law, regulations or administrative provisions, collective agreement, working regulations or employment contract, the worker shall be entitled to compensation amounting to the average remuneration he received over the preceding three months.

Prohibition of offsetting

Article 96

(1) The employer may not, without the worker's consent, settle his claims against the worker by withholding payment of remuneration or compensation, or a part thereof.

(2) The worker may not give his consent referred to in paragraph 1 of this Article prior to the occurrence of claims.

Protection of remuneration against forced execution

Article 97

Worker's remuneration or compensation may be subject to forced execution under specific provisions.

12. INVENTIONS AND TECHNICAL INNOVATIONS CREATED BY WORKERS

Inventions created at work or in relation to work

Article 98

(1) The worker shall be obliged to inform his employer on his invention created at the workplace or in relation to work.

(2) The information about the invention referred to in paragraph 1 of this Article shall be covered by the worker's obligation on business secrecy and he may not disclose it to third parties without the employer's agreement.

(3) Any invention referred to in paragraph 1 of this Article shall be the property of the employer, and the worker shall be entitled to a reward established by collective agreement, employment contract or special agreement.

2. By way of derogation from paragraph 3 of this Article, an invention created by the assigned worker referred to in Article 44, paragraph 2 of this Act shall be the property of the user undertaking, while the assigned worker shall be entitled to a reward established by special agreement.

(4) Where the award is not established in a manner referred to in paragraphs 3 and 4 of this Article, the court shall establish an adequate reward.

Invention connected with employer's economic activity

Article 99

(1) Where the worker's invention is neither created at the workplace nor in relation to the work, but is rather connected with the employer's economic activity, the worker shall be obliged to inform the employer thereon and make a written offer to the employer concerning the assignment of invention rights.

(2) The employer shall be obliged to respond to the worker's offer from paragraph 1 of this Article within one month.

(3) The provisions of statutory pre-emption rights shall apply accordingly to the assignment of invention rights referred to in paragraph 1 of this Article.

Technical innovations

Article 100

(1) Where the employer agrees to apply a technical innovation suggested by the worker, the employer shall be obliged to pay the worker the reward established by collective agreement, employment contract or special agreement.

(2) By way of derogation from paragraph 1 of this Article, where the user undertaking referred to in Article 44, paragraph 1) of this Act agrees to apply a technical innovation

suggested by an assigned worker, he shall be obliged to pay the worker the reward established by means of special agreement.

(3) Where the award is not established in a manner referred to in paragraphs 1 and 2 of this Article, the court shall establish an adequate reward.

13. BAN OF COMPETITION BETWEEN WORKER AND HIS EMPLOYER

Legal ban of competition

Article 101

(1) Without the employer's agreement, the worker may not on his own account or on the account of third parties enter into business transactions in the field of economic activity pursued by his employer (legal ban of competition).

(2) If the worker fails to comply with the ban referred to in paragraph 1 of this Article, the employer may either claim indemnification for damage or require that the business transaction be considered concluded on the employer's account, i.e. that the worker transfers to the employer any profit earned from such transaction or any claims resulting from this transaction.

(3) The employer's right referred to in paragraph 2 of this Article shall cease to exist three months after the date on which the employer learnt that the business transaction had been concluded, and in any case five years after the date on which the transaction was concluded.

(4) If, at the time of commencement of employment, the employer was aware of the fact that the worker was engaged in certain business activities, and did not require from the worker to stop engaging in such activities, it shall be deemed that the employer gave the worker approval for performing such activities.

(5) The employer may revoke the approval referred to in paragraphs 1 and 4 of this Article, in compliance with the time limit, prescribed or contracted, for notice of dismissal.

Contractual ban of competition

Article 102

(1) The employer and the worker may establish in their contract a period of time following the termination of employment contract, during which the worker shall not be allowed to take employment with the employer's market competitor or to enter into business transactions, on his account or on the account of third parties, which are regarded as competition to the employer (contractual ban of competition).

(2) The contract referred to in paragraph 1 of this Article may not be concluded for a period exceeding two years after the date of termination of the employment relationship.

(3) The contract referred to in paragraph 1 of this Article may be an integral part of the employment contract.

(4) The contract referred to in paragraph 1 of this Article shall be concluded in writing.

(5) The contract referred to in paragraph 1 of this Article shall not be binding on the worker if the purpose of the contract is not to protect the legitimate business interests of the employer or if, taking into account the area, time and aim of the ban in relation to the legitimate business interests of the employer, the contract disproportionately limits the work and promotion of the worker.

(6) The contract referred to in paragraph 1 of this Article shall be null and void if

concluded by a minor worker or a worker who, at the time the contract is concluded, is receiving remuneration below the average salary in the Republic of Croatia.

(7) In the case from paragraph 6 of this Article, the employer may not invoke the nullity of contractual ban of competition.

Allowance in case of contractual ban of competition

Article 103

(1) Unless otherwise stipulated by this Act for a specific case, the contractual ban of competition shall be binding on the worker only where the employer is contractually committed to compensate the worker for the duration of the ban in the amount of at least a half of average salary paid to the worker in the period of three months prior to the termination of employment contract.

(2) The employer shall be obliged to pay the allowance from paragraph 1 of this Article until the 15th day of the current month for the previous month.

(3) Where a portion of the worker's remuneration is intended to cover specific costs of work, the allowance may be proportionately reduced.

Termination of contractual ban of competition

Article 104

(1) Where the worker terminates his employment contract by means of extraordinary notice on the grounds of employer's serious breach of the employment contract obligation, the contractual ban of competition shall cease to apply to the worker who within a month after the termination of employment contract gives a written statement that he does not consider himself bound by this contract.

(2) The contractual ban of competition shall cease to apply if the employer terminates the employment contract without having just cause under this Act, unless the employer notifies the worker, within fifteen days of the termination of the contract, that he shall pay the worker, for the duration of the contractual ban of competition, the allowance referred to in Article 103 of this Act.

Waiver of the contractual ban of competition

Article 105

(1) The employer may surrender contractual ban of competition provided that he informs the worker thereon in writing.

(2) In the case referred to in paragraph 1 of this Article, the employer shall not be liable to the allowance referred to in Article 103 of this Act after the expiry of three month period of the day of submitting to the worker the written statement surrendering contractual ban of competition.

Contractual sanctions

Article 106

(1) Non-compliance with the contractual ban of competition may be subject to contractual sanction.

(2) Where only a contractual sanction has been provided for the case of non-compliance with contractual ban of competition, the employer may, in accordance with general provisions of the law of civil obligations, require only the settlement of this sanction rather than the fulfilment of the obligation or a compensation for greater damages.

(3) The contractual sanction referred to in paragraph 1 of this Article may also be determined if the employer does not undertake to pay an allowance for the duration of the contractual ban of competition, provided that at the moment of the conclusion of such an employment contract the worker was receiving a salary exceeding the average salary in the Republic of Croatia.

14. INDEMNIFICATION

Worker's liability for damages caused to the employer

Article 107

(1) The worker, who, either intentionally or due to gross negligence, causes the employer to suffer damage at the workplace or in relation to the work, shall be obliged to indemnify the employer for such damage.

(2) In the case of damage caused by several workers, each worker shall be held liable for the part of the damage that he caused.

(3) Where it is not possible to determine which part of the damage each worker caused, all workers shall be held equally liable, and they shall equally bear the compensation for damages.

(4) Where several workers committing a premeditated criminal offence cause the damage, they shall be held jointly liable for the damage caused.

Predetermined amount of compensation for damages

Article 108

(1) Should the valuation of damage entail disproportionate costs, the amount of indemnification for certain harmful acts may be determined in advance.

(2) The harmful acts and indemnification referred to in paragraph 1 of this Article may be provided for in collective agreement or working regulations.

(3) Where the damage caused by harmful action from paragraph 2 of this Article exceeds the foreseen indemnification, the employer shall be allowed to claim indemnity equivalent to the damage actually suffered and assessed.

Recourse liability of workers

Article 109

The worker who, at the workplace or in relation to the work, either intentionally or due to gross negligence, causes damage to a third party indemnified by the employer, shall be obliged to compensate the employer for the indemnification paid to the third party.

Limitation of worker's liability to indemnify or exemption of the worker from liability to indemnify against damages

Article 110

Collective agreement, working regulations or employment contract may contain provisions regulating the conditions and the method of limiting the worker's liability to indemnify, including the exemption of the worker from liability to indemnify against damages.

Employer's liability for damages caused to the worker

Article 111

(1) In the case of any damage caused to the worker at the workplace or in relation to his work, the employer shall be obliged to indemnify the worker in accordance with the general provisions of the law of civil obligations.

(2) The indemnification right referred to in paragraph 1 of this Article shall also apply to any damage caused by the employer to the worker on the grounds of violation of his rights arising from employment relationship.

15. TERMINATION OF EMPLOYMENT CONTRACTS

Reasons for employment contract termination

Article 112

The employment contract shall be terminated:

1) upon the death of the worker,
2) upon the death of employer - natural person, upon the termination of a small business by virtue of law or the deregistration of sole trader in accordance with special legislation,
3) upon the expiry of a fixed-term employment contract,
4) when the worker reaches the age of 65 and 15 years of entitlement for retirement pension, unless otherwise agreed upon between the employer and the worker,
5) by means of agreement between the worker and the employer,
6) upon the submission of a legally valid decision confirming the entitlement to disability pension due to permanent incapacity for work,
7) by means of a notice of dismissal,
8) based on a decision of a competent court.

Form of employment contract termination agreement

Article 113

The employment contract termination agreement shall be concluded in writing.

Termination of employment contracts

Article 114

Both the employer and the worker shall be allowed to terminate the employment contract.

Regular notice of dismissal

Article 115

(1) The employer shall be allowed to terminate the employment contract for legitimate reasons by giving either the statutory notice or the notice stated in the contract of employment (regular notice of dismissal), in the following cases:

1) where the need to perform certain work ceases due to economic, technological or organisational reasons (business conditioned cancellation),
2) where the worker is not able to fulfil his obligations from the employment relationship due to his specific permanent characteristics or capacities (dismissal on personal grounds), or
3) the worker violates his obligations from the employment relationship (dismissal due to the worker's misconduct), or
4) the workers did not satisfy during probationary period (dismissal due to incompetence during probationary period).

(2) When making a decision about a business conditioned cancellation, the employer shall take into account the worker's tenure, age and his maintenance obligations.

(3) The provisions of paragraph 2 of this Article shall not apply to employers employing less than 20 workers.

(4) The worker shall be allowed to terminate the employment contract subject to either the statutory notice period or the notice stated in the contract of employment, without specifying any reasons for doing so.

(5) The employer who has dismissed the worker due to business reasons shall not employ another worker at the same post during the period of six months of the date of giving notice of dismissal.

(6) Should within the period referred to in paragraph 5 of this Article a need for employment for the same work arise, the employer shall be obliged to offer an employment contract to the worker he has dismissed due to business reasons.

Extraordinary notice of termination

Article 116

(1) Both the employer and the worker shall have a just cause to terminate the employment contracts of indefinite duration or fixed-term employment contracts without observing the statutory notice or the notice stated in the contract (extraordinary notice of termination) where the continuation of employment relationship is regarded as impossible due to a severe breach of obligations from the employment relationship or any other fact of critical importance, and recognising all the circumstances or interests of both contracting parties.

(2) The employment contract may be subject to an extraordinary notice of termination solely within 15 days of the date when the party concerned gained knowledge of the fact constituting the grounds for extraordinary notice of termination.

(3) A party to the employment contract that, in the case referred to in paragraph 1 of this Article, gives an extraordinary notice of termination shall have right to claim indemnity for the damage caused by the breach of the obligations from the employment contract.

Unfair dismissal

Article 117

(1) Temporary absence from work due to illness or injury shall not constitute a just cause for terminating the employment contract.

(2) An appeal or civil action, or participation in a proceeding against the employer due to violation of laws, regulations or administrative provisions, collective agreement or working regulations, or the worker's approach to the competent state authorities shall not constitute a just cause for terminating the employment contract.

(3) The worker's approach to the competent persons or state authorities on the grounds on reasonable suspicion of corruption or his report in good faith on the said suspicion shall not constitute a just cause for terminating the employment contract.

Termination of fixed-term employment contract

Article 118

A fixed-term employment contract may be terminated by means of regular notice only if such an option is provided for by the contract.

Dismissal procedure

Article 119

(1) Prior to giving regular notice of dismissal due to the worker's misconduct, the employer shall be obliged to alert the worker in writing to his obligations arising from the employment contract indicating possible dismissal should the breach of obligations persist, unless circumstances exist due to which the employer cannot be reasonably expected to do so.

(2) Prior to giving a regular notice of dismissal or extraordinary notice of termination due to the worker's misconduct, the employer shall be obliged to give the worker an opportunity to present his defence, unless circumstances exist due to which the employer cannot be reasonably expected to do so.

Form, explanation and service of notice of dismissal

Article 120

(1) The notice of dismissal shall be in writing.

(2) The employer shall explain in writing the reasons for dismissal.

(3) The notice of dismissal shall be handed over to the worker it pertains to.

Period of notice

Article 121

(1) The notice shall begin as on the date of notice of termination of the employment contract.

(2) The notice shall be suspended during pregnancy, maternity, parental or adoption leave, half-time work, part-time work due to intensive childcare, leave of pregnant or breastfeeding worker, and during leave or part-time work due to having to take care of a child

with severe developmental disabilities, under specific provisions, as well as in the case of temporary incapacity for work during treatment or recovery from injury at work or an occupational disease, and during service in national defence forces.

(3) The notice shall be suspended during the period of temporary incapacity for work.

(4) In the case of suspension of notice due to temporary incapacity for work, the worker's employment relationship shall be terminated at the latest on expiry of six months after the date of notice of termination of the employment contract.

(5) Unless otherwise provided for in collective agreement, working regulations or employment contract, the notice shall not be suspended during annual and paid leave, and the period of temporary incapacity for work of the worker released by the employer from obligation to work during the notice period.

Minimum notice period

Article 122

(1) In case of regular notice of dismissal, the notice period shall be a minimum of:

1) two weeks, for less than one year of tenure with the same employer,
2) one month, for one year of tenure with the same employer,
3) one month and two weeks, for two years of tenure with the same employer,
4) two months, for five years of tenure with the same employer,
5) two months and two weeks, for ten years of tenure with the same employer,
6) three months, for twenty years of tenure with the same employer.

(2) For the worker with twenty years of tenure with the same employer, the period of notice referred to in paragraph 1 of this Article shall be increased by two weeks if the worker has reached the age of 50 or by one month if the worker has reached the age of 55.

(3) In case of termination of the employment contract due to the breach of obligations arising from the employment relationship (dismissal due to the worker's misconduct) the period of notice shall be two times shorter than the notice periods established in paragraphs 1 and 2 of this Article.

(4) The employer shall be obliged to pay compensation and recognise all other rights to the worker released from the obligation to work during the notice period, as if he had worked until the expiry of notice period.

(5) During the notice period the worker shall be entitled to be absent from work for at least four hours a week, for the purpose of seeking for new employment.

(6) In case of termination of the employment contract by the worker, a shorter notice period for the worker than for the employer, compared to the period provided for in paragraph 1 of this Article, may be laid down by collective agreement or employment contract.

(7) Where the employment contract is terminated by the worker for a serious reason, the period of notice may not exceed one month.

Dismissal with the offer of alternative employment

Article 123

(1) The provisions of this Act on dismissal shall also apply to the termination of contract by the employer concurrently with his offer to the worker to conclude an employment contract under different terms (dismissal with the offer of alternative employment).

(2) If in the situation referred to in paragraph 1 of this Article the worker agrees to accept the employer's offer, he shall retain the right to challenge the permissibility of such termination of the contract before a competent court.

(3) The worker must provide feedback concerning the offer of alternative employment within the time limit determined by the employer, which may not be shorter than eight days.

(4) In case of dismissal referred to in paragraph 1 of this Article, the time limit from Article 133, paragraph 1 of this Act takes effect as of the date of the worker's refusal of the offer of alternative employment, or, if the worker fails to provide the feedback or fails to provide it within the time limit, as of the date of expiry of the time limit for the feedback as determined by the employer.

Reinstatement option for the worker following unfair dismissal

Article 124

(1) Where the court establishes that a dismissal was not permissible and that employment was not terminated, it shall order the employer to reinstate the worker.

(2) The worker who has challenged the permissibility of dismissal may move the court to issue an interim measure ordering his reinstatement pending a final judicial decision on the merits.

Judicial cancellation of employment contracts

Article 125

(1) When the court establishes unlawfulness of the dismissal effected by the employer, and the worker finds it unacceptable to resume the employment relationship, the court shall, upon the worker's request, determine the date of termination of employment and award him an indemnity in an amount not less than three and not more than eight statutory or contracted monthly salaries that were paid to the worker over the preceding three months, depending on the tenure, age and maintenance obligations of the worker.

(2) The court may also render the decision referred to in paragraph 1 of this Article at the request of the employer, if there are circumstances that reasonably demonstrate that, in view of all the circumstances and interests of both contracting parties, the continuation of employment relationship is not possible.

(3) Both the employer and the worker may file a request for the cancellation of employment contract in the manner referred to in paragraphs 1 and 2 of this Article, until the conclusion of the hearing before the court of first instance.

Severance pay

Article 126

(1) When the employer dismisses the worker following a two-year tenure, and unless dismissal is given due to the worker's misconduct, the worker shall be entitled to severance pay in an amount determined on the basis of the worker's tenure with that employer.

(2) Severance pay for each year of tenure with the that employer must not be agreed upon or determined in an amount lower than one-third of the average monthly salary earned by the worker in a period of three months prior to the termination of the employment contract

(3) Unless otherwise provided for by the law, collective agreement, working

regulations or employment contract, the aggregate amount of severance pay referred to in paragraph 2 of this Article may not exceed six average monthly salaries earned by the worker in a period of three months preceding the termination of the employment contract.

Collective redundancies

Article 127

(1) The employer who in the period of 90 days might have at least 20 redundancies, out of which at least 5 employment contracts would be terminated due to business reasons, shall be obliged to begin consultations with the works council in good time and in the manner laid down by this Act, with a view to reaching an agreement aimed at avoiding redundancies or reducing the number of workers affected.

(2) The redundancies referred to in paragraph 1 of this Article include the workers whose employment contract is to be terminated due to business reasons and by means of an agreement between the employer and the worker, as proposed by the employer.

(3) In order to fulfil the obligation of consultations referred to in paragraph 1 of this Article, the employer shall be obliged to supply the works council with all relevant information and notify them in writing of the reasons for the projected redundancies, the number of workers normally employed, the number and categories of workers to be made redundant, the criteria proposed for the selection of the workers to be made redundant, the amount and method for calculating any redundancy payments and other pays to the workers, and the measures designed to alleviate the consequences of redundancy for workers.

(4) During the consultations with the works council, the employer shall consider ways and means of avoiding the projected collective redundancies.

(5) The employer shall be obliged to notify the competent public authority responsible for employment of the consultations referred to in paragraph 3 of this Article, and the notification shall contain the information on the duration of consultations with the works council, outcomes and conclusions resulting therefrom, with a statement of the works council attached thereto, should he receive it.

(6) The works council may send any comments and suggestions they may have to the competent public authority responsible for employment and to the employer, with regards to the notification referred to in paragraph 5 of this Article.

(7) The employer shall be obliged to carry out the consultations referred to in paragraph 1 of this Article irrespective of whether the decision on collective redundancies is being taken by an undertaking controlling the employer, in accordance with specific provisions.

Termination of employment contracts in the process of collective redundancies

Article 128

(1) Projected collective redundancies notified to the competent public authority responsible for employment shall take effect not earlier than 30 days after the notification referred to in Article 127, paragraph 5 of this Act.

(2) The competent public authority responsible for employment may, until the last day of the time limit referred to in paragraph 1 of this Article, at the latest, request the employer to postpone either collective or individual redundancies for maximum 30 days, if he is able to ensure the continuation of employment for the workers during this extended period.

Specific rights of expatriate workers

Article 129

(1) The employer who posts a worker to work abroad, in another company or undertaking owned by this employer shall be obliged, in the event of termination of the contract of employment concluded between this worker and the foreign company or undertaking, either due to business or personal reasons, to compensate the worker for relocation costs and provide him with adequate employment in the country.

(2) When determining the notice period and severance pay, the period of expatriation of the worker referred to in paragraph 1 of this Article, shall be regarded as the period of tenure with the same employer.

Certificate on employment and return of documents

Article 130

(1) At the worker's request, the employer shall be obliged to issue a certificate on the type of works performed by the worker and the length of employment.

(2) In case of employment termination, the employer shall be obliged to return all the documents to the worker within 15 days as of the termination date, including the copy of the worker's deregistration from mandatory pension and health insurance schemes, and to issue a certificate on the type of works performed by the worker and the length of employment.

(3) The certificate referred to in paragraphs 1 and 2 of this Article may not contain any information indicated by the employer which could adversely impact the worker's concluding a new employment contract.

16. EXERCISE OF THE RIGHTS AND OBLIGATIONS ARISING FROM EMPLOYMENT

Deciding on the rights and obligations arising from employment

Article 131

(1) The employer who is a natural person may, by virtue of a written power of attorney, authorise another adult person with legal capacity to represent him in the exercise of rights and obligations arising from employment or related to employment

(2) When the employer is a legal entity, the powers referred to in paragraph 1 of this Article shall be vested in a chief executive or a body authorised by its constitutional documents or other rules of this legal entity.

(3) The person or body referred to in paragraph 2 of this Article may, by virtue of a written power of attorney, delegate its powers to another adult person with legal capacity.

Service of decision on the rights and obligations arising from employment

Article 132

The civil procedure provisions on the service of communications shall apply accordingly to the service of decisions on the termination of employment contracts and decisions made in the procedures referred to in Article 133 of this Act, unless the service of communication procedure is provided for by collective agreement, agreement between the

works council and the employer or working regulations.

Judicial protection of the rights arising from employment

Article 133

(1) The worker who considers that his employer has violated any of his rights arising from employment may require from the employer the exercise of this right within fifteen days following the receipt of a decision violating this right, or following the day when he gained knowledge of such violation.

(2) If the employer does not meet the worker's request referred to in paragraph 1 of this Article within fifteen days, the worker may within another fifteen days seek judicial protection before the court having jurisdiction in respect of the right that has been violated.

(3) A worker who has failed to submit a request referred to in paragraph 1 of this Article, may not seek judicial protection before the competent court, except in the case of the worker's claim for indemnification for damages or another financial claim pertaining to the employment.

(4) When the laws, regulations or administrative provisions, collective agreement or working regulations provide for an amicable dispute resolution, the deadline of fifteen days for filing a request with the court starts as of the date when the procedure for such resolution ended.

(5) The provisions of this Article shall not apply to the procedure for the protection of workers' dignity referred to in Article 134 of this Act.

(6) Unless otherwise provided for by this Act or any other law, the competent court within the meaning of this Act shall be the court that has jurisdiction over labour disputes.

The protection of workers' dignity

Article 134

(1) The procedure and measures for the protection of workers' dignity from harassment or sexual harassment shall be regulated by special legislation, collective agreement, agreement between the works council and the employer or working regulations.

(2) The employer employing at least 20 workers shall be obliged to appoint a person who would, in addition to him, be authorised to receive and deal with complaints related to the protection of the workers' dignity.

(3) The employer or person referred to in paragraph 2 of this Article shall, within the time limit prescribed by the collective agreement, the agreement between the works council and the employer or working regulations, and within a maximum of eight days from the day of filing the complaint, examine the complaint and take all the necessary measures appropriate for a particular case, to stop the harassment or sexual harassment, if he has established that harassment has taken place.

(4) Where the employer fails to take measures for the prevention of harassment or sexual harassment within the time limit referred to in paragraph 3 of this Article, or if the measures taken are clearly inappropriate, the worker who is a victim of harassment or sexual harassment shall have the right to stop working until he is ensured protection, provided that he sought protection in the court that has jurisdiction, within the following eight days.

(5) If there are circumstances under which it is not reasonable to expect that the employer will protect a worker's dignity, the worker shall not be obliged to file a complaint with the employer and shall have the right to stop working, provided that he sought protection before the competent court and notified the employer thereof, within eight days of the date of

work interruption.

(6) During the period of interruption of work referred to in paragraphs 4 and 5 of this Article, the worker shall be entitled to remuneration in the amount he would have earned if he had actually worked.

(7) In the event of a valid judicial decision ruling that the worker's dignity was not violated, the employer may request the refund of remuneration referred to in paragraph 6 of this Article.

(8) All information collected in the procedure for the protection of workers' dignity shall be confidential.

(9) The worker's behaviour constituting harassment or sexual harassment shall be regarded as the breach of obligations arising from employment.

(10)The worker's resistance to the behaviour constituting harassment or sexual harassment shall not be regarded as the breach of obligations arising from employment and must not be grounds for discrimination against the worker.

Burden of proof in labour disputes

Article 135

(1) In the event of an employment-related dispute, the burden of proof shall lie with the person claiming the violation of his rights arising from employment relationship or the person initiating the dispute, unless otherwise provided for by this Act or any other law.

(2) In the event of a dispute related to the discrimination of the worker on the grounds of the worker's approach to the competent persons or state authorities due to reasonable suspicion of corruption or his report in good faith on the said suspicion, which resulted in the violation of worker's rights arising from employment, and where the worker presents a reasonable case of him being discriminated and of violation of his rights arising from employment, the burden of proof shall lie with the employer, who must prove the non-discrimination of the worker and non-violation of his rights arising from employment.

(3) In the event of a dispute related to the employment contract termination, the burden of proving justified reasons for the termination shall lie with the employer, where the termination was effected by the employer; the burden of proof shall lie with the worker only where the termination of employment contract was effected by the worker by means of an extraordinary notice of termination.

(4) In the event of a dispute related to working time, the burden of proof shall lie with the employer, if he fails to keep records referred to in Article 5, paragraph 1 of this Act.

Arbitration and mediation

Article 136

(1) Parties to an employment contract may, for the purpose of resolving a labour dispute and subject to their mutual consent, use arbitration or mediation services.

(2) The composition, procedure and other issues relevant for the arbitration or mediation may be laid down by collective agreement.

Transfer of contracts to a new employer

Article 137

(1) In the event of transfers of undertakings, businesses or parts of undertakings or

businesses, retaining their economic integrity, to a new employer, as a result of the change of status or a legal transaction, all contracts of employment of the workers employed with the undertaking or part of undertaking being transferred, or of those who are connected with the business or part of business being transferred, are transferred to the new employer.

(2) The worker whose employment contract has been transferred as provided for in paragraph 1 of this Article shall retain all the rights arising from the employment relationship he had acquired until the employment contract transfer date.

(3) The transferee employer to whom labour contracts are transferred as provided for in paragraph 1 of this Article shall assume all the rights and obligations arising from the transferred employment contracts in unaltered form and scope, as of the transfer date.

(4) The transferor employer shall be obliged to inform the new employer in writing, fully and accurately, about the rights of the workers whose employment contracts are being transferred.

(5) The failure of the transferor employer to inform in writing the transferee employer about the rights of the workers whose employment contracts are being transferred shall not impact the entitlements of the workers whose employment contracts are being transferred to the new employer.

(6) The transferor employer shall be obliged to notify in writing, in a good time and prior to the date of transfer, the work council and all the workers affected by the transfer about the transfer of the undertaking, business or part of the undertaking or business to a new employer.

(7) The notification referred to in paragraph 6 of this Article must contain the information concerning:

1) the date of transfer of employment contracts,
2) the reasons for the transfer of the employment contracts,
3) the legal, economic and social implications of the transfer for the workers,
4) any measures envisaged in relation to the workers whose employment contracts are being transferred.

(8) The contracts of employment referred to in paragraph 1 of this Article shall be transferred to the new employer as on the date of legal effect of the transfer, in accordance with laws and regulations regulating the legal transaction resulting in the transfer of the undertaking, business or part of the undertaking or business.

(9) Where the transfer of the undertaking, business or part of the undertaking or business is effected in bankruptcy proceedings or resolution procedure, the rights being transferred to the new employer may be impaired in accordance with specific provisions, collective agreement or agreement between the work council and the employer.

(10) Where in the undertaking, business or part of the undertaking or business being transferred and retaining its economic integrity, a work council has been established, it shall continue with its activities until the expiry of its mandate, at the latest.

(11) Where the undertaking, business or part of the undertaking or business being transferred is not retaining its economic integrity and where it is not possible for the work council to continue with its activities, the workers whose employment contracts are being transferred shall retain their right on representation until the circumstances arise allowing for the appointment of the new work council or until the expiry of mandate of their existing representative.

(12) Where at the undertaking or part of undertaking being transferred a collective agreement was concluded pertaining to business or part of business carried out, it shall continue to apply to the workers until the new collective agreement is concluded, but no longer than one year.

(13) Where the undertaking, business or part of the undertaking or business is transferred to the new employer, the transferee and the transferor shall be jointly and

severally liable in respect of obligations that arose before the date of transfer from a contract of employment or an employment relationship existing on the date of the transfer.

(14) The provisions of paragraphs 1 to 10 shall apply accordingly to institutions and other legal persons.

(15) The person who fraudulently avoids fulfilling his obligations towards the workers by transferring the undertaking, business or part of the undertaking or business or in any other way, shall be ordered by the competent court, upon the workers' request, to fulfil his obligations even if the employment contract was not concluded with this person.

Presumed consent to the employer's decision

Article 138

(1) Where the employer requested consent to his decision from works council or trade union, they shall be obliged to respond within eight days as of the date of request, either by granting or denying such consent, unless otherwise laid down by this Act for a specific case.

(2) If the work council or trade union fail to respond to the employer's request within the time limit referred to in paragraph 1 of this Article, either by granting or denying their consent, they shall be presumed to have consented to the employer's decision.

Statute of limitations for claims arising from employment relationships

Article 139

Unless otherwise laid down by this Act or any other law, the period of statute of limitations for the claims arising from employment relationship shall be five years.

TITLE III

PARTICIPATION OF WORKERS IN DECISION-MAKING

1. WORKS COUNCIL

Right to participate in decision-making

Article 140

Workers employed with an employer who employs at least 20 workers, with the exception of workers employed at state administration bodies, shall have the right to take part in decision-making on issues related to their economic and social rights and interests, in the manner and under the conditions prescribed by this Act.

Right to elect a works council

Article 141

(1) Workers shall have the right to elect, in free and direct elections, by secret ballot, one or more of their representatives (hereinafter: “the works council”) which shall represent them before their employer in relation to the protection and promotion of their rights and interests.

(2) The procedure for the establishment of a works council shall be initiated upon the proposal of a trade union or at least twenty per cent of the workers employed with an employer.

Number of members of the works council

Article 142

(1) The number of members of the works council shall be determined in accordance with the number of workers employed with an employer in the following manner:

1) up to 75 workers: 1 representative,
2) 76 to 250 workers: 3 representatives,
3) 251 to 500 workers: 5 representatives,
4) 501 to 750 workers: 7 representatives,
5) 751 to 1000 workers: 9 representatives.

(2) For each further 1000 workers, or a fraction thereof, the number of the members of the works council shall be increased by two.

(3) When members of the works council are proposed, account must be taken of equal representation of all organisational units and groups of employees (by gender, age, qualifications, jobs they perform, etc.).

General works council

Article 143

(1) If the employer's operations are organised through several organisational units, workers may establish one works council on the level of all organisational units or they may establish works councils in each individual organisational unit.

(2) In case elections are organised after the establishment of works councils in individual organisational units and a works council is established on the level of the employer, the term of the established works councils in individual organisational units shall be terminated on the day of the establishment of the works council on the level of the employer.

(3) When workers establish a works council in an individual organisational unit, the general works council may by organised only if the works councils are established in all organisational units, where such a works council is composed of representatives of works councils of all organisational units.

(4) The composition, powers and other issues important for the operation of the general works council shall be established by an agreement between the employer and works councils.

Electoral term

Article 144

(1) A works council is elected for a term of four years from the announcement date of final election results.

(2) By way of derogation from paragraph 1 of this Article, the electoral term may be shorter in case the elections for a works council have been performed due to cancellation of previous elections or dissolution of the works council during the term duration, and it shall last until the expiry of the electoral term of the dissolved works council or of the one elected

at the cancelled elections.

(3) When there are changes in the membership during the electoral term of the works council, the term of a new member of the works council shall last until the term of that works council expires.

(4) Regular elections shall be generally held in the period between 1 March and 31 May.

Voting rights

Article 145

(1) All workers of an employer shall have the right to elect and be elected.

(2) Members of management and supervisory bodies and their family members, as well as workers referred to in Article 131, paragraphs 1 and 2 of this Act, shall not have the right to elect and be elected.

(3) Family members referred to in paragraph 2 of this Article are considered to be members of the immediate family referred to in Article 86, paragraph 3 of this Act.

(4) The provision of paragraph 2 of this Article shall not apply to workers' representatives in employer's bodies.

(5) An electoral committee shall establish a list of workers having voting rights.

Lists of candidates

Article 146

(1) Lists of candidates for worker representatives may be proposed by trade unions whose members are employed with a respective employer, or a group of workers enjoying the support of at least twenty per cent of the workers employed with a respective employer.

(2) Each list of candidates shall contain the same number of candidates and deputies as the number of worker representatives elected.

(3) The procedure for the election of works councils, responsible persons, deadlines and manner of submitting the information on elected works councils shall be prescribed by the Minister by virtue of an ordinance.

Determination of election results

Article 147

(1) Where one representative is to be elected, a candidate who has received the majority of votes cast shall be elected.

(2) If, in the case referred to in paragraph 1 of this Article, two or more candidates receive the same number of votes, a candidate with a longer tenure with the employer shall be elected.

(3) Where three or more representatives are to be elected, the number of elected representatives from each list shall be determined in the following way: The total number of votes cast for each list ("the electoral list aggregate") is divided by numbers from 1 to, inclusively, the number of representatives to be elected. The results obtained in this way are ordered in descending order. The result that according to the order corresponds to the number of representatives to be elected is a common divisor. Each list shall receive the number of representative posts corresponding to the number of times the total number of its received

votes (“the electoral list aggregate”) contains the integer of the common divisor. If votes are distributed in such a way that it is not possible to establish from which of the lists a candidate is to be elected, the candidate on the list which has received a greater number of votes shall be elected.

(4) The lists that receive less than five per cent of the votes cast shall not be included in the distribution of representatives posts.

(5) In the case referred to in paragraph 3 of this Article, elected candidates are those listed from ordinal number 1 to the ordinal number equivalent to the number of posts allotted to their respective lists.

(6) Deputy representatives are those candidates from each list who were not elected, beginning from the first non-elected representative, up to the equal number of elected representatives from their respective lists. When the list of candidates is exhausted, deputies shall be elected from the list of deputy candidates.

(7) The electoral committee provides information about the elections that have been conducted to the employer and the trade unions that proposed the lists of candidates.

Basic powers of a works council

Article 148

(1) The works council shall safeguard and promote the interests of workers employed with an employer, by advising, participating in decision-making and negotiating with the employer or the person authorised by the employer on the issues important for the workers.

(2) The works council shall monitor the compliance with this Act, working regulations, collective agreements and other provisions.

(3) The works council shall monitor whether the employer fulfils, orderly and accurately, his obligations related to the calculation and payment of social security contributions in accordance with specific provisions, and for this purpose the works council shall be entitled to get insight into the relevant documentation.

(4) The works council shall not participate in the organisation or performance of strike actions, lockouts or other industrial actions, nor shall it in any other way interfere with a collective labour dispute which may result in such an action.

Duty to inform

Article 149

(1) The employer shall be obliged to inform the works council at least every three months about:

1) business situation, results and work organisation,
2) expected business developments and their impact on the workers’ economic and social status,
3) trends and changes in salaries,
4) the extent of and the reasons for the introduction of overtime work,
5) the number and type of workers employed, employment structure (the number of fixed-term workers, workers at alternative workplaces, workers assigned by temporary employment agencies, workers temporarily posted to/from an associated company, etc.) as well as employment development and policy,
6) the number and type of workers to whom they have given a written consent to additional job referred to in Article 61, paragraph 3 and Article 62, paragraph 3 of this

Act,

7) health protection and safety at work policy and measures taken in order to improve working conditions,
8) outcomes of inspections of work and safety at work conditions,
9) other issues bearing particular importance for the economic and social position of workers.

(2) The employer shall be obliged to inform the works council about the issues from paragraph 1 of this Article in such a manner in terms of timeliness and the level of detail so as to enable the members of the works council to evaluate possible impact and prepare for negotiations with the employer.

Duty to consult before rendering a decision

Article 150

(1) Before rendering a decision that is relevant for the position of workers, the employer must consult the works council about the proposed decision and must communicate to the works council the information important for rendering a decision and understanding its impact on the position of workers.

(2) In cases referred to in paragraph 1 of this Article, the employer shall be obliged to enable the works council to organise meetings, upon their request and before their final response about the employer's intended decision, in order to obtain additional answers and explanations related to their statement.

(3) Important decisions referred to in paragraph 1 of this Article shall include in particular decisions on:

1) the adoption of working regulations,
2) employment plan and employment development and policy, and dismissal,
3) transfers of undertakings, businesses or parts of undertakings or businesses, as well as transfer of workers' employment contracts to a new employer, and its impact on workers affected by the transfer,
4) the measures related to the protection of health and safety at work,
5) the introduction of new technologies and change of organisation and method of work,
6) annual leave schedules,
7) working hours patterns,
8) night work,
9) compensations for inventions and technical innovations,
10) collective redundancies referred to in Article 127 of this Act and all other decisions that, under this Act or a collective agreement, must be rendered in consultation with the works council.

(4) The complete information related to the proposed decision must be delivered to the works council in good time, so as to enable the works council to put forward comments and proposals stemming from the discussion that could have substantial effect on decision-making process.

(5) Unless otherwise specified by an agreement between the employer and the works council, the works council shall provide the employer with a feedback concerning the proposed decision within eight days. In case of an extraordinary dismissal, the deadline shall be five days.

(6) If the works council does not provide its feedback on the proposed decision within the deadline referred to in paragraph 5 of this Article, it shall be presumed that it has no comments or proposals.

(7) The works council may oppose to a dismissal if the employer does not have just cause for the dismissal, or if the dismissal procedure is not conducted in compliance with this Act.

(8) The works council must give reasons for its opposition to the employer's decision.

(9) If the works council opposes to an extraordinary notice of dismissal and the worker brings legal action to challenge the permissibility of dismissal and requests the employer to retain him at work, the employer shall be obliged to admit the worker to work within eight days from receiving the information and proof of the initiation of legal action and retain him at work pending the final judicial decision on the merits.

(10) In cases referred to in paragraph 9 of this Act, if the employer terminates an employment by giving extraordinary notice of dismissal, the employer shall be allowed to suspend the worker pending the final judicial decision on permissibility of dismissal. In this case, the employer shall be obliged to pay the worker monthly compensation in the amount of one-half of the average salary paid to the worker in the preceding three months.

(11) If the works council's opposition to an extraordinary notice of dismissal is manifestly not founded or contrary to the provisions of this Act, the employer may move the court to issue an interim measure releasing him from the obligation to admit the worker to work and pay the worker compensation, pending the final judicial decision on the merits.

(12) A decision rendered by the employer contrary to the provisions of this Act governing consultations with the works council shall be null and void.

Co-decision making

Article 151

(1) The employer's decisions that may be rendered only with a prior consent of the works council shall include the decisions on:

1) dismissing a member of the works council,
2) dismissing a candidate for the works council who was not elected, for a period of three months following the establishment of the election results,
3) dismissing a worker with reduced capacity for work due to an injury at work or occupational disease and dismissing a disabled person,
4) dismissing a worker over 60 years of age,
5) dismissing a workers' representative in an employer's body,
6) including persons referred to in Article 34, paragraph 1 of this Act in collective redundancy, except in cases when the employer has initiated or is conducting liquidation proceedings in accordance with specific provisions,
7) collecting, processing, using and disclosing the information about a worker to third parties,
8) appointing a person authorised to supervise whether personal information about workers is collected, processed, used or disclosed to third parties in accordance with the provisions of this Act.

(2) By way of exception, an employer may, without previous consent of the works council, render a decision from paragraph 1, sub-paragraphs 1 to 6 of this Article, if the decision pertains to the rights of a worker who is also a trade union commissioner subject to the protection referred to in Article 188 of this Act.

(3) If the works council fails to grant or deny its consent within eight days, it shall be presumed to have consented to the employer's decision.

(4) If the works council refuses to give its consent, the refusal shall be explained in

writing, and the employer may, within fifteen days of the receipt of the statement on refusal to give consent, ask that such consent be replaced by an arbitration award.

(5) The arbitration referred to in paragraph 4 of this Article shall be conducted by an arbiter who is selected by the opposing parties from the list defined by the Economic and Social Council, or determined in agreement by the opposing parties.

(6) The list of arbiters shall be determined and managed by the Economic and Social Council.

(7) The Minister shall, alongside a prior opinion of the Economic and Social Council, regulate the method of selection of arbiters, arbitral proceedings and method of performing administrative tasks related to these proceedings, by virtue of an ordinance.

(8) The Minister shall, alongside a prior opinion of the Economic and Social Council and opinion of the minister responsible for finance, determine an amount and payment method for costs of the arbitral proceedings as well as the compensation for the arbiter, by virtue of a decision.

(9) An agreement between the employer and the works council may also regulate other issues in which the employer may render a decision only subject to prior consent of the works council.

Duty to inform workers

Article 152

The works council shall be obliged to regularly inform the workers and trade union about its work and obtain their initiatives and proposals.

Relations with trade unions

Article 153

(1) With a view of protecting and promoting the rights and interests of workers, the works council shall cooperate, with full trust, with all trade unions whose members are employed by the employer.

(2) A member of the works council may freely continue to work for a trade union.

(3) If no works council has been established with an employer, all the rights and obligations pertaining to works councils under this Act shall be exercised by a trade union's representative, apart from the rights referred to in Article 164, paragraph 2 of this Act related to the appointment of workers' representatives in an employer's body referred to in Article 164, paragraph 1 of this Act.

(4) If several trade unions operate with an employer, these trade unions shall reach an agreement concerning one or more trade union representatives who shall exercise the rights and obligations referred to in paragraph 3 of this Article and they shall inform the employer thereof in writing.

Work of the works council

Article 154

(1) If the works council consists of three or more members, it shall work in sessions.

(2) The works council shall adopt its own rules of procedure.

(3) Trade union members whose members are employed with the employer may attend sessions of the works council, but have no right to participate in decision-making.

(4) The works council may consult experts regarding issues falling within the scope of its activities.

(5) The costs of expert consultations referred to in paragraph 4 of this Article shall be covered by the employer, in accordance with the agreement between the employer and the works council.

Judicial standing

Article 155

(1) The works council may sue and be sued subject only to the authority or obligations set forth by this Act or other laws and regulations or collective agreement.

(2) The works council may not acquire assets.

(3) The works council and its members shall not have civil liability for its decisions.

Conditions for the work of the works council

Article 156

(1) The works council shall hold sessions and pursue its affairs during working hours.

(2) Each member of the works council shall be entitled to a compensation for six working hours per week.

(3) Members of the works council may transfer their entitlement to working hours referred to in paragraph 2 of this Article to each other.

(4) If the number of available working hours permits so, the function of the president or a member of the works council may be carried out on a full time basis.

(5) The employer shall provide the works council with the necessary premises, personnel, resources and other working conditions.

(6) The employer shall permit members of the works council to undergo training necessary for work in the works council.

(7) The employer shall also bear other costs incurred as a result of the works council's activities under this Act, another regulation or collective agreement.

(8) Following the expiration of his term of service, the president or a member of the works council who had worked in the works council on a full time basis shall be reinstated to his former position, and if the need of such a job no longer exists, the employer shall offer him another equivalent position.

(9) The conditions for the work of the works council shall be specified by an agreement between the employer and the works council.

(10) The relationship between the works council and the employer shall be based on trust and mutual cooperation.

Prohibition of discrimination of the members of the works council

Article 157

The employer must neither favour nor disfavour members of the works council as

against other workers.

Prohibition of discrimination of workers by the works council

Article 158

In pursuance of its activities, the works council must not favour or disfavour any individual worker or any group of workers as against other workers.

Confidentiality of business information

Article 159

(1) A member of the works council shall be obliged to keep confidential business information he became aware of in the course of exercise of his powers under this Act.

(2) The confidential business information referred to in paragraph 1 of this Article means information that is defined as trade secret by law, another regulation or a legal act of company, institution or another legal entity, that represents a production secret, results of research or construction work or any other information the disclosure of which to an unauthorised person might endanger the entity's economic interests.

(3) The obligation referred to in paragraph 1 of this Article shall continue to exist even after the expiration of their mandate.

Agreement between the works council and the employer

Article 160

(1) The works council may conclude a written agreement with the employer, which may contain legal rules governing employment matters.

(2) The agreement referred to in paragraph 1 of this Article shall be directly applicable and binding on all workers employed with the employer who is a party thereto.

(3) The agreement referred to in paragraph 1 of this Article must not regulate remuneration, working hours and other matters which are, as a rule, regulated by a collective agreement, except when parties to a collective agreement have authorised parties to this agreement to do so.

Increase in membership and authority of the works council

Article 161

(1) The number of members of the works council may be increased to exceed the number prescribed by this Act by virtue of an agreement between the works council and the employer. The extent of exempting members of the works council from work obligation may also be increased, with compensation.

(2) The authority of the works council may be expanded by virtue of an agreement between the works council and the employer, or by virtue of a collective agreement.

Invalidating elections, disbanding a works council and expulsion of its member

Article 162

(1) In case of serious breach of obligations provided for by this Act on conducting the elections for works councils which affected election results, the works council, electoral committee, employer, trade unions whose members are employed with the employer or candidate for works council may, within ninety days from the day of announcement of final election results, move the court having jurisdiction to invalidate the conducted elections.

(2) If the works council or any of its members severely breach obligations imposed on them by this Act, another regulation or collective agreement, or if during the electoral term there are any obstructions for a membership of any member in the works council, trade unions whose members are employed with the employer may move the court having jurisdiction to disband the works council or to expel a particular member. The same motion may be put forward by at least 25% of the workers employed with the employer or by the employer.

(3) If application of the provisions of Article 142, paragraph 3 of this Act is not ensured during election of members of the works council, disbanding of the works council may be requested by at least 25% of all workers employed with the employer.

(4) Court jurisdiction and deadlines for rendering decisions invalidating elections, disbanding works councils and expelling any of their members shall be determined by appropriate application of the provisions of Article 219 of this Act.

2. WORKERS' MEETINGS

Workers' meetings

Article 163

(1) In order to ensure full scale reporting and discussions on employer's status and development and on activities of the works council, meetings of workers employed with an employer shall be held twice a year, in about equal time intervals.

(2) If the size of the employer or other particularities require so, meetings referred to in paragraph 1 of this Article may be held by divisions or other organisational units.

(3) Workers' meetings referred to in paragraph 1 of this Article shall be convened by the works council, with prior consultations with the employer, taking into account that the time and place of a workers' meeting do not harm employer's business activities.

(4) If there is no works council established with an employer, the workers' meetings referred to in paragraph 1 of this Act shall be convened by the employer.

(5) Not interfering with the right of the works council to convene workers' meetings referred to in paragraph 1 of this Article, the employer may, if he believes it to be necessary, convene a workers' meeting, taking into account that works council's authorities determined by this Act are not restricted.

(6) The employer shall consult with the works council in regard to convening a meeting referred to in paragraph 5 of this Article.

3. WORKERS' REPRESENTATIVE IN AN EMPLOYER'S BODY

Workers' representative in the employer's body

Article 164

(1) In a company or a cooperative society, where a body (supervisory board, management board or another appropriate body) that supervises business management is established in accordance with specific provisions, and in a public institution, one member of the company's or cooperative's body that supervises business management or one member of a public institution's body (governing council or another appropriate body) shall be a workers' representative.

(2) Workers' representative in a body referred to in paragraph 1 of this Article shall be appointed and recalled by the works council.

(3) If no works council has been established with an employer, the workers' representative in a body referred to in paragraph 1 of this Article shall be appointed and recalled by the workers, among workers employed with the employer, in free and direct elections, by secret ballot, in the manner prescribed by this Act for the election of a one-member works council.

(4) The member of the body referred to in paragraph 1 of this Article appointed in accordance with paragraph 2, or elected as prescribed by paragraph 3 of this Article, shall have the same legal position as other appointed members of that body.

TITLE IV

COLLECTIVE INDUSTRIAL RELATIONS

1. TRADE UNIONS AND EMPLOYER'S ASSOCIATIONS

Right to associate

Article 165

(1) Workers shall have the right, according to their own free choice, to found and join a trade union, subject to only such requirements which may be prescribed by the articles of association or internal rules of this trade union.

(2) Employers shall have the right, according to their own free choice, to found and join an employer's association, subject to only such requirements which may be prescribed by the articles of association or internal rules of this association.

(3) The associations referred to in paragraphs 1 and 2 of this Article (hereinafter: "the associations") may be founded without any prior approval whatsoever.

Non-compulsory membership of associations

Article 166

(1) Workers and employers, respectively, may freely decide on their membership in an association and leaving such association.

(2) No one shall be discriminated on the ground of his membership or non-membership in an association or participation or non-participation in its activities.

(3) Actions contrary to paragraphs 1 and 2 of this Article shall constitute discrimination within the meaning of specific provisions.

Temporary or permanent prohibition of activities by virtue of an executive authorities' decision

Article 167

The operations of an association may not be temporarily prohibited nor may an association be disbanded by virtue of a decision by executive authorities.

Higher-level associations

Article 168

(1) Associations may create their own federations or other forms of association in order to pursue their interests at a higher level ("higher-level associations").

(2) Higher-level associations shall enjoy all the rights and freedoms granted to associations.

(3) Associations and higher-level associations shall have the right to freely join federations and cooperate with international organisations established for the purpose of the promotion of their common rights and interests.

Powers of associations

Article 169

(1) An association may be a party to a collective agreement only if it has been established and registered in accordance with the provisions of this Act.

(2) An association may represent its members in employment-related disputes with the employer, before a court, a mediation body, an arbitration body or a state body.

Establishment of other legal entities

Article 170

In pursuance of their goals and tasks as provided under their articles of association or internal rules, associations may establish other legal entities, subject to specific provisions.

2. ESTABLISHMENT AND REGISTRATION OF ASSOCIATIONS

Establishment of an association

Article 171

(1) A trade union may be established by at least ten adult persons with legal capacity.

(2) An employer's association may be established by at least three legal entities or adult persons with legal capacity.

(3) A higher-level association may be established by at least two associations referred to in paragraphs 1 and 2 of this Article.

(4) The name of an association or higher-level association must be clearly distinguishable from the names of already registered associations or higher-level associations.

Articles of association

Article 172

(1) An association or a higher-level association must have articles of association based and adopted according to principles of democratic representation and democratic exercise of its members' will.

(2) The articles of association shall regulate the purpose of the association, its name, seat, indication whether it operates in one or more counties, or on the territory of the Republic of Croatia, logo, bodies, method for the election and recall of members of these bodies, powers given to the association's bodies, procedure for acceptance to membership and termination of membership, methods for adopting and amending the articles of association, rules and other regulations, and termination of the association's operations.

(3) The articles of association must include the provisions on the bodies authorised to conclude collective agreements and requirements and procedures for organising industrial actions.

(4) Entering into collective agreements must be specified in the articles of association as one of the purposes of an association.

Legal personality of an association

Article 173

(1) An association and a higher-level association shall acquire legal personality as of the date of their registration in the register of associations.

(2) The articles of association shall state whether an association has branch offices or other internal organisational forms and specifies the authorities with which such branch offices or other organisational forms are vested for the purpose of legal transactions.

(3) A branch office or other internal organisational form acquire authorities to engage in legal transactions referred to in paragraph 2 of this Article as from the date indicated in its deed of foundation, in accordance with the articles of association.

Register of associations

Article 174

(1) Associations and higher-level associations which operate on the territory of a single county shall be registered in the register of associations at the public administration office in the county, or at the office of the City of Zagreb responsible for labour affairs.

(2) Associations and higher-level associations which operate on the territory of the Republic of Croatia or two or more counties shall be registered in the register of associations at the ministry responsible for labour.

(3) The following information shall be entered in the register: date of foundation, name, seat, indication whether the association operates in one or more counties, or on the territory of the Republic of Croatia, name of executive body, names of authorised representatives, and termination of operations of an association or a higher-level association.

(4) The Minister shall regulate the contents and methods for maintaining the register of associations, by virtue of an ordinance.

Application for registration in a register of associations

Article 175

(1) An association shall be registered upon the application of its founder.

(2) The application must be accompanied by the following documents: the deed of foundation, the minutes taken at the founding assembly, the articles of association, the list of founders and member of the executive body, and full name(s) of the person(s) authorised to represent the association.

(3) The founders shall file an application for registration in a register of associations within thirty days following the date of the founding assembly.

(4) The body responsible for registration shall issue a certificate stating that an application for registration has been received at a register of associations.

(5) The regulation on general administrative procedure shall be applied to the procedure of registration in a register of associations.

Decision on application for registration in a register of associations

Article 176

(1) A decision shall be issued on an application for registration of an association in a register.

(2) The decision referred to in paragraph 1 of this Article shall include: registration number, name of association, seat, information on whether the association operates in one or more counties, or on the territory of the Republic of Croatia, and full name(s) of the person(s) authorised to represent the association.

Removal of deficiencies in the articles of association or foundation procedure

Article 177

(1) If the body authorised for registration finds that the attached articles of association do not comply with this Act, or that the application does not contain evidence of compliance with the requirements for the foundation of an association specified by this Act, it shall invite the applicants to bring the articles of association into conformity with this Act or to produce adequate evidence, and shall set a deadline for this purpose which may not be shorter than eight days and longer than fifteen days.

(2) If, within the deadline referred to in paragraph 1 of this Article, the applicants fail to remove the deficiencies in the articles of association or produce evidence of compliance with the requirements for the foundation of an association specified by this Act, the body authorised for registration shall issue a decision rejecting the application for registration in a register of associations.

Time limit for issuing a decision on registration in a register of associations

Article 178

(1) The body authorised for registration shall issue a decision on an application for registration in a register of associations within a maximum of thirty days following the filing of a compliant application.

(2) If the authorised body fails to issue a decision within the deadline referred to in

paragraph 1 of this Article, it shall be considered that the association is registered as of the day following the expiration of this deadline.

(3) In cases referred to in paragraph 2 of this Article, the body authorised for registration shall issue a certificate of registration of an association, containing particulars set forth in Article 176, paragraph 2 of this Act, within seven days following the expiration of the deadline for issuing a decision.

Rejection of application for registration

Article 179

(1) If an association has not been established in accordance with Articles 171 and 172 of this Act, the body authorised for registration shall issue a decision rejecting its registration in a register of associations.

(2) Reasons must be given for a decision rejecting an application for registration.

(3) An appeal lodged against the decision of the public administration office of a county, or the City of Zagreb office responsible for labour affairs, shall be decided upon by the ministry.

(4) If the ministry issues a decision in the first instance, such a decision shall be final and may be challenged before an administrative court.

Registration in the event of change of information

Article 180

(1) Any change of the name of an association, its seat, information on whether it operates in one or more counties, or on the territory of the Republic of Croatia, name of the body, authorised representatives, and termination of its operations must be registered in the register of associations.

(2) A person authorised to represent an association must communicate any changes referred to in paragraph 1 of this Article to the body maintaining the register of associations within thirty days following the occurrence of the change.

(3) The registration of change of information referred to in paragraph 1 of this Article shall be subject to this Act's provisions applicable to the registration of associations.

3. ASSETS OF ASSOCIATIONS

Collection and protection of assets from enforced execution

Article 181

(1) Associations may acquire assets by collecting enrolment and membership fees, by purchase, from donations or in any other legal manner, without any prior authorisation.

(2) Immovable and movable assets of associations necessary for convening meetings, carrying out educational activities and libraries may not be subject to enforced execution.

Division of association's assets

Article 182

(1) If an association splits, or a substantial number of its members form a separate

association, the assets of this association shall be divided proportionate to the number of members, unless otherwise provided by the articles of association, a contract or other agreement.

(2) If an association ceases to operate, its assets shall be dealt with in the manner prescribed by its articles of association.

(3) If an association ceases to operate, its assets may not be allocated to its members.

4. OPERATION OF ASSOCIATIONS

Prohibition of control

Article 183

(1) Employers and their associations must not exercise control over forming and operations of trade unions, or their higher-level associations, nor must they finance or in any other way support trade unions or trade union associations of a higher level in order to exercise such control.

(2) The prohibition of control referred to in paragraph 1 of this Article is also applicable to relations of trade unions and their higher-level associations with employers and their associations.

Judicial protection of membership rights

Article 184

A member of an association may seek judicial protection in the event of violation of his rights guaranteed by the articles of association or other rules of the association.

Judicial protection of the right to associate

Article 185

(1) An association or a higher-level association may move the court to prohibit the operations violating the right of workers and employers to freely associate.

(2) An association or a higher-level association may claim compensation for damages suffered as a result of activities referred to in paragraph 1 of this Article.

Prohibition of discrimination on the ground of membership in a trade union or participation in trade union activities

Article 186

(1) A worker must not be placed in a less favourable position than other workers on the ground of his membership in a trade union. It is, in particular, prohibited to:

1) conclude an employment contract with a worker, under the condition that he does not join a trade union or that he leaves a trade union,
2) terminate an employment contract or place a worker in a less favourable position than other workers in some other way because of his membership in a trade union or participation in trade union activities after working hours, or during working hours subject to the consent of the employer.

(2) The employer must not take into consideration membership in a trade union and

participation in trade union activities when rendering a decision whether or not to conclude an employment contract, on the assignment of a worker to a particular job or to a particular workplace, on training, advance in employment, pay, social benefits and termination of an employment contract.

(3) An employer, a chief executive or another body, and an employer's representative, must not use coercion in favour of or against any trade union.

Trade union commissioner and representative

Article 187

(1) Trade unions shall decide autonomously on the methods for their representation before an employer.

(2) Trade unions which have at least five members employed with an employer may appoint or elect one or more trade union commissioners.

(3) Trade unions whose members are employed with a particular employer may appoint or elect one or more trade union representatives.

(4) A trade union commissioner shall be a worker employed by the employer.

(5) Trade union commissioners and representatives shall have the right to safeguard and promote interests of trade union members in relations with the employer.

(6) The employer shall make it possible for a trade union commissioner or representative to exercise, duly and effectively, the right referred to in paragraph 5 of this Article, and shall provide them with access to information necessary for the exercise of this right.

(7) A trade union commissioner or representative must exercise his right referred to in paragraph 5 of this Article in the manner which is not harmful to employer's business operations.

(8) The trade union must inform the employer in writing about the appointment of a trade union commissioner or representative.

(9) A trade union representative has all the rights and obligations pertaining to trade union commissioners under this Act, except for trade union commissioners' rights and obligations arising from employment or related to employment, and rights referred to in Article 153, paragraph 3 of this Act.

Protection of trade union commissioners

Article 188

(1) During the trade union commissioner's performance of his duty and six months after the termination of this duty it is not allowed without prior consent of the trade union:

1) to terminate an employment contract, or
2) to place him in a less favourable position than his previous working conditions or than other workers.

(2) If the trade union fails to grant or denies its consent within eight days, it shall be presumed to have consented to the employer's decision.

(3) If the trade union refuses to give its consent to dismissal, the refusal shall be explained in writing, and the employer may, within fifteen days of the receipt of the statement on refusal to give consent, ask that such consent be replaced by an arbitration award.

(4) The arbitration referred to in paragraph 3 of this Article is subject to the provisions of Article 151, paragraphs 4 to 8 of this Act.

(5) The protection referred to in paragraph 1 of this Article shall be enjoyed by at least one trade union commissioner, whereas the maximum number of trade union commissioners with an employer who enjoy protection is determined by applying this Act's provisions governing the number of members of the works council as regards to the number of workers organised in a trade union with the employer.

Trade union membership fees

Article 189

At the request and in accordance with the instructions of the trade union, and with the prior written consent of the worker who is a trade union member, the employer shall calculate and deduct from the worker's salary trade union membership fees and regularly pay such fees to the trade union's account.

5. TERMINATION OF AN ASSOCIATION'S OPERATIONS

Methods for terminating an association's operations

Article 190

(1) An association may cease operating:

1) upon a decision of the association's body authorised by the articles of association to decide on termination of its operations,

2) if the highest body of an association has not convened during a period which is twice as longer as the period specified by the articles of association,

3) if the association's operations are banned by the court.

(2) After the highest body of an association has convened, the association shall submit a report on the session of the association's highest body and information on the total number of association's members, to a body authorised for registration.

(3) If the report referred to in paragraph 2 of this Article indicates that the number of association's members has decreased below the number specified by this Act for the foundation of an association, the body authorised for registration shall delete the association from the register.

(4) The body authorised for registration shall render a decision on deletion of the association referred to in paragraph 3 of this Article.

(5) In cases referred to in subparagraphs 2 to 4, paragraph 1 of this Article, a decision terminating the association's operations shall be rendered by the court having jurisdiction, and based on a final judicial decision, the body responsible for maintaining the register shall delete the association from its register.

Ban on association's operations

Article 191

(1) The operations of an association shall be banned by a decision of a county court having territorial jurisdiction, if the operations of an association are contrary to the Constitution of the Republic of Croatia and its laws.

(2) The proceedings to ban the association's operations shall be initiated upon a motion by the body authorised for registration or by the authorised public attorney.

(3) The judgment banning the operations of an association must include a statement of reasons indicating the activities because of which the association's operations were banned.

(4) The judgement banning the operations of an association must include a decision on the association's assets, in accordance with the articles of association.

(5) The enacting terms of a final judgment banning the operations of an association shall be published in the Official Gazette.

6. COLLECTIVE AGREEMENTS

The subject-matter of a collective agreement

Article 192

(1) A collective agreement shall regulate the rights and obligations of the parties to the agreement. It may also contain legal rules governing the conclusion, contents and termination of employment, social security issues, and other issues arising from or related to employment.

(2) The legal rules contained in a collective agreement shall be directly applicable and binding on all persons who are subject to the collective agreement, in accordance with the provisions of this Act.

(3) A collective agreement may contain rules related to the composition and methods of work of the bodies authorised for amicable collective labour dispute resolution.

Obligation to collective negotiations in good faith

Article 193

The persons, who, under specific provisions, may be parties to a collective agreement, shall in good faith engage in negotiations over the conclusion of a collective agreement, in relation to the issues that, under this Act, may be a subject matter of a collective agreement.

Persons bound by a collective agreement

Article 194

(1) A collective agreement shall be binding on all persons who have concluded it, and on all persons who, at the time of the conclusion of such an agreement, were or subsequently became members of the association that is a party to the collective agreement.

(2) A collective agreement shall specify the level of its application.

Form of a collective agreement

Article 195

A collective agreement must be concluded in written form.

Obligation of good faith in performing obligations arising from a collective agreement

Article 196

(1) The parties to a collective agreement and the persons to whom it applies shall in good faith comply with its provisions.

(2) A claimant or a person to whom a collective agreement applies may claim compensation for damages he suffered as a result of non-compliance with the obligations arising from the collective agreement.

Power of attorney for negotiating and concluding a collective agreement

Article 197

(1) Persons representing the parties to the collective agreement must have a written power of attorney for collective bargaining and concluding a collective agreement.

(2) If a party to a collective agreement is a legal entity, the power of attorney referred to in paragraph 1 of this Article must be issued in compliance with the articles of association of this legal entity.

(3) If one of the parties to a collective agreement is an employer's association or a higher-level employers' association, the persons representing it must, in addition to a written power of attorney referred to in paragraph 1 of this Article, also provide to the other party a list of employers which are members of the association on whose behalf they negotiate or conclude a collective agreement.

Duration of a collective agreement

Article 198

(1) A collective agreement may be concluded for a definite or an indefinite period.

(2) A collective agreement concluded for a definite period shall not be concluded for a period longer than five years.

Extended application of legal rules contained in a collective agreement

Article 199

(1) Following the expiration of the period for which this collective agreement was concluded, the legal rules contained therein relating to conclusion, the contents and termination of employment contracts shall continue to apply, as a part of previously concluded employment contracts, until a new collective agreement is concluded, in the period of three months until the expiration of the period for which the collective agreement was concluded or three months from the expiration of the termination period.

(2) By way of derogation from paragraph 1 of this Article, a collective agreement may stipulate a longer period of extended application of legal rules contained in the collective agreement.

Cancellation of a collective agreement

Article 200

(1) A collective agreement concluded for an indefinite period may be cancelled.

(2) A collective agreement concluded for a definite period may be cancelled only if it contains a cancellation clause.

(3) A collective agreement concluded for an indefinite period and a collective agreement concluded for a definite period containing a cancellation clause must also contain clauses on the reasons for cancellation and cancellation periods.

(4) If a collective agreement may be cancelled, but does not contain a clause on a cancellation reason, the provisions of the law of obligations on amendment or termination of a contract due to changed circumstances shall be applied to the cancellation reason, as appropriate.

(5) If a collective agreement may be cancelled, but does not contain a clause on the cancellation period, the cancellation period shall be three months.

(6) A notice of cancellation must be submitted to all the parties to a collective agreement.

(7) A collective agreement must contain the provisions on the amendment and renewal procedures.

Submission of a collective agreement to the competent body

Article 201

(1) Every collective agreement and every change (amendment, supplement or cancellation) to a collective agreement must be submitted, depending on the area of its application, to the ministry or a state administrative office of a county or the City of Zagreb office responsible for labour affairs.

(2) A collective agreement or a change thereto applicable within the entire Republic of Croatia, or within two or more counties, shall be submitted to the ministry. All other collective agreements and changes to collective agreements shall be submitted to county public administration offices or the City of Zagreb office responsible for labour affairs.

(3) A collective agreement or a change to a collective agreement shall be submitted to the competent body by the party which is listed first in this agreement and, in case of cancellation, by the cancelling party.

(4) An employer’s association or a higher-level employers’ association shall provide the competent body with a list of employers bound by the collective agreement concluded by the employer’s association or the higher-level employers’ association, as well as all changes to the association’s membership that may have occurred during the period of the collective agreement’s validity.

(5) The Minister shall regulate the procedure for submitting collective agreements and changes thereto to the competent state body, as well as the methods for keeping records of the collective agreements and changes thereto that have been submitted, by virtue of an ordinance.

Publication of a collective agreement

Article 202

(1) A collective agreement shall be published.

(2) The Minister shall regulate the methods for publishing collective agreements referred to in paragraph 1 of this Article, by virtue of an ordinance.

(3) The employer’s failure to publish the collective agreement by which he is bound

shall not affect the fulfilment of his obligations arising from the collective agreement.

Extension of the application of a collective agreement

Article 203

(1) The Minister may, at the proposal of all parties to a collective agreement, extend the application of a collective agreement concluded with an employer's association or a higher-level employers' association, to an employer who is not a member of the employer's association or higher-level employers' association that is a signatory of this collective agreement.

(2) The decision referred to in paragraph 1 of this Article shall be rendered by the Minister if there is a public interest for extension of a collective agreement and if the collective agreement was concluded by trade unions which have the highest number of members and an employer's association which has the highest number of workers, at the level for which it is extended.

(3) Based on the information on a number and structure of employers to which a collective agreement will be extended, based on the information on a number of workers employed with them and the level of workers' material rights, and following consultations with representatives of the employers to which the collective agreement will be extended, the Minister shall determine whether there is a public interest referred to in paragraph 2 of this Article.

(4) In the decision referred to in paragraph 2 of this Article, the Minister shall specify the area of application of a collective agreement whose application is extended.

(5) The extended application of a collective agreement referred to in paragraph 4 of this Article shall cease after the expiration of a cancellation period of a collective agreement to be cancelled, or the expiration of the deadline for which the collective agreement was concluded, in which case the legal rules of this collective agreement shall not be applied under Article 199 of this Act.

(6) The Minister may revoke a decision on extension of a collective agreement, and if the application of a collective agreement has been extended, and there have been changes, amendments or renewals after its extension, for which a proposal for extension has not been submitted within thirty days following the submission of the change, amendment or renewal to the competent body, the Minister shall render a decision on revoking the decision on extension of a collective agreement that has been changed, amended or renewed.

(7) A decision to extend the application of a collective agreement and the collective agreement to be extended or a decision on revoking the extended application of a collective agreement shall be published in the Official Gazette.

(8) When an employer has to apply two or more extended collective agreements and in the event of any dispute on application of a collective agreement, the collective agreement applied in business activities where the employer is classified according to the official statistical classification shall be applied.

Judicial protection of the rights arising from a collective agreement

Article 204

(1) A party to a collective agreement may seek judicial protection of the rights arising from such an agreement, by a complaint filed with the court having jurisdiction.

(2) In the event of any dispute due to cancellation of a collective agreement, the

provisions of Article 219 of this Act shall be applied, as appropriate.

7. STRIKE AND COLLECTIVE LABOUR DISPUTE RESOLUTION

Strike and solidarity strike

Article 205

(1) Trade unions shall have the right to call and undertake a strike in order to protect and promote the economic and social interests of their members or on the ground of non-payment of remuneration or compensation, or a part thereof, if they have not been paid by their maturity date.

(2) In the event of any dispute related to conclusion, amendment or renewal of a collection agreement, the right to call and undertake a strike shall have trade unions which have been determined as representative, under specific provisions, for collective bargaining and conclusion of a collective agreement and which have negotiated the conclusion of a collective agreement.

(3) A strike must be announced to the employer, or to the employers' association, against which it is directed, whereas a solidarity strike must be announced to the employer on whose premises it is organised.

(4) A strike may not begin before the conclusion of the mediation procedure, when such a procedure is provided for by this Act, or prior to the completion of other amicable dispute resolution procedures agreed upon by the parties.

(5) A solidarity strike may begin even if the mediation procedure has not been conducted, but not before the expiration of two days from the date of commencement of the strike in whose support it is organised.

(6) A letter announcing the strike must state the reasons for the strike, the place, date and time of its commencement, as well as the method of its execution.

Disputes in which mediation is mandatory

Article 206

(1) In case of dispute which could result in a strike or other form of industrial action, the mediation procedure must be conducted as prescribed by this Act, except when the parties have reached an agreement on an alternative amicable method for its resolution.

(2) The mediation referred to in paragraph 1 of this Article shall be conducted by the mediator selected by the parties to a dispute from the list established by the Economic and Social Council or determined by mutual agreement.

List of mediators

Article 207

(1) The Economic and Social Council shall keep a list of mediators established by it.

(2) A decision on the level of mediators' fees shall be made by the Minister, with a prior opinion from the Economic and Social Council and consent from the minister of finance.

(3) The Minister shall, alongside a prior opinion of the Economic and Social Council, adopt an ordinance regulating the methods for the selection of mediators, conduct of the mediation procedure and performance of administrative work necessary for this procedure.

Time limit for the completion of the mediation procedure

Article 208

Unless otherwise agreed by the parties to a dispute, the mediation provided by this Act must be completed within five days following the submission of information about the dispute to the Economic and Social Council, or to a state administrative office in a county or the City of Zagreb responsible for labour affairs.

An agreement made by the parties and its effects

Article 209

(1) Parties may finalise the mediation procedure with an agreement.

(2) The agreement referred to in paragraph 1 of this Article reached in the event of dispute related to conclusion, amendment or renewal of a collective agreement shall have legal force and effects of a collective agreement.

(3) The agreement referred to in paragraph 1 of this Article reached in the event of dispute over remuneration or compensation, or a part thereof, if not paid by their maturity dates, may be used to agree upon the method and dynamics of their payment.

Resolution of disputes by arbitration

Article 210

(1) Parties to a dispute may agree to bring their collective labour dispute before an arbitration body.

(2) The appointment of an individual arbiter or an arbitration board and other issues related to the arbitration procedure may be regulated by a collective agreement or by an agreement of the parties made after the dispute has arisen.

Issues to be decided by arbitration

Article 211

(1) In their agreement to bring a dispute before an arbitration body, the parties shall define the issue to be resolved.

(2) The arbitration body may decide only upon the issues brought before it by the parties to a dispute.

Arbitration award

Article 212

(1) If a dispute concerns the application of laws and regulations or collective agreement, an arbitration body shall base its decision on such law, another regulation or collective agreement.

(2) If a dispute concerns the conclusion, amendment or renewal of a collective agreement, an arbitration body shall base its decision on equitable grounds.

(3) Unless the parties to a dispute specify otherwise in a collective agreement or an agreement to bring a dispute before an arbitration body, an arbitration award must include the

reasons for the award.

(4) No appeal is permitted against an arbitration award.

(5) If a dispute concerns the conclusion, amendment or renewal of a collective agreement, an arbitration award shall have the legal force and effects of the collective agreement.

Lockout

Article 213

(1) Employers may engage workers in a lockout only as a response to a strike already in progress.

(2) A lockout must not commence prior to expiration of eight days from the date of the commencement of a strike.

(3) The number of workers locked out must not be higher than one half of the workers on strike.

(4) With respect to the workers who are locked out, employers must pay contributions prescribed by specific regulations on the base equivalent to the minimum salary.

(5) This Act's provisions applicable to strikes are also applicable, as appropriate, to the employer's right to lock the workers out in the course of a collective labour dispute.

Rules applicable to activities which must not be stopped

Article 214

(1) Upon a proposal by the employer, the trade union and the employer shall prepare and adopt, by an agreement, the rules applicable to maintenance of production activities and essential activities which must not be stopped during a strike or a lockout.

(2) The rules referred to in paragraph 1 of this Article include, in particular, the provisions concerning activities and the number of workers who must perform such activities during a strike or a lockout, with the aim of enabling the restoration of regular work immediately after the strike ("the maintenance of production activities"), or with the aim of performance of work which is essential for the prevention of risks to life, personal safety or health of the population ("essential activities").

(3) The definition of the activities referred to in paragraph 1 of this Article must not deny or substantially restrict the right to strike.

(4) If the trade union and the employer do not reach an agreement on activities referred to in paragraph 1 of this Article within fifteen days of the day when the employer's proposal was submitted, the employer or the trade union may, within the next fifteen days, request that these activities be defined by an arbitration body.

(5) The arbitration body referred to in paragraph 4 of this Article consists of one representative of the trade union, one representative of the employer and an independent chairperson who is appointed subject to an agreement between the trade union and the employer.

(6) If the trade union and the employer fail to reach an agreement as to the appointment of the chairperson of the arbitration board, and these issues are not otherwise regulated by a collective agreement or an agreement between the parties, the chairperson shall be appointed by the president of the court which, according to the provisions of this Act, has first-instance jurisdiction to hear cases related to the prohibition of a strike or a lockout.

(7) If one of the parties refuses to participate in an arbitration procedure for defining

activities which must not be stopped, the procedure shall be completed without the participation of that party, and a decision on activities referred to in paragraph 1 of this Article shall be rendered by the chairperson of the arbitration board.

(8) The arbitration body must render a decision on activities referred to in paragraph 1 of this Article within fifteen days following the initiation of the arbitration procedure.

(9) If the employer proposed the definition of the activities referred to in paragraph 1 of this Article after the day when the mediation procedure had commenced, the procedure for defining these activities may not be initiated until the end of the strike.

Consequences of organisation of a strike or participation in a strike

Article 215

(1) Organisation of a strike or participation in a strike, which is organised in compliance with the law, collective agreement and trade union rules, do not constitute a violation of an employment contract.

(2) A worker shall not be discriminated because of his involvement in organisation or participation in a strike, organised in compliance with the law, collective agreement and trade union rules.

(3) A worker may be dismissed only if he organises or participates in a strike non-compliant with the law, collective agreement or trade union rules, or if in the course of a strike he commits some other grave violation of an employment contract.

(4) A worker must not, by any means, be coerced to participate in a strike.

Proportional reduction of remuneration and compensation

Article 216

The employer may reduce the remuneration and compensation of a worker who has participated in a strike. The reduction must be proportionate to the time spent on strike.

Judicial prohibition of an illegal strike and indemnity

Article 217

(1) An employer or an employer’s association may move the court having jurisdiction to prohibit the organisation and undertaking of a strike which is contrary to the provisions of the law.

(2) An employer may claim compensation for damages suffered as a result of a strike organised and undertaken contrary to the provisions of the law.

Judicial prohibition of an illegal lockout and indemnity

Article 218

(1) A trade union may move the court having jurisdiction to prohibit the organisation and undertaking of a lockout that is contrary to the provisions of the law.

(2) A trade union may claim compensation for damages suffered by this trade union or the workers as a result of a lockout organised and undertaken contrary to the provisions of the law.

Judicial jurisdiction to prohibit a strike or a lockout

Article 219

(1) If a strike or a lockout is undertaken in the territory of only one county, the first-instance jurisdiction over prohibition of a strike or a lockout shall have a competent county court, sitting as a chamber composed of three judges.

(2) If a strike or a lockout is undertaken in the territory of two or more counties, the first-instance jurisdiction over prohibition of a strike or a lockout shall have the Zagreb County Court, sitting as a chamber composed of three judges.

(3) An appeal against a decision rendered under the provisions of paragraphs 1 and 2 of this Article shall be decided upon by the Supreme Court of the Republic of Croatia.

(4) A first-instance decision on whether or not to prohibit a strike or a lockout must be rendered within four days following the filing of the request.

(5) A decision on the appeal referred to in paragraph 3 of this Article must be rendered within five days following the submission of the first-instance case.

Strikes in the armed forces, police, public administration and public services

Article 220

Strikes in the armed forces, police, public administration and public services shall be regulated by specific provisions.

8. ECONOMIC AND SOCIAL COUNCIL

Powers of the Economic and Social Council

Article 221

(1) The Economic and Social Council may be established at the national level for purposes of defining and carrying out coordinated activities aimed at the protection and promotion of economic and social rights and interests of both the workers and the employers, in pursuance of coordinated economic, social and development policies, fostering the conclusion and application of collective agreements and harmonising these agreements with the measures of economic, social and development policies.

(2) The activities of the Economic and Social Council shall be based on the concept of tripartite cooperation among the Government of the Republic of Croatia (hereinafter: "the Government"), trade unions and employers' associations, whose representativeness has been determined at the national level, with the aim of solving economic and social issues and problems.

(3) The Economic and Social Council shall, at the national level:

1) monitor, study and evaluate the effects of the economic policy and the measures undertaken in pursuance thereof on the social stability and development,
2) monitor, study and evaluate the effects of the social policy and the measures undertaken in pursuance thereof on the economic stability and development,
3) monitor, study and evaluate the effects of the fluctuation of prices and salaries on the economic stability and development,
4) give reasoned opinions to the Minister regarding any problems relating to the conclusion and application of collective agreements,
5) make proposals to the Government, employers and trade unions, or to their associations and higher-level associations, aimed at achieving a coordinated price and

salary policy,

6) establish a list of potential mediators,

7) give opinions on the ordinance governing the methods for the election of mediators and procedure for conducting mediation,

8) give opinions on the ordinance governing the methods for the election of arbiters and procedure for conducting arbitration,

9) encourage amicable dispute resolution of collective labour disputes,

10) give opinions on draft legislation in the area of labour and social security,

11) promote the concept of tripartite cooperation among the Government, representative trade unions and representative employers' associations for the purpose of resolving economic and social issues and problems,

12) give opinions and proposals to the Minister regarding other issues regulated by a specific law.

(4) The Economic and Social Council shall be established subject to an agreement between the Government, trade unions and higher-level employers' associations.

(5) The powers and structure of the Economic and Social Council shall be specified in more details in the agreement referred to in paragraph 4 of this Article.

(6) The Economic and Social Council may establish committees to deal with specific questions falling within its competence.

(7) The Economic and Social Council shall adopt rules of procedure in order to regulate the procedures for making decisions from its competence.

(8) Every member of the Economic and Social Council may make a proposal for discussing an issue or for making a decision falling within the competence of the Economic and Social Council.

(9) If the Economic and Social Council has not been established or it has ceased to perform its activities, and for these reasons it has not established a list of mediators, a list of arbiters or arbitration board members, or if for these reasons it has not given its opinion on an ordinance governing the methods for the election of mediators and procedure for conducting mediation referred to in Article 207, paragraph 3 of this Act or on an ordinance governing the methods for the election of arbiters and procedure for conducting arbitration referred to in Article 151, paragraph 7 of this Act, these issues shall be regulated by the Minister.

(10) If the Economic and Social Council has not been established or has ceased to perform its activities, the Minister shall, in compliance with the ordinances referred to in paragraph 9 of this Article, render a decision on appointment of a mediator in a collective labour dispute or an arbiter in an arbitration procedure.

TITLE V

SUPERVISION OF THE APPLICATION OF LABOUR REGULATIONS

Administrative supervision

Article 222

The administrative supervision of the application of this Act, and regulations adopted in pursuance thereof, as well as the application of other laws and regulations governing the relations between employers and workers shall be exercised by the central state administration body responsible for labour affairs, unless otherwise specified by another law.

Inspection

Article 223

(1) The inspection of the enforcement of this Act, and regulations adopted in pursuance thereof, as well as the enforcement of other laws and regulations governing the relations between employers and workers shall be exercised by the central state administration body responsible for labour inspections, unless otherwise specified by another law.

(2) In exercising inspections, a labour inspector shall have powers set forth by law or by a regulation enacted in pursuance thereof.

(3) The worker, the works council, trade union and employer may request from a labour inspector to undertake an inspection.

TITLE VI

SPECIAL PROVISIONS

National defence-related services and employment relationship

Article 224

(1) The rights and obligations arising from employment shall be held in abeyance during national defence-related service, in accordance with a specific regulation.

(2) By way of derogation from paragraph 1 of this Article, the employed reservists shall, during their absence from work due to military service or service in reserve forces, exercise their rights arising from employment as if they were at their workplaces.

(3) The costs of the compensation and other material rights of reservists referred to in paragraph 2 of this Article shall be compensated to the employer by the ministry competent for defence at his written request.

(4) A worker who, following his military service or service in contractual reserve forces, wishes to continue to work for the same employer shall, as soon as he learns of the date on which his liability with military or contractual reserve forces is to cease, but no later than 30 days of that date, notify the employer about his intention.

(5) The employer shall be obliged to reinstate the worker who made a statement within the meaning of paragraph 4 of this Article to a position he held prior to his military service or service in contractual reserve forces, and, if the need for such job no longer exists, the employer shall offer the worker to conclude an employment contract for another equivalent job.

(6) If, in the case referred to in paragraph 5 of this Article, the employer is not in the position to reinstate the worker, he shall compensate the worker for a notice period, either statutory or agreed upon and, if the eligibility criteria are met, pay the applicable severance pay.

(7) The employer shall be obliged to reinstate the worker referred to in paragraph 1 of this Article within 30 days following the day of receipt of the declaration of intention to continue

to work for the same employer; otherwise the worker shall be given priority for employment with the same employer within one year following his defence-related services.

(8) Performing defence-related services shall not constitute a just cause for dismissal, and during that period, the employer shall not be allowed to terminate the employment contract by regular notice of termination. If the employer terminates the employment contract contrary to the provisions of this Article, the worker shall be entitled to all the rights provided for by this Act for cases of unfair dismissal.

(9) The provisions of this Article shall apply accordingly to the workers participating in a voluntary military training, in accordance with the a specific defence-related regulation.

Rights of candidates for President of the Republic of Croatia, members of Parliament, and representatives in assemblies and councils, county heads, mayors and heads of municipalities and their deputies

Article 225

(1) During the electoral campaign, candidates for President of the Republic of Croatia shall be entitled to unpaid leave for a period of up to 20 working days.

(2) During the electoral campaign, a candidate for a seat as representative in the Parliament of the Republic of Croatia shall be entitled to unpaid leave for a period of up to 15 working days.

(3) During the electoral campaign, a candidate for a seat as representative in a county assembly, for a county head and their deputies shall be entitled to unpaid leave for a period of up to 10 working days.

(4) During the electoral campaign, a candidate for a seat as representative in a city or a municipal council, a mayor or a head of municipality and their deputies shall be entitled to unpaid leave for a period of up to 5 working days.

(5) The worker shall notify his employer about the exercise of the right to leave referred to in paragraphs 1 to 4 of this Article at least 24 hours in advance.

(6) The leave referred to in paragraphs 1 to 4 of this Article may not be used in periods shorter than one working day.

(7) Instead of taking the leave referred to in paragraphs 1 to 4 of this Article, the worker may, at his request and under the same conditions, take the annual leave in the duration to which he is entitled, until the first day of elections.

(8) Where the tenure with the same employer is of relevance for acquiring certain rights, the period of unpaid leave referred to in paragraphs 1 to 4 of this Article shall be regarded as full-time work and shall be calculated in the total employment period required for the exercise of certain rights arising from the employment relationship or related thereto.

TITLE VII

ADMINISTRATIVE MEASURES

Article 226

(1) During labour inspection, an inspector shall, by means of oral decision, which shall be stated in the inspection report, order the employer to perform, within the time limits determined by the inspector, the following activities:

1) to deliver to the data base of the institution responsible for keeping records on insured persons, in accordance with specific provisions on pension insurance, in a manner, of the contents and within the time limits, information on the worker or any change thereto during the employment relationship (Article 6, paragraph 2),
2) to enable the worker to acquaint himself with the employment regulations and to inform the worker about the organisation of work and as well as health and safety protection measures at work (Article 8, paragraph 2),
3) to make the regulations on safety and health at work, collective agreements and working regulations appropriately available to the workers (Article 8, paragraph 3),
4) to register the employment contracts for seafarers and workers on board seagoing fishing vessels with the county public administration office or the City of Zagreb office responsible for labour (Article 14, paragraph 6),
5) to offer to the worker with whom he has concluded an employment contract that does not contain all the elements prescribed by this Act, to amend the contract or the certificate of engagement so as to include the missing elements (Article 15),
6) to offer to the worker with whom he has concluded an employment contract for permanent seasonal works that does not contain all the elements prescribed by this Act, to amend the contract or the certificate of engagement so as to include the missing elements (Article 16),
7) to offer to the worker with whom he has concluded a contract of employment at alternative workplace that does not contain all the elements prescribed by this Act, to amend the contract or the certificate of engagement so as to include the missing elements (Article 17, paragraph 1),
8) to offer to the worker with whom he has concluded a contract of temporary employment abroad that does not contain all the elements prescribed by this Act, to amend the contract or the letter of engagement so as to include the missing elements or, to hand over to the worker prior to his expatriation a copy of the application for mandatory health insurance, provided that such insurance is the employer's obligation (Article 18, paragraphs 1 and 3),
9) to direct a minor for a health assessment to be performed by an authorised physician if the minor, his parent or guardian, works council or trade union had any doubts that the works performed by the minor will put his safety, health, morals or development into risk, and if they requested from the employer that an authorised physician performs a health assessment of the minor and provides his findings and opinion of whether the works performed by the minor indeed harm his safety, health, morals or development (Article 22, paragraph 1),
10) to offer to the minor the conclusion of employment contract for other appropriate works, where he is obliged to do so under the findings and opinion of an authorised physician (Article 22, paragraph 3),
11) to adopt and make publicly available the working regulations or to regulate all the issues that must be regulated by working regulations (Article 26, paragraph 1),
12) to deliver to the Ministry the statistical data on worker assignment-related activities, of a content, in a manner and within a time limit prescribed by this Act (Article 44, paragraph 7),
13) to amend the contract concluded between the user undertaking and the agency that does not contain all the elements prescribed by this Act so as to include all the missing elements (Article 45, paragraph 2),
14) to offer to the worker with whom he has concluded a temporary assignment contract that does not contain all the elements prescribed by this Act, to amend the contract or the certificate of engagement so as to include the missing elements (Article 46, paragraphs 2 and 4),
15) to amend the assignment letter that does not contain all the information prescribed by this

Act so as to include the missing elements (Article 49, paragraph 1),

16) to notify the works council about the number and reasons for taking assigned workers or to inform the assigned workers about vacancies for which they meet the requirements (Article 50, paragraph 3),
17) to prepare the annual leave schedule in accordance with this Act or to inform the worker of the duration and the period of use of annual leave (Article 85),
18) to hand over to the worker a payroll account evidencing the method of determining the amounts of remuneration, compensation or severance pay or an account of a prescribed content (Article 93, paragraphs 1 and 4),
19) to hand over to the worker a payroll account evidencing the method of determining the outstanding amounts of remuneration, compensation or severance pay or an account of a prescribed content (Article 93, paragraphs 2 and 4),
20) to issue to the worker, on his request, a certificate on the type of job performed and the length of employment (Article 130, paragraph 1),
21) to return all the documents to the worker in case of employment termination, including copy of the worker's deregistration from mandatory pension and health insurance schemes or to issue a certificate on the type of job performed by the worker and the length of employment (Article 130, paragraph 2),
22) to appoint a person who would, in addition to him, be authorised to receive and deal with complaints related to the protection of the workers' dignity (Article 134, paragraph 2),
23) to notify in writing and fully the works council and all the workers affected by the transfer about the transfer of the undertaking, business or part of the undertaking or business to a new employer (Article 137, paragraphs 6 and 7),
24) to make a collective agreement publicly available in a prescribed manner (Article 202, paragraphs 1 and 2),

(2) During labour inspection, an inspector shall, by means of an oral decision noted in the inspection report, prohibit the following:

1) engagement of a person under fifteen, of fifteen or above fifteen years of age and under eighteen years of age who is still subject to compulsory full-time elementary schooling (Article 19),
2) engagement of a minor for works likely to harm his safety, health, morals or development (Article 21, paragraph 1),
3) engagement of a minor for works that can be performed only after a medical assessment, if his health capacity has not yet been assessed (Article 21, paragraph 3),
4) engagement of a minor where the findings and opinion of an authorised physician show that the works performed by the minor indeed harm his safety, health, morals or development (Article 22, paragraph 1),
5) worker assignment activities of a temporary employment agency if the agency is not established in accordance with specific provisions or registered with the registry of the ministry responsible for labour affairs (Article 44, paragraph 3),
6) works involving exposure to harmful effects in spite of the implementation of health and safety at work protection measures, performed by workers during a period exceeding the short working time (Article 64, paragraph 3),
7) overtime work by minors (Article 65, paragraph 5),
8) overtime work by a pregnant worker, a parent of a child under three years of age and a single parent of a child under six years of age who works part-time at several employers, and by the worker referred to in Article 61, paragraph 3 and Article 62, paragraph 3 of this Act, without their written agreement to perform such work (Article 65, paragraph 6),
9) work by minors for a period exceeding 8 hours in a 24-hour period (Article 68, paragraph 1),
10) engagement of a part-time worker at two or more employers, a pregnant worker, a parent

with a child under three years of age and a single parent with a child under six years of age under a flexible work schedule without their written agreement to perform such work (Article 68, paragraph 2),

11) engagement of a night worker for a period exceeding an average of 8 hours in any 24-hour period during which he performs night work, during a 4-month period (Article 69, paragraph 6),
12) engagement of a night worker who, based on work hazard assessment, is exposed to special hazards or heavy physical or mental strain, for a period exceeding 8 hours in any 24-hour period during which he performs night work (Article 69, paragraph 7),
13) night work by minors if it is contrary to the provisions of this Act or without the surveillance of an adult (Article 70),
14) night work with the employer in the case of the work organised into shifts involving night work, exceeding an uninterrupted period of one week (Article 71, paragraph 3).

(3) An appeal against the decision referred to in paragraphs 1 and 2 of this Article does not postpone the enforcement of the decision.

TITLE VIII

PENAL PROVISIONS

Minor offences by employers

Article 227

(1) A fine in an amount ranging from HRK 10,000.00 to 30,000.00 shall be imposed on the employer who is a legal person:

1) for concluding an employment contract in which the duration of probationary period is longer than permitted by the Act (Article 53, paragraph 2),
2) for concluding an employment contract in which the duration of traineeship is longer than permitted by the Act (Article 57),

(2) An employer who is a natural person and the responsible person in the employer who is a legal person shall be fined in an amount ranging from HRK 1,000.00 to 3,000.00 for an offence referred to in paragraph 1 of this Article.

(3) Where the offence referred to in paragraph 1 of this Article is committed in respect of a minor worker, the fine shall be double the amount prescribed.

Serious offences by employers

Article 228

(1) A fine in an amount ranging from HRK 31,000.00 to 60,000.00 shall be imposed on the employer who is a legal person for:

1) concluding a successive fixed-term employment contract with the same worker with no objective grounds, or for failing to state the objective grounds in such contract or letter of assignment, or for allowing the cumulative duration of all successive fixed-term employment contracts, including the first one, to exceed an uninterrupted period of 3 years, unless where it is necessary for the purpose of replacing a temporarily absent worker or where it is on objective grounds allowed by law or a collective agreement (Article 12, paragraphs 2 and 3),
2) concluding the employment contract with a worker who does not meet the particular employment requirements laid down by laws, regulations or administrative provisions,

collective agreement or working regulations (Article 23),

3) requesting from the worker any information that is not directly related to the employment relationship, in the process of selecting the applicants for a job (an interview, testing, survey or similar) and concluding an employment contract (Article 25, paragraph 1),
4) collecting, processing, using or disclosing to third parties the worker's personal data contrary to the provisions of this Act, or for failing to appoint a person who is, apart from the employer, authorised to supervise the collecting, processing, using or disclosing of such data to third parties (Article 29, paragraphs 1 and 6),
5) requesting any information about pregnancy or directing any other person to do so, unless the worker personally demands for a particular entitlement provided for by law or another regulation for the purpose of protecting pregnant workers (Article 30, paragraph 2),
6) failing to reinstate a worker after the expiry of maternity, parental and adoptive lave, a leave for the purpose of taking care of and nursing a child with severe developmental disabilities and the abeyance of the employment relationship until the child's third year of age in accordance with specific provisions, under the conditions stipulated by this Act, or for failing to offer the conclusion of employment contract for another equivalent job, or for failing to reinstate the worker within one month after the date of having notified the employer about the end of exercising of such a right (Article 36, paragraphs 1 and 2),
7) failing to reinstate a worker who suffered from temporary incapacity for work due to injury or injury at work, illness or occupational disease, or for failing to offer to the worker the conclusion of an employment contract for another equivalent position (Article 40),
8) failing to offer, in writing, to a worker with reduced capacity for work or a partial loss of capacity or where there is an immediate danger of reduction of his capacity for work, the conclusion of an employment contract for the performance of tasks in line with the worker's capacity, if the employer is in the position to ensure such tasks (Article 41),
9) assigning to the user undertaking a worker for the performance of the same works for an uninterrupted period exceeding three years unless it is necessary for the purpose of replacing a temporarily absent worker or where it is allowed by collective agreement on the grounds of some other objective reasons (Article 48),
10) failing to indicate the agency's registration number with the Ministry in their legal transaction, business documents, letters and contracts (Article 52, paragraph 4),
11) failing to conclude a contract in writing with an unremunerated trainee (Article 59, paragraph 5),
12) failing to permit a break to the worker in a manner and under the conditions laid down by this Act (Article 73),
13) failing to permit a daily rest to the worker in a manner and under the conditions laid down by this Act (Article 74),
14) failing to permit a weekly rest to the worker in a manner and under the conditions laid down by this Act (Article 75),
15) failing to permit the use of annual leave to the worker in a manner and under the conditions laid down by this Act, except in the case of termination of the employment contract (Articles 77, 78, 83, 84 and Article 85, paragraph 2),
16) failing to permit the use of paid leave to the worker in a manner and under the conditions laid down by this Act (Article 86),
17) collecting his claims against the worker by withholding payment of remuneration or compensation, or a part thereof without the worker's agreement (Article 96, paragraph

1),

18) employing another worker at the same post prior to the expiry of a 6-month period without offering an employment contract to the worker he dismissed due to business reasons (Article 115, paragraphs 5 and 6),
19) failing to treat as confidential information collected in the procedure for the protection of workers' dignity (Article 134, paragraph 8),
20) failing to permit to the workers to elect the works council (Article 141),
21) failing to communicate information on the election of works council or to communicate such information within a stipulated deadline and in a stipulated manner (Article 146, paragraph 3),
22) failing to notify the works council of issues that he is obliged to notify of in a manner stipulated by this Act (Article 149),
23) failing to consult the works council about the issues that he is obliged to consult about in a manner stipulated by this Act (Article 150),
24) adopting a decision without the works council agreement where the adoption of such decision is subject to the works council agreement (Article 151, paragraph 1),
25) failing to ensure the conditions for the works council activities (Article 156),
26) failing to enable the appointed or elected workers' representative to be a member of the employer's management body or another equivalent body of a company, cooperative society or a public institution (Article 164),
27) attempting to gain or for gaining the prohibited control over forming and operations of trade unions or trade union associations of a higher level (Article 183, paragraph 1),
28) failing to calculate, deduct or deposit trade union membership fees (Article 189),
29) failing to comply with his obligation to submit the collective agreement, or any changes thereto, to the competent authority, where he is obliged to do so (Article 201, paragraphs 1 and 3),
30) refusing to participate in mediation as provided for in this Act (Article 206, paragraph 1),
31) discriminating the worker who has organised or has participated in a strike organised in compliance with the law, collective agreement and trade union rules (Article 215, paragraph 2),

(2) An employer who is a natural person and the responsible person in the employer who is a legal person shall be fined in an amount ranging from HRK 4,000.00 to 6,000.00 for an offence referred to in paragraph 1 of this Article.

(3) Where the offence referred to in paragraph 1 of this Article is committed in respect of a minor worker, the fine shall be double the amount prescribed.

(4) The employer who is a legal person shall be held liable for offences referred to in paragraph 1, sub-paragraph 27 of this Article even when there is no offence liability of the person responsible.

Most serious offences by employers

Article 229

(1) A fine in an amount ranging from HRK 61,000.00 to 100,000.00 shall be imposed on the employer who is a legal person for:

1) failing to keep records on workers and working time or for failing to keep records in a stipulated manner, or for failing to deliver information on workers and working time upon labour inspector's request (Article 5),
2) posting his worker temporarily to a company that is not associated with him within the meaning of a specific regulation on companies, or for posting his worker for an

uninterrupted period exceeding 6 months, or for posting his worker without concluding an agreement thereon (Article 10, paragraph 3),

3) failing to deliver to the worker a letter of engagement prior to the start of employment, where the employer fails to conclude a written employment contract with the worker, or for failing to deliver to the worker a copy of the application for mandatory pension and health insurance within the stipulated deadline (Article 14, paragraphs 3 and 5),
4) concluding a contract of employment at alternative workplace for works that may not be subject to such agreement (Article 17, paragraph 4),
5) expatriating his worker to a company that is not associated with him within the meaning of a specific regulation on companies or to a company that does not have an establishment in a country to which the worker is posted, or for expatriating his worker for a period exceeding two years or without concluding an agreement thereon (Article 18, paragraph 4),
6) employing a person under fifteen, of fifteen or above fifteen years of age and under eighteen years of age who is still subject to compulsory full-time elementary schooling, or for employing a minor without the authorisation of his legal representative or the consent of the authority responsible for social welfare (Article 19 and Article 20, paragraphs 1 and 2),
7) employing a minor for works likely to harm his safety, health, morals or development (Article 21, paragraph 1),
8) refusing to employ a woman due to her pregnancy or, contrary to the provisions of this Act, for offering her the conclusion of an amended employment contract under less favourable conditions on the grounds of her pregnancy, recent childbirth or breastfeeding within the meaning of specific provisions (Article 30, paragraph 1),
9) terminating the employment contract of the pregnant worker, or of any person exercising any of the rights listed below, during pregnancy, maternity, parental or adoption leave, periods of part-time work, periods of short-time work due to intensified childcare, the leave of pregnant women or a breastfeeding mother, and the periods of leave or short-time work due to the care for a child with serious developmental disabilities or within fifteen days after the end of pregnancy or the end of exercise of any of such rights (Article 34, paragraph 1),
10) terminating the employment contract of the worker during his temporary incapacity for work due to medical treatment or recovery from an injury at work or an occupational disease (Article 38, paragraph 1),
11) assigning workers to user undertakings prior to the registration with the appropriate registry of the Ministry, or for charging the worker a fee for his assignment or a fee for the entry into an employment contract between the assigned worker and the user undertaking (Article 44, paragraphs 5 and 6),
12) assigning workers without concluding assignment contracts or for concluding such contracts when he is not allowed to do so (Article 45, paragraphs 1 and 4),
13) concluding a full-time employment contract in which the duration of working time is longer than permitted by law (Article 61, paragraph 1),
14) concluding a full-time employment contract for a period exceeding 8 hours a week or 180 hours a year, or for concluding such contract without a written consent of the worker's employer(s) (Article 61, paragraph 3 and Article 62, paragraph 3),
15) requesting the worker to perform the works involving exposure to harmful effects in spite of the implementation of health and safety at work protection measures for a period exceeding the short working time (Article 64, paragraph 3),
16) allowing overtime work for a period exceeding in total 50 hours a week, or 180 hours a year per worker or 250 hours a year, where overtime work exceeding 180 hours a year is laid down by collective agreement (Article 65, paragraphs 3 and 4),

17) requesting overtime work by minors (Article 6, paragraph 5),
18) requesting overtime work by a pregnant worker, a parent of a child under three years of age and a single parent of a child under six years of age or a worker who works part-time at several employers, and by the worker referred to in Article 61, paragraph 3 and Article 62, paragraph 3 of this Act, without their written agreement to perform such work, except in the case of force majeure (Article 65, paragraph 6),
19) scheduling, in the case of uneven working time, the worker's working time so as to exceed 50 hours a week, including overtime work, or to exceed 60 hours a week, including overtime work, where it is agreed upon in collective agreement, or to exceed 48 hours a week, including overtime work, for a period of four consecutive months, or six months, where it is agreed so in collective agreement (Article 66, paragraphs 6, 7 and 8),
20) failing to inform the worker on his pattern of working hours or any change thereto at least a week in advance, except in the event of a pressing need for that particular worker's work (Article 66, paragraph 15),
21) failing to prepare a working time redistribution plan of a stipulated contents, where the redistribution of working time is not provided for by a collective agreement or an agreement concluded between the works council and the employer, or for failing to deliver such plan to a labour inspector in advance (Article 67, paragraph 2),
22) allowing the worker's redistributed working hours to last longer than it is allowed by the Act (Article 67, paragraphs 4, 5 and 8),
23) failing to deliver to the labour inspector, upon his request, the list of workers who gave their written consent to such redistributed working hours (Article 67, paragraph 7),
24) allowing work by minors for a period exceeding 8 hours in a 24-hour period (Article 68, paragraph 1),
25) requesting a part-time worker at two or more employers, a pregnant worker, a parent with a child under three years of age and a single parent with a child under six years of age to work, full-time or part-time, under a redistributed working time scheme, without their written agreement thereon (Article 68, paragraph 2),
26) requesting a night worker to work longer than 8 hours on average in any 24-hour period during a 4-month period (Article 69, paragraph 6),
27) failing to prepare a pattern of work for a night worker exposed to special hazards or heavy physical or mental strain so as to not to work during night longer than 8 hours in any 24-hour period (Article 69, paragraph 7),
28) requesting, contrary to the provisions of this Act, night work by minors or for failing to ensure that the night work by minors is performed under the surveillance of an adult (Article 70, paragraphs 1 and 2),
29) failing to ensure the change of shifts so as to limit the uninterrupted work of a worker in night shift to maximum one week, where the work is organised into shifts which include night work (Article 71, paragraph 3),
30) failing to provide night workers with a health assessment before their assignment and thereafter at regular intervals, in accordance with specific provisions (Article 72, paragraph 3),
31) failing to ensure to the night worker who suffers from health problems connected with the fact that he performs night work, as established by a health assessment before his assignment or by a regular health assessment during the assignment, such a pattern of working time so that the worker can perform the same job in day work (Article 72, paragraph 6),
32) failing to offer to the night worker who suffers from health problems connected with the fact that he performs night work, as established by a health assessment before his

assignment or by a regular health assessment during the assignment, to conclude the employment contract for day work to which he is suited and which to the greatest possible extent is comparable to the works previously performed by the worker, where the employer is not able to ensure for the worker to perform the same job in day work (Article 72, paragraph 7),

33) concluding an agreement with the worker under which a worker waives his entitlement to annual leave in return for compensation (Article 80),
34) failing to deliver to the worker a payroll account concerning the outstanding remuneration, compensation or severance pay due, or for delivering the account which does not contain all the elements stipulated by law (Article 93, paragraphs 2 and 4),
35) failing to provide a notice of dismissal in writing, or for failing to explain the grounds for dismissal, or for failing to hand over the notice of dismissal to the worker (Article 120),
36) indicating in the certificate on employment, apart from information about the type of works performed and the length of employment, any information which could adversely impact the worker's concluding a new employment contract (Article 130, paragraph 3),
37) failing to notify the new employer in writing, fully and accurately, about the rights of the workers whose employment contracts are being transferred to a new employer (Article 137, paragraph 4).

(2) A fine in an amount ranging from HRK 7,000.00 to 10,000.00 for an offence referred to in paragraph 1 of this Article shall be imposed on the employer who is a natural person and the responsible person in the employer who is a legal person.

(3) A fine in an amount ranging from HRK 61,000.00 to 100,000.00 for an offence referred to in paragraph 1, sub-paragraph 1 of this Article shall be imposed on the user undertaking who is a legal person, and who is under the worker assignment agreement responsible for keeping records on working time of the assigned workers (Article 45, paragraph 5).

(4) A fine in an amount ranging from HRK 7,000.00 to 10,000.00 shall be imposed on the user undertaking who is a natural person, and who is under the worker assignment agreement responsible for keeping records on working time of the assigned workers during their assignment, as well as on the responsible person in the employer who is a legal person (Article 45, paragraph 5).

(5) A fine in an amount ranging from HRK 61,000.00 to 100,000.00 shall be imposed on the user undertaking who is a legal person, and who, at the moment of concluding the contract referred to in Article 45 of this Act fails to notify the agency in writing, fully and accurately, about the working conditions applicable to the workers employed with the user undertaking performing the works to be performed by the assigned worker (Article 50, paragraph 2).

(6) A fine in an amount ranging from HRK 7,000.00 to 10,000.00 shall be imposed on the user undertaking who is a natural person, and who, at the moment of concluding the contract referred to in Article 45 of this Act, fails to notify the agency in writing, fully and accurately, about the working conditions applicable to the workers employed with the user undertaking performing the works to be performed by the assigned worker, as well as on the responsible person in the employer who is a legal person (Article 50, paragraph 2).

(7) Where the offence referred to in paragraph 1 of this Article is committed in respect of a minor worker, the fine shall be double the amount prescribed.

Offences by trade unions and trade union associations of a higher level

Article 230

A fine for an offence in an amount ranging from HRK 5,000.00 to 20,000.00 shall be imposed on trade unions or a trade union association of a higher level for:

1) failing to report any changes in the articles of association, including the changes of authorised representatives and the termination of the association, within 30 days after the date of the change in question (Article 180, paragraph 2),
2) failing to provide a report every four years to a competent authority responsible for registration, on the sessions of the association's highest body or information on total number of the association's members (Article 190, paragraph 2),
3) failing to submit, if there is such obligation, a collective agreement or any change thereto to the Ministry or a county public administration office or the City of Zagreb office responsible for labour affairs (Article 201, paragraph 1),
4) failing to announce a strike (Article 205, paragraph 3),
5) beginning a strike before the conclusion of the mediation procedure, when such a procedure is provided for by this Act, or prior to the completion of other amicable dispute resolution procedures agreed upon by the parties (Article 205, paragraph 4),
6) failing to state in the letter announcing the strike the reasons for the strike, the place, date and time of its commencement, as well as the method of its execution (Article 205, paragraph 6),
7) refusing to participate in the mediation procedure provided for in this Act (Article 206).

Offences by employer associations and employer associations of a higher level

Article 231

A fine for an offence in an amount ranging from HRK 5,000.00 to 20,000.00 shall be imposed on the employer association or the employer association of a higher level for:

1) failing to report any changes in the articles of association, including the changes of authorised representatives and the termination of the association, within 30 days after the date of the change in question (Article 180, paragraph 2),
2) failing to provide a report every four years to a competent authority responsible for registration, on the sessions of the association's highest body or information on total number of the association's members (Article 190, paragraph 2),
3) failing to submit, if there is such obligation, a collective agreement or any change thereto to the Ministry or a county public administration office or the City of Zagreb office responsible for labour affairs (Article 201, paragraph 1),
4) failing to make a collective agreement publicly available in a prescribed manner (Article 202, paragraphs 1 and 2),
5) refusing to participate in mediation as provided for in this Act (Article 206),
6) organising or engaging in a lockout which is not a response to a strike already in progress (Article 213, paragraph 1),
7) starting the use of a lockout prior to the expiry of a deadline laid down by this Act (Article 213, paragraph 2),
8) locking out a greater number of workers than it is allowed by this Act (Article 213, paragraph 3),
9) locking out workers contrary to the provisions of this Act (Article 213, paragraph 5),
10) failing to ensure the performance of activities which must not be stopped during a lockout (Article 214).

TITLE IX

TRANSITIONAL AND FINAL PROVISIONS

Article 232

(1) The procedures concerning the exercise and the safeguarding of workers' rights initiated before the entry into force of this Act shall be finalised under the provisions of the Labour Act (Official Gazette 149/09, 61/11, 82/12 and 73/13).

(2) The provisions of this Act on the statute of limitations for claims shall not apply to the claims resulting from the employment relationship, for which the 3-year statute of limitations has expired prior to the entry into force of this Act.

(3) Until the adoption of implementing regulations referred to in Articles 151 and 188 of this Act, the procedures of replacing the consent of works council on the termination of a worker's employment contract, or the replacement of consent of the trade union on the termination of employment contract of a trade union commissioner, initiated after the adoption of this Act, shall be governed by the provisions of the Labour Act (Official Gazette 149/09, 61/11, 82/12 and 73/13).

(4) The procedures concerning the election of works councils initiated before the entry into force of this Act shall be conducted and finalised under the provisions of the Labour Act (Official Gazette 149/09, 61/11, 82/12 and 73/13), and the works councils members elected before the entry into force of this Act shall keep their mandate until its expiry.

(5) The legal rules from collective agreements that either expired or were terminated before the entry into force of this Act, whose application is extended on the grounds that they make an integral part of previously concluded employment contracts, shall cease to apply after the expiry of a period of three months of the date of expiry of the collective agreement.

(6) The decision on the extension of collective agreements made until the date of entry into force of this Act shall cease to be valid after the expiry of a six month period of the date of entry into force of this Act.

Article 233

(1) Employers shall harmonise their working regulations with the provisions of this Act within six months following the entry into force of this Act.

(2) The Minister shall, within six months following the entry into force of this Act, adopt ordinances referred to in Article 5, paragraph 4, Article 6, paragraph 3, Article 14, paragraph 7, Article 21, paragraphs 2 and 4, Article 27, paragraph 5, Article 37, paragraph 4, Article 44, paragraph 8, Article 69, paragraph 4, Article 72, paragraph 8, Article 88, paragraph 2, Article 93, paragraph 4, Article 146, paragraph 3, Article 151, paragraph 7, Article 174, paragraph 4, Article 201, paragraph 5, Article 202, paragraph 2 and Article 207, paragraph 3 of this Act.

(3) Until the date of the adoption of the implementing regulations referred to in paragraph 2 of this Article, the following implementing regulations shall remain in force, in the part thereof that is not contrary to the provisions of this Act:

1) Ordinance on prohibiting certain works by minors (Official Gazette 62/10),
2) Ordinance on permitting certain works and activities by minors (Official Gazette 62/10),
3) Ordinance on the method of publishing working regulations (Official Gazette 67/10),
4) Ordinance on economic activities regarded as industry (Official Gazette 67/10),

5) Ordinance on jobs subject to pre-employment and regular medical assessments of workers (Official Gazette 70/10),
6) Ordinance on the registration and the registry of employment contracts of seafarers and workers on-board seagoing fishing vessels (Official Gazette 70/10),
7) Ordinance on the submission and the method of keeping records on collective agreements (Official Gazette 70/10),
8) Ordinance on the method of publishing collective agreements (Official Gazette 70/10),
9) Ordinance on the contents and the method of recordkeeping on associations (Official Gazette 70/10),
10) Ordinance on the contents and the method of issuing the certificate on temporary incapacity for work (Official Gazette 74/10),
11) Ordinance on the method of electing works council (Official Gazette 81/10),
12) Ordinance on working time, breaks and rest periods applicable to workers on-board seagoing fishing vessels (Official Gazette 82/10),
13) Ordinance on the contents and the method of recordkeeping on workers (Official Gazette 37/11),
14) Ordinance on the contents of accounts of payroll and severance pay (Official Gazette 120/12),
15) Ordinance on electronic recordkeeping on employment (Official Gazette 79/13),
16) Ordinance on the contents and the method of and the time limits for medical assessments of night workers (Official Gazette 122/13),
17) Ordinance on the contents, the manner and the time limits for the submission of statistical data on temporary agency work (Official Gazette 122/13),
18) Ordinance on the method of selecting the mediators and the collective employment dispute mediation procedure (Official Gazette 122/10 and 56/11),
19) Decision on the list of mediators of the Economic and Social Council for collective labour disputes (Official Gazette 146/11),

Article 234

On the date of the entry into force of this Act, all provisions of the Labour Act (Official Gazette 149/09, 61/11, 82/12 and 73/13), excluding Articles 222, 223, 224 and 225, shall cease to have effect.

Article 235

This Act shall enter into force on the eighth day following its publication in the Official Gazette.

Class: 022-03/14-01/13

Zagreb, 15 July 2014

THE CROATIAN PARLIAMENT

The President

of the Croatian Parliament

Josip Leko, m. p.