

In accordance with the provision of Article 26 of the Labour Act (Official Gazette Nos. 93/14, 127/17, 98/19, 151/22; hereinafter: the Labour Act), the Director of the company ADHIKARI d.o.o., VAT: 51892659496, Dunjkovec, Ulica dr. Ljudevita Gaja 16A, a temporary employment agency registered with the Ministry of Labour, Pension System, Family and Social Policy under the number 487/22, and a company for employment mediation registered with the Ministry of Labour, Pension System, Family and Social Policy under the number 325/22 (hereinafter: the Employer), hereby adopts the following:

## **WORK REGULATIONS**

### **I. GENERAL PROVISIONS**

#### **Content of the Regulations**

##### **Article 1**

- 1) These regulations (hereinafter: the Regulations) govern salaries, work organization, procedures and measures for the protection of workers' dignity, measures for protection against discrimination, work and behavior rules at the Employer, and other matters important for workers employed by the Employer.
- 2) Terms used in these Regulations, which have gendered meanings, regardless of whether they are used in the masculine or feminine form, include both genders equally.
- 3) The provisions of these Regulations directly apply to all workers employed by the Employer.
- 4) When the provisions of the employment contract refer to the application of specific provisions of the Regulations, they become an integral part of the employment contract.

#### **Basic Rights and Obligations**

##### **Article 2**

- 1) When entering into an employment contract or commencing work, the Employer is obliged to acquaint the worker with the working conditions and rules, these Regulations, and all other general acts of the Employer that regulate the rights and obligations of workers with the Employer.
- 2) In the event that the rights and obligations of workers, which are the subject of these Regulations, are regulated differently by the employment contract, collective agreement binding the Employer, the Labour Act, or another law or regulation applicable to the Employer's workers, the most favorable right for the worker shall apply, unless otherwise specified by the Labour Act or another law.
- 3) When entering into an employment contract and during the employment relationship, the worker is obliged to inform the Employer of any illness or other circumstances that prevent or significantly hinder the fulfillment of obligations under the employment contract, or that endanger the life or health of persons with whom the worker comes into contact while performing the contract.
- 4) The worker is obliged to perform the duties of the job for which they have entered into an employment contract personally, conscientiously, and professionally, in accordance with the rules of the profession and the instructions of the Employer or authorized persons of the Employer.
- 5) The Employer shall pay the worker a salary for the work performed and enable them to exercise other rights established by the Regulations.

## **Place of Work and Conditions for Safe Work**

### **Article 3**

- 1) The Employer has the right to determine more closely the place and manner of performing the job, while respecting the rights and dignity of the worker.
- 2) The Employer is obliged to provide the worker with conditions for working in a safe manner and in a way that does not endanger the worker's health, in accordance with the specific law and other regulations.

## **Employee Data**

### **Article 4**

- 1) Personal data of workers may be collected, processed, used, and provided to third parties only if it is stipulated by the Labour Act or another law, or if it is necessary for the realization of rights and obligations arising from the employment relationship or in connection with the employment relationship.
- 2) Personal data of workers may be collected, processed, used, and provided to third parties only by the director or a person specifically authorized by him, of which the workers are informed.
- 3) Workers are obliged to provide the Employer with all data prescribed by specific regulations or data necessary for the performance of duties or the regulation of the relationship between the worker and the Employer.
- 4) The worker is obliged to report any changes to the data referred to in paragraph 3 of this Article to the Employer within 15 days of the change occurring.
- 5) Workers who do not provide the required data are responsible for any harmful consequences of their omission.
- 6) Incorrectly recorded personal data must be corrected immediately.
- 7) Personal data for which there are no longer legal or actual reasons for retention must be deleted or otherwise removed.
- 8) The Employer may provide personal data about workers to third parties only based on authorization from specific regulations (public administration bodies, courts, etc.) or with the prior written consent of the worker.
- 9) The Employer, the person referred to in paragraph 2 of this Article, or another person who, in the performance of their duties, becomes aware of workers' personal data, must permanently keep such data confidential.

### **Article 5**

- 1) The data from the previous article are collected, used, processed, and provided in accordance with regulations on the protection of personal data and privacy.

## **Notice Board and Website**

### **Article 6**

- 1) The Employer has a notice board at its headquarters on which notices according to these Regulations and specific regulations are posted.
- 2) The Employer may also publish general acts and other notices on its official company website.
- 3) The Employer may inform workers about decisions, regulations, etc., via email.

## **Work and Conduct Rules at the Employer**

### **Article 7**

- 1) Workers must arrive at work on time and diligently and conscientiously perform the duties of the job for which they have entered into an employment contract with the Employer during regular working hours, in accordance with professional standards and the instructions of the Employer or its legal representative.
- 2) The worker is obliged to comply with all labor regulations of the Republic of Croatia, especially the provisions of the employment contract, these Regulations, or the collective agreement binding the Employer, which relate to working hours, discipline, maintenance of equipment, orders, and adopted work procedures, and to improve their knowledge and skills, protect the Employer's business and interests, and adhere to professional and disciplinary rules derived from the Employer's work organization.
- 3) The worker has the right and obligation to continuously educate, improve, and train themselves according to the needs of the work process.
- 4) Workers must behave professionally and correctly towards each other without harassment, undermining dignity, and similar behavior.
- 5) During work, workers must not consume alcohol or drugs, nor come to work under the influence of alcohol or drugs.
- 6) Smoking is allowed only during breaks in a designated area.
- 7) The Employer must treat workers in the manner prescribed by specific regulations, employment contracts, and these Regulations, respecting their rights, dignity, and privacy.
- 8) All workers are obliged to maintain business secrets and information about other workers in accordance with these Regulations and specific regulations.
- 9) The use of private phones during work is limited to emergencies only.

## **II. CONCLUDING EMPLOYMENT CONTRACTS**

### **Making a Decision on the Need for Employment and Establishing an Employment Relationship**

#### **Article 8**

- 1) An employment relationship is established by an employment contract. The employment contract must be in written form and must include all components prescribed by law.
- 2) The decision on the need for hiring workers and entering into an employment contract is made by the director. The Employer independently determines the specific conditions that workers must meet to perform certain jobs, if these conditions are not prescribed by law or other regulations.
- 3) The Employer may specify, as special conditions for performing certain jobs, the level of education, work experience in the positions for which the employment contract is made, specific knowledge necessary for successful job performance (foreign language, computer skills or knowledge of specific software, special health requirements, etc.).
- 4) In each individual case, the Employer decides whether the need for workers will be advertised through a public tender, announcement on the Croatian Employment Service website, through the company's website, or in another manner.
- 5) During the hiring process, the Employer may test candidates through a professional knowledge test, practical work and problem-solving test, psychological test, etc. For testing, the Employer may engage external experts.

## **Permanent Employment Contract**

### **Article 9**

- 1) As a rule, the employment contract is made for an indefinite period and binds the worker and the Employer until one of the contracting parties terminates it or it ends in another manner specified by the Labour Act, these Regulations, or a collective agreement binding the Employer.

## **Fixed-Term Employment Contract**

### **Article 10**

- 1) Exceptionally, an employment contract may be made for a fixed period to establish an employment relationship whose termination is predetermined when the need for the job is temporary due to an objective reason.
- 2) The employment contract referred to in paragraph 1 of this Article may be concluded for a maximum duration of three years.
- 3) An objective reason justifying the conclusion of a fixed-term employment contract, which must be stated in the contract, includes the replacement of a temporarily absent worker and the performance of a job whose duration is limited by its nature to a specific term or the occurrence of a certain event.
- 4) A maximum of three consecutive fixed-term employment contracts may be made with the same worker, the total duration of which, including the first contract, does not exceed three years.
- 5) Consecutive fixed-term employment contracts referred to in paragraph 4 of this Article are considered those concluded consecutively, without interruption between one and the other contract, or with an interruption not longer than three months.
- 6) Exceptionally from paragraphs 2 and 4 of this Article, the duration of a fixed-term employment contract, as well as the total duration of all consecutive fixed-term employment contracts, including the first contract, may be continuously longer than three years:
  1. if it is necessary due to the replacement of a temporarily absent worker
  2. if it is necessary for the completion of work on a project involving funding from European Union funds
  3. if it is permitted due to other objective reasons by a specific law or a collective agreement binding the Employer.
- 7) Any modification or addition to a fixed-term employment contract that would affect the extension of the agreed duration of that contract is considered the next consecutive fixed-term employment contract.
- 8) Upon the expiration of the three-year period referred to in paragraphs 2 and 4 of this Article, or upon the termination of the last consecutive contract if concluded for a period shorter than three years, the Employer may enter into a new fixed-term employment contract with the same worker only if at least six months have passed since the termination of the employment relationship with the Employer and the conclusion of the new fixed-term employment contract.
- 9) If the fixed-term employment contract is concluded contrary to the provisions of the Labour Act, or if the worker continues to work for the Employer after the expiration of the time for which the contract was made, it is considered to be concluded for an indefinite period.
- 10) The fixed-term employment contract terminates on the date agreed upon in that contract without the need for a decision or notice from the Employer.

## **Terms of employment for employees on fixed-term employment contracts**

### **Article 11**

- 1) The Employer is obliged to inform employees employed under fixed-term employment contracts about positions within the Employer's organization for which these employees could potentially enter into an indefinite employment contract, and to provide them with training and education under the same conditions as employees who have entered into indefinite employment contracts.
- 2) An employee who has worked for at least six months with the Employer, and whose probationary period, if agreed upon, has ended, has the right to request the conclusion of an indefinite employment contract.
- 3) The Employer is obligated to consider the possibility of entering into an employment contract as per paragraph 2 of this Article, and in case of impossibility to conclude such a contract, to provide the employee with a reasoned written response within 30 days from the date of receiving the request.
- 4) If the employee submits a subsequent similar request to the Employer, the Employer, who is unable to conclude an indefinite employment contract, is obliged to provide the employee with a reasoned written response within 30 days from the date of receiving the request, only if at least six months have passed since the submission of the employee's previous request.

### **Performance of Other Duties**

#### **Article 12**

- 1) If the needs of the job and work organization require, the employee is obliged, based on written instructions from the Employer, to perform duties other than those for which the employment contract was concluded.
- 2) In this case, the employee is entitled to remuneration based on the coefficient of the value of the tasks actually performed, if it is more favorable for them.

## **III. PROBATIONARY PERIOD, EDUCATION, AND TRAINING FOR WORK**

### **Probationary Period**

#### **Article 13**

- 1) When concluding an employment contract, a probationary period may be agreed upon, which must not exceed six months.
- 2) Exceptionally from paragraph 1 of this Article, the period during which a probationary period is determined may be extended if during its duration the employee was temporarily absent, especially due to temporary incapacity for work, use of maternity and parental rights according to special regulations, and use of paid leave rights under Article 86 of the Labour Act.
- 3) In the case from paragraph 2 of this Article, the duration of the probationary period may be extended proportionally to the length of the absence during the probationary period, so that the total duration of the probationary period before and after its interruption cannot exceed six months.
- 4) If the employment contract is concluded for a fixed term, the duration of the probationary period must be proportionate to the expected duration of the contract and the nature of the work performed by the employee.

- 5) Each contractual party may terminate the employment contract during the probationary period by written notice to the other contractual party, and in this case, the notice period is at least one week.

#### **Article 14**

- 1) The work of the employee for whom a probationary period is agreed upon is supervised, monitored, and evaluated by their immediate supervisor.
- 2) Failing to meet the requirements during the probationary period constitutes a justifiable reason for terminating the employment contract, which may be terminated during its duration, but no later than the last day of the probationary period.
- 3) The notice period for a contracted probationary period is at least one week.

#### **Education and Training for Work**

##### **Article 15**

- 1) The Employer is obliged to provide the employee, according to the possibilities and needs of the work, with schooling, education, training, and further development.
- 2) The employee is obliged, according to their abilities and the needs of the work, to pursue schooling, education, training, and development for work.

#### **Trainee and Trainee Training Method**

##### **Article 16**

- 1) An individual who is employed for the first time in a profession for which they have been educated, the Employer may hire as a trainee.
- 2) The employment contract of a trainee may be concluded for a fixed term and lasts for a maximum of one year, after which the trainee takes a professional exam.
- 3) A trainee who fails to pass the professional exam may be regularly terminated by the Employer.

#### **Vocational Training for Work**

##### **Article 17**

- (1) If passing a professional exam or having work experience is required by law or other regulations for performing the tasks of a specific occupation, the Employer may admit a person who has completed education for such occupation to vocational training for work without establishing an employment relationship (vocational training for work).
- (2) The vocational training contract must be concluded in writing.
- (3) Vocational training for work may last for as long as an apprenticeship period.

#### **Work Without an Employment Contract**

##### **Article 18**

- (1) The Employer may engage individuals to perform tasks without concluding an employment contract if permitted by special regulations (vocational training for work, work of students and pupils, etc.).

## IV. WORKING HOURS

### Part-time and reduced working hours

#### Article 20

- (1) Part-time work is any working hours that are less than full-time working hours.
- (2) Part-time work is agreed upon according to the needs of the Employer's work organization.
- (3) The Employer is obliged to provide to an employee who is employed on the basis of a part-time employment contract the same working conditions as to an employee who has concluded a full-time employment contract with the same Employer, possessing the same or similar professional knowledge and skills, and performing the same or similar tasks.
- (4) When concluding a part-time employment contract, the employee is obligated to inform the Employer about all other part-time employment contracts concluded with other employers.
- (5) The salary and other material rights of the employee (anniversary award, holiday pay, Christmas bonus, etc.) are determined and paid proportionally to the agreed working hours, unless otherwise regulated by a collective agreement binding the Employer or the employment contract.
- (6) The Employer is obliged to consider the request of an employee who is a party to a full-time employment contract for the conclusion of a part-time employment contract, as well as the request of an employee who is a party to a part-time employment contract for the conclusion of a full-time employment contract, provided that such work opportunities are available within the Employer.

#### Article 21

- (1) In jobs where, despite implementing measures for health and safety at work, it is not possible to protect the worker from harmful effects, working hours are reduced proportionally to the harmful effects of working conditions on the health and work ability of the worker.
- (2) Jobs mentioned in paragraph 1 of this Article and the duration of working hours in such jobs are determined by special regulations.

#### Article 22

- (1) The monthly and annual hours fund is calculated based on a weekly fund of 40 hours.
- (2) If employees work in shifts, the hours fund is determined based on their actual schedule, calculated according to a weekly fund of 40 hours per week.
- (3) For the purposes of paragraph 2 of this Article, employees may have different monthly or annual hours funds, depending on their actual schedule.

#### Article 23

- (1) In cases of force majeure, extraordinary increase in workload, and other similar urgent needs, the worker is obliged, upon written request of the Employer, to work longer than full or part-time working hours (overtime work).
- (2) If a worker performs overtime, the total duration of work must not exceed 50 hours per week. Overtime work by an individual worker must not exceed 180 hours per year, unless otherwise agreed upon by a collective agreement binding the Employer, in which case it must not exceed 250 hours per year.
- (3) An order for overtime work must be in writing. The order specifies the workers who will perform overtime work and the required work hours.
- (4) Exceptionally from the preceding paragraph of this Article, if the nature of urgent necessity prevents the Employer from delivering a written request to the worker before the

commencement of overtime work, the oral request by the Employer must be confirmed in writing within seven days from the day the overtime work was ordered.

- (5) Overtime work by minors is prohibited.
- (6) A pregnant woman, a parent with a child up to eight years of age, and a worker employed on a part-time basis with multiple employers may perform overtime work only if they submit a written statement of voluntary consent to such work to the Employer, except in cases of force majeure.
- (7) The statement of consent for overtime work must be submitted to the immediate supervisor.

## **Night work**

### **Article 24**

- (1) Work performed between 10:00 PM and 6:00 AM the following day is considered night work, unless otherwise specified by the Labour Law, another law, or a collective agreement binding the Employer.
- (2) If work is organized in shifts that include night work, shift rotation must be ensured so that a worker works at night continuously for no more than one week.

## **Work schedule**

### **Article 25**

- (1) Working hours are determined in a five-day (six-day) workweek.
- (2) The work schedule is determined by the Employer's decision.
- (3) The Employer is obliged to inform workers of their work schedule or changes to the work schedule at least one week in advance, except in cases of urgent need for worker's work, in which case workers should be informed of the schedule change as soon as possible.
- (4) Urgent need refers to circumstances that the Employer could not foresee or avoid, which make the change in the worker's work schedule necessary.
- (5) The Employer may introduce an unequal work schedule in accordance with the Labour Law, where work may be longer in one period and shorter in another, with longer work not exceeding 50 hours per week, including overtime, unless otherwise specified by a collective agreement binding the Employer.
- (6) The decision on the unequal schedule is made by the Employer, determining the period of unequal work, the maximum weekly working hours, and the workers affected, with the specific work schedule provided at least one week in advance.

## **Redistribution of working hours**

### **Article 26**

- (1) If the nature of the job requires it, full or part-time working hours may be redistributed so that during a period not exceeding twelve consecutive months, work is longer in one period and shorter in another compared to full or part-time working hours, with the average working time during the redistribution period not exceeding full or part-time working hours.
- (2) The Employer determines the plan for redistributed working hours, specifying the tasks and number of workers involved in redistributed working hours, and submits such a plan to the labour inspector in advance, unless the redistribution of working hours is provided for by a collective agreement binding the Employer or an agreement between the workers' council and the Employer.
- (3) Redistributed working hours are not considered overtime.



## **Attendance record**

### **Article 27**

- (1) The Employer may require the maintenance of an attendance record.
- (2) According to the Employer's decision, workers are required to record the time of arrival at work, departure from work, and any exit from business premises or other departure from the workplace during working hours.

## **V. REST PERIODS AND LEAVES**

### **Rest Breaks**

#### **Article 28**

- (1) A worker who works at least six hours per day is entitled to a rest break of 30 minutes each working day.
- (2) A minor who works at least four and a half hours per day is entitled to a rest break of at least 30 minutes continuously.
- (3) The decision on the schedule of rest breaks is made by the Employer.

### **Daily Rest**

#### **Article 29**

- (1) During each 24-hour period, a worker is entitled to a daily rest of at least 12 consecutive hours.

### **Weekly Rest**

#### **Article 30**

- (1) A worker is entitled to a weekly rest period of at least 24 consecutive hours, including the daily rest period.
- (2) A minor is entitled to a weekly rest period of at least 48 hours.
- (3) The weekly rest period for a worker is taken on Sundays and includes the day preceding or following Sunday.
- (4) If a worker cannot take the rest period as specified in paragraphs 1 and 2 of this article, the Employer must provide substitute weekly rest immediately after the period during which the worker did not use or used a shorter rest period due to work.

### **Annual Leave**

#### **Article 31**

- (1) A worker is entitled to annual leave of at least 4 weeks for each calendar year, and a minor and a worker engaged in tasks where, despite applying measures for health and safety at work, it is not possible to protect the worker from harmful effects, are entitled to annual leave of at least 5 weeks.
- (2) A worker who is newly employed or who has a break between two employment relationships longer than eight days acquires the right to annual leave as determined in paragraph 1 of this article, after six months of continuous employment with the Employer.
- (3) Annual leave is calculated based on 5 (6) days per week, according to the worker's work schedule.

(4) Public holidays and non-working days determined by law, periods of temporary incapacity for work established by an authorized physician, and paid leave days are not included in the duration of annual leave.

(5) Exceptionally, if according to the work schedule, a worker should work on a public holiday or a non-working day determined by law and requests to use annual leave on that day, the duration of annual leave includes that day.

### **Article 32**

(1) A worker has the right to use 1 day of annual leave at their own request, for which they must inform the Employer at least three days before the intended day of use.

(2) If a worker uses annual leave in parts, during the calendar year for which they have the right to annual leave, they must use at least 2 weeks continuously, provided that they have acquired the right to annual leave longer than 2 weeks, unless otherwise agreed with the Employer.

### **Article 33**

(1) The schedule for the use of annual leave is determined by the Employer no later than June 30 of the current year, according to the needs of work organization and, as much as possible, according to the needs and desires of the workers.

### **Article 34**

(1) During the use of annual leave, a worker is entitled to a salary compensation equal to the average monthly salary in the previous 3 months, including all monetary and in-kind benefits representing compensation for work.

### **Article 35**

(1) Any agreement waiving the right to annual leave or providing compensation instead of using annual leave is null and void.

## **Compensation for Unused Annual Leave**

### **Article 36**

(1) In case of termination of the employment contract, the Employer is obliged to pay compensation to the worker who has not used annual leave instead of using annual leave.

(2) The compensation from paragraph 1 of this article is determined proportionally to the number of unused annual leave days.

## **Paid Leave**

### **Article 37**

(1) During the calendar year, a worker is entitled to be released from work with pay (paid leave) for important personal needs, particularly related to marriage, childbirth, serious illness, or death of a close family member, etc., for a total duration of 7 working days per year, according to the following criteria:

- Worker's marriage: 3 working days
- Marriage in the family (own children): 1 working day
- Birth of a child: 3 working days

- Death in the family: 3 working days
- Relocation: 2 working days
- Voluntary blood donors: 1 working day

(2) Based on each blood donation, a worker is entitled to one paid day off which they can use on the day of donation or the next working day, unless agreed otherwise with the Employer.

(3) Blood donation as per paragraph 2 of this article also includes donating blood components for the preparation of blood products intended for transfusion treatment, conducted upon the call of an authorized institution in accordance with specific regulations.

(4) The worker must inform the Employer about the intention to donate blood at least three days in advance, if possible.

(5) A worker has the right to paid leave for a death in the family according to the criteria in paragraph 1 of this article, regardless of the number of days of paid leave used during the same year for other reasons. The decision on paid leave is made by the Employer based on a written, justified, and documented request from the worker.

## **Unpaid Leave**

### **Article 38**

(1) Upon a written, justified, and documented request from the worker, the Employer may approve unpaid leave for the worker's important personal needs, if permitted by the nature of the job and the Employer's needs.

(2) During unpaid leave, rights and obligations from the employment relationship or related to the employment relationship shall be suspended, unless otherwise specified by law.

## **Absence from Work**

### **Article 39**

(1) A worker has the right to be absent from work for one day in a calendar year when their immediate presence is urgently required due to a particularly important and urgent family reason caused by illness or accident.

(2) For the acquisition of rights from the employment relationship or related to the employment relationship, the period of absence from work as per paragraph 1 of this article is considered as time spent at work.

## **VI. MEDICAL EXAMINATIONS AND TEMPORARY INCAPACITY FOR WORK**

### **Article 40**

(1) The Employer bears the costs of medical examinations for workers in accordance with the employment contract, provisions of the Regulations, collective agreements binding the Employer, laws, and other regulations.

(2) When concluding an employment contract and during the employment relationship, the worker is obliged to inform the Employer of any illness or other circumstance that prevents or significantly hinders them from fulfilling their obligations under the employment contract or jeopardizes the life or health of individuals with whom the worker comes into contact.

(3) The worker is obliged to inform the Employer immediately, as soon as possible, or within 3 days at the latest, about temporary incapacity for work due to a medical condition, by phone, email, SMS, or similar means, and provide a medical certificate stating the expected duration of incapacity.

## **VII. SALARY AND OTHER MATERIAL RIGHTS OF WORKERS**

### **Wages**

#### **Article 41**

- (1) For work performed for the Employer, the worker is entitled to a salary paid in cash no later than the 15th of the month for the previous month, unless otherwise specified by a collective agreement binding the Employer or the employment contract.
- (2) During justified absence from work, the worker is entitled to salary compensation, which is paid together with the salary or instead of it, within the salary payment deadlines.

#### **Article 42**

- (1) The salary is agreed upon and determined in gross amount.
- (2) The salary consists of a basic salary determined by the employment contract.

#### **Article 43**

- (1) The Employer is obliged, no later than 15 days from the day of salary payment, salary compensation, severance pay, or compensation for unused annual leave, to provide the worker with an itemized statement showing how these amounts were determined.
- (2) If the Employer fails to pay the salary, salary compensation, severance pay, or compensation for unused annual leave on the due date or in full, they must provide the worker by the end of the month in which the payment was due:
1. An itemized statement showing the total amount of salary, salary compensation, severance pay, or compensation for unused annual leave in the prescribed content.
  2. A calculation of the amount of salary, salary compensation, severance pay, or compensation for unused annual leave that was due for payment in the prescribed content.
- (3) Statements from paragraphs 1 and 2 of this Article are enforceable documents.

### **Right to Increased Salary**

#### **Article 44**

- (1) The worker is entitled to an increased salary for:
- Overtime work at an increase of 50% per hour;
  - Night work at an increase of 30% per hour;
  - Work on holidays or other non-working days prescribed by law at an increase of 50% per hour;
  - Salary incentives for successful work results and performance related to entrusted tasks, as per a special decision by the Employer's director. (2) The increase for each hour of work on Sundays cannot be less than 50%.

### **Travel Allowance and Business Trips**

#### **Article 45**

- (1) The worker is entitled to a travel allowance from their residence to the workplace based

on the monthly public transportation ticket price, unless otherwise specified by the employment contract. (2) The worker on a business trip is entitled to an appropriate reimbursement of expenses according to the Employer's business policy and special regulations.

### **Use of Private Vehicle for Business Purposes**

#### **Article 46**

(1) A worker who, at the Employer's request and with their consent, uses their own vehicle to perform tasks for the Employer's needs, shall be compensated for the use of the private vehicle based on the kilometers traveled according to a special decision by the Employer.

### **Annual Bonus - Christmas Bonus, Easter Bonus, Holiday Allowance**

#### **Article 47**

(1) Depending on business results, the Employer may pay an annual bonus (Christmas bonus, Easter bonus, holiday allowance) to workers, up to the maximum amount determined by special regulations as non-taxable, which may be paid in full or in two or more parts (as holiday allowance, Christmas bonus, Easter bonus).

## **VIII. INVENTIONS AND TECHNICAL IMPROVEMENTS**

### **Invention Made at Work or Related to Work**

#### **Article 48**

(1) The worker is obliged to inform the Employer about their invention made at work or related to work and must keep information about the invention confidential as a trade secret, without disclosing it to any third party without the Employer's permission.

(2) The invention mentioned in paragraph 1 of this Article belongs to the Employer, and the worker is entitled to a reward determined by the collective agreement binding the Employer, the employment contract, or a specific agreement.

### **Invention Related to the Employer's Activities**

#### **Article 49**

(1) Regarding their invention that was not made at work or related to work but is related to the Employer's activities, the worker is obliged to inform the Employer and offer in writing to transfer rights related to that invention.

(2) The Employer must respond to the worker's offer within one month as per paragraph 1 of this Article.

### **Technical Improvement**

#### **Article 50**

(1) If the Employer accepts the implementation of a technical improvement proposed by the worker, the Employer is obliged to pay a reward determined by the collective agreement binding the Employer, the employment contract, or a specific agreement.

## **IX. TRADE SECRETS AND PROTECTION OF EMPLOYER'S PROPERTY AND DATA**

### **Trade Secrets**

#### **Article 51**

(1) All information of the Employer, whether business or personal in nature, organizational details and structure of the Employer that the worker learns in performing their duties, are considered trade secrets.

(2) The worker undertakes to keep all official, technical, and commercial information constituting trade secrets from paragraph 1 of this Article confidential during the employment relationship with the Employer and for two years after termination of the employment relationship with the Employer.

### **Protection of Employer's Property and Data**

#### **Article 52**

(1) All machinery, tools, and equipment must be handled professionally and with care, and materials used in performing work must be used economically and with minimal waste.

(2) Unauthorized disposal or misuse of Employer's property is prohibited.

(3) Employer's property, including business documents, extracts from business documentation, drawings, forms, etc., may not be removed from the Employer's premises, in original or copy, without written permission from the Employer.

(4) The Employer may order inspection of employees upon entry and exit from work premises to prevent theft of property.

(5) The worker may not use Employer's resources for personal or any other purposes without written authorization/order from the Employer or immediate supervisor.

## **X. RESTRICTION ON COMPETITION WITH THE EMPLOYER**

### **Legal Restriction on Competition**

#### **Article 53**

(1) Without the Employer's permission, the worker may not, for their own or another's account, enter into contracts related to the activities performed by the Employer.

(2) If the worker acts contrary to the prohibition in the preceding paragraph, the Employer may demand compensation for damages suffered or may request that the contract entered into be considered as concluded for the account of the Employer, or that the worker hand over the profit earned from such a contract or transfer the claim for payment from such a contract to the Employer.

(3) Acting contrary to the prohibition in paragraph 1 of this Article constitutes grounds for immediate termination of the employment contract.

## **XI. COMPENSATION FOR DAMAGES**

#### **Article 54**

(1) A worker who intentionally or due to gross negligence causes damage to the Employer in the course of or in connection with work is obliged to compensate for the damage.

(2) If the damage is caused by multiple workers, each worker is liable for the portion of the damage they caused.

(3) If it is not possible to determine the portion of the damage caused by each worker, all

workers are deemed equally responsible and compensate for the damage in equal parts.  
(4) If multiple workers caused damage through a criminal act with intent, they are jointly liable for the damage.  
(5) The amount of damage is determined based on the price list or the accounting value of the items, or by assessing the value of the damaged or destroyed items.

#### **Article 55**

(1) A worker who intentionally or due to gross negligence causes damage to a third party in the course of or in connection with work, and the Employer has compensated the third party for the damage, is obliged to compensate the Employer for the amount paid to the third party.

#### **Article 56**

(1) If a worker suffers damage in the course of or in connection with work, the Employer is obliged to compensate the worker for the damage under general mandatory legal provisions.

#### **Article 57**

(1) The claim for compensation for caused damage expires in 3 years and runs from the day the damage and the person who caused it were discovered.  
(2) In any case, this claim expires in 5 years from the occurrence of the damage.

#### **Article 58**

(1) When the damage is caused by a criminal offense and a longer statute of limitations is provided for criminal prosecution, the claim for compensation for damages against the responsible person expires when the statute of limitations for criminal prosecution expires.

#### **Article 59**

(1) The claim for compensation for damages that the Employer pays to a third party expires against the worker who caused the damage within 6 months from the date the compensation was paid.

## **XII. PROCEDURE AND MEASURES FOR PROTECTING THE DIGNITY OF WORKERS AND PREVENTING DISCRIMINATION**

#### **Article 61**

(1) Harassment is any unwanted behavior caused by any of the grounds for discrimination (race or ethnic origin or skin color, gender, language, religion, political or other beliefs, national or social origin, property status, membership in a union, education, social status, marital or family status, age, health status, disability, genetic heritage, gender identity, expression or sexual orientation) which aims or actually violates the dignity of a person and creates an intimidating, hostile, humiliating or offensive environment.  
(2) Harassment specifically includes insulting workers, shouting, belittling, underestimating, unequal treatment, denying and reducing rights without legal justification, and similar actions.  
(3) Sexual harassment is any verbal, non-verbal or physical unwanted behavior of a sexual nature which aims or actually violates the dignity of a person, especially if it creates a frightening, hostile, humiliating, belittling or offensive environment.

## **Article 62**

- (1) The Employer protects the dignity of workers during work by taking preventive measures and ensuring working conditions where workers are not exposed to any form of discrimination, harassment, or sexual harassment (hereinafter: harassment).
- (2) Harassment under paragraph 1 of this Article constitutes a breach of the employment contract.
- (3) Every worker has the right to lodge a complaint with the Employer to protect their dignity and against any form of harassment at work (hereinafter: complaint).
- (4) The complaint is submitted in writing or orally for the record.

## **Procedure for Worker Complaints**

### **Article 63**

- (1) The person authorized to receive and resolve complaints and their deputy is appointed by the director by written decision for a term of 4 years, with the possibility of re-election.
- (2) The Employer will appoint a worker whom they believe enjoys the trust of other workers with their prior written consent for the person under paragraph 1 of this Article.
- (3) The decision to appoint a person to protect the dignity of workers shall be posted on the notice board at the Employer's headquarters within 8 days from the date of appointment of the person under paragraph 1 of this Article.
- (4) In case the complaint is filed against the authorized person under paragraph 1 of this Article or if the authorized person under paragraph 1 of this Article is somehow prevented from receiving and resolving the complaint, the deputy of the authorized person is responsible for receiving and resolving the complaint. If the complaint is filed against both the authorized person and the deputy, the director shall decide on the complaints.

### **Article 64**

- (1) The procedure for handling complaints is urgent and conducted in a manner that does not offend the dignity of the worker.
- (2) Upon receipt of the complaint, the authorized person must examine it no later than 8 days from the date of receipt of the complaint and take all necessary measures to prevent further harassment if it is found to exist.
- (3) In the process of examining the complaint, the authorized person shall interview the complainant, the worker against whom the complaint is filed, and other workers proposed by the complainant and the worker against whom the complaint is filed.
- (4) During the investigation of the complaint, the authorized person is obliged to determine the manner and circumstances of the harassment, take statements from workers, and gather any other necessary evidence to establish relevant facts.
- (5) A record shall be made of each action and statement during the investigation of the complaint, which shall be signed by the authorized person and the participant in the procedure regarding whose statement the record is made.
- (6) If requested by the complainant, during the investigation of the complaint, the authorized person shall propose measures to the Employer that would prevent further contact between the complainant and the worker against whom the complaint is filed until the investigation of the complaint is completed, including temporary relocation.

### **Article 65**

- (1) If, after conducting the procedure, it is determined that the complaint is justified, the authorized person is immediately obliged, depending on the circumstances of each case, to alert the Employer to the need to take one of the urgent measures to prevent further



harassment.

(2) Measures under paragraph 1 of this Article are as follows:

- warning;
- making a decision on dismissal with the offer of an amended employment contract to the worker who committed harassment;
- termination of the employment contract without notice.

(3) All data established in the procedure for protecting dignity are confidential.

(4) All workers who participated in the procedure are responsible for the confidentiality of the data under paragraph 1 of this Article, and they must be previously warned by the authorized person, which is noted in the record of actions taken in the procedure.

### **XIII. PROTECTION OF LIFE, HEALTH, AND PRIVACY**

#### **Protection of life and health**

##### **Article 66**

(1) The Employer is obligated to obtain and maintain facilities, devices, equipment, tools, workplace, and access to the workplace, and organize work in a manner that ensures the protection of the lives and health of workers, in accordance with special laws and other regulations and the nature of the work performed by the worker.

(2) The Employer is obligated to inform the worker about the hazards of the work that the worker performs.

(3) The Employer is obligated to provide training for workers to work safely, ensuring the protection of the lives and health of workers and preventing accidents.

##### **Article 67.**

(1) The employer ensures the implementation of prescribed occupational health and safety measures.

(2) The organization and implementation of occupational health and safety measures at the employer's premises are ensured by persons appointed by the employer.

(3) Occupational health and safety measures are implemented in accordance with special laws and other regulations.

##### **Article 68.**

(1) In performing their daily tasks, the worker is obliged to work with due care and in a manner that does not jeopardize their own life or health, as well as the life and health of other workers, and the safety of equipment and machinery.

(2) The worker is personally responsible for their own safety and health, as well as for the safety and health of other workers caused by their conduct at work.

#### **Protection of Employee Privacy**

##### **Article 69.**

(1) The employer designates a person responsible for collecting and maintaining employee data.

(2) Only data necessary for the job and directly related to employment are collected and maintained.

(3) Specific data about workers, such as information about a worker's pregnancy, are maintained by the employer only if provided by the worker for the purpose of using or exercising certain rights.

(4) Data collected by the employer for the purpose of exercising rights related to employment include: worker's full name, parent's name (father), maiden name, gender, date of birth, personal identification number (OIB), country, place and municipality (city) of birth, residence and home address, number and place of issue of identity card, employment record book number, citizenship, marital status, name, surname, year of birth, family relationship of family members, (for insured family members: date of acquisition of insured status, address), highest level of education completed, professional qualifications, title, knowledge of foreign languages, exams passed, special skills and abilities, names of courses and seminars attended by the worker, type of employment relationship, job position, organizational unit, working hours, workplace, date of commencement of employment, agreed salary, current account number and bank name, health insurance number, date of termination of employment, membership in a union, special statuses of workers (member of the Workers' Council, union representative, occupational safety representative, Croatian war veteran status, parent of a child with developmental disabilities), type of disability, special authorizations, work performance evaluations, records of breaches of work obligations, special usage rights, type of insurance, health status, military service status, telephone number, personal tax deduction coefficient.

(5) Other details regarding the collection and protection of personal data are regulated by specific regulations.

## **Video Surveillance**

### **Article 70.**

(1) The employer may introduce video surveillance and recording of telephone conversations under conditions specified by law and other regulations.

(2) If the employer introduces video surveillance and/or recording of telephone conversations, the details shall be regulated by specific regulations.

## **XIV. TERMINATION OF EMPLOYMENT CONTRACT**

### **Article 71.**

(1) The employment contract terminates:

- upon the death of the employee;
- upon the expiry of the term for which the fixed-term employment contract was concluded;
- when the employee reaches (65) sixty-five years of age and (15) fifteen years of pensionable service, unless otherwise agreed between the Employer and the employee;
- by mutual agreement between the employee and the Employer;
- upon the date of delivery of notice to the employer of the final decision granting disability pension due to complete loss of work capacity;
- by dismissal; and
- by decision of the competent court.

(2) If the employment contract has not terminated during the liquidation process or cessation of the company by an abbreviated procedure without liquidation in accordance with the

Companies Act, the employment contract terminates at the latest upon the deletion of the company from the court register.

- (3) The agreement on termination of the employment contract must be concluded in writing.
- (4) The Employer and the employee may terminate the employment contract.
- (5) The dismissal must be in writing.
- (6) The Employer must provide a written explanation for the dismissal.
- (7) The dismissal must be delivered to the person to whom it is addressed.

## **Regular Termination of Employment Contract**

### **Article 72.**

(1) The Employer may terminate the employment contract with the prescribed or agreed notice period (regular dismissal) if there is a justified reason, in the following cases:

- if there is no longer a need for performing a specific job due to economic, technological, or organizational reasons (business-related dismissal);
- if the employee is unable to perform their work duties properly due to certain permanent personal characteristics or abilities (personally-related dismissal);
- if the employee breaches their work obligations (dismissal due to culpable behavior of the employee); or
- if the employee fails the probationary period (dismissal for failure during probationary period).

(2) When deciding on a business-related dismissal, the Employer must take into account the duration of the employment relationship, the employee's age, and any maintenance obligations burdening the employee.

(3) The employee may terminate the employment contract with the prescribed or agreed notice period without stating a reason for doing so.

(4) If the Employer has dismissed an employee for business-related reasons, the Employer may not employ another employee for the same position for 6 months from the date of delivering the dismissal decision to the employee.

(5) If a need arises to hire for the same position within the period specified in paragraph 4 of this article, the Employer is obligated to offer the employment contract to the employee who was dismissed for business-related reasons.

### **Article 73.**

(1) The notice period starts running from the date of delivery of the notice of termination of the employment contract.

## **Extraordinary Termination of Employment Contract**

### **Article 74.**

(1) The Employer and the employee have a justified reason to terminate the employment contract concluded for an indefinite or definite period without the obligation to observe the prescribed or agreed notice period (extraordinary termination) if, due to a particularly severe breach of the work obligation or some other particularly significant fact, taking into account all circumstances and the interests of both contractual parties, the continuation of the employment relationship is not possible.

(2) The employment contract may be terminated extraordinarily only within 15 days from the day of becoming aware of the fact on which the extraordinary termination is based.

(3) A particularly severe breach of the work obligation that makes the continuation of the employment relationship impossible, and for which the employment relationship terminates by extraordinary dismissal of the Employer or the employee, particularly includes:

- misappropriation of the Employer's property;
- unauthorized appropriation of property benefits;
- breach of trade secrets;
- working under the influence of alcohol and/or drugs.

(4) The employee acquires the right to severance pay under the conditions stipulated by the Labor Law. Severance pay must not be agreed upon or determined in an amount less than one-third of the average monthly gross salary earned by the employee in the 3 months preceding the termination of the employment contract, for each completed year of service with the Employer, and may not exceed six times the average monthly salaries earned by the employee in the three months preceding the termination of the employment contract.

## **Warning to the Employee**

### **Article 75.**

(1) Before regular dismissal due to the conduct of the employee, the Employer is obliged to warn the employee in writing about their work obligations and to notify them of the possibility of dismissal in case of further violation of those obligations, unless there are circumstances that justify the Employer not doing so.

(2) Before regular or extraordinary dismissal due to the conduct of the employee, the Employer is obliged to allow the employee to present their defense, unless there are circumstances that justify the Employer not doing so.

## **Suspension – Removal**

### **Article 76.**

(1) The Employer may remove the employee from work if the employee is under the influence of alcohol or drugs, or if they fail to comply with prescribed safety measures at work after being warned by the Employer or supervisor.

(2) The removal under paragraph 1 of this article lasts until the employee is fit to work again, usually until the next working day.

(3) In the case mentioned in paragraph 1 of this article, the employee is not entitled to salary compensation during the period of removal.

(4) The Employer may remove the employee from work if, due to other circumstances, it is assessed that the employee is not capable of working (illness, influence of medication, fatigue, etc.) and their work in such condition could endanger themselves, other employees, third parties, or cause damage, etc.

(5) The removal under paragraph 4 of this article lasts until the employee is fit to work again, usually until the next working day.

(6) Additionally, the Employer may temporarily remove the employee from work to protect other employees, third parties, or the property of the Employer and other persons, if the employee has seriously and severely harassed or discriminated against other employees, or if caught stealing or damaging property, causing serious harm, etc.

(7) The removal under paragraph 6 of this article may last until it is ensured that such breach of contractual obligations will not recur, including until termination of the employment contract.

(8) During the removal period under paragraphs 4 to 7 of this article, the employee is entitled to salary compensation in accordance with the law and this Regulation.

## **XV. DELIVERY OF DECISIONS**

### **Article 77.**

(1) Delivery of decisions determining the rights of employees shall be made by direct delivery to the employee at the workplace, by mail to the address provided by the employee to the Employer, by delivery to the email address provided by the employee to the Employer, or by another appropriate method (courier, notary public).

(2) If the employee is at work, the decision shall be delivered by direct handover to the employee with a signed acknowledgment of receipt. During delivery, other persons designated by the Employer may be present alongside the courier to confirm receipt.

(3) If the employee refuses to sign the acknowledgment of receipt, the decision shall be delivered to them at the workplace and an official note shall be made, signed by the person delivering the decision and other individuals present, documenting the refusal. In such cases, the delivery shall be considered executed on the day when the decision was delivered to the employee despite their refusal to sign the acknowledgment.

(4) If the employee is not at work, the decision shall be sent by registered mail or through an official courier service (a company delivering mail) or through a notary public to the address provided by the employee to the Employer.

(5) For the purposes of the previous paragraph, the address is considered to be any address provided by the employee to the Employer, whether permanent or temporary, where the employee resides at that time.

(6) If the employee is not found at the address provided to the Employer or refuses to accept the decision or acknowledge its receipt as specified in paragraph 4 of this article, the Employer shall immediately repeat the delivery in the same manner.

(7) If, even in the repeated attempt, the employee is not found at the address provided to the Employer or refuses to accept the decision or acknowledge its receipt as specified in paragraph 4 of this article, the delivery shall be considered executed on the day the Employer receives notice of unsuccessful delivery.

(8) Exceptionally from paragraphs 4 and 5 of this article, the Employer shall also deliver the decision to an address not provided by the employee if the Employer reliably knows that the employee resides there at that time, or if the Employer reliably knows that the employee is temporarily outside their residence/domicile (e.g., in a hospital, sanatorium, detention, etc.).

(9) Delivery to the employee may also be made via the email address provided by the employee to the Employer, where the delivery is considered executed upon the expiration of an 8-day period from the date it is recorded on the mail server for receiving correspondence.

## **XVI. TRANSITIONAL AND FINAL PROVISIONS**

### **Article 78.**

(1) All matters regarding employment relationships not regulated by this Regulation shall be appropriately governed by the provisions of the Labour Act, other laws and regulations, collective agreements binding the Employer, other acts of the Employer, and employment contracts.

### **Article 79.**

(1) Amendments and supplements to this Regulation shall be adopted in accordance with the procedure prescribed by the Labour Act for its adoption.

(2) The Regulation shall be posted on the notice board at the Employer's headquarters,

displayed in a prominent location accessible for review by all employees concerned, and provided to employees via email upon request.

(3) The Regulation shall always be available for review at the Employer's premises, and upon request, the Employer is obligated to provide a copy of the employment regulations at the employee's expense.

**Article 80.**

This Regulation shall enter into force on the eighth day following its publication on the notice board of the Company.

**Director:**  
**Valentina Florjanić**

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Effective date of the Regulation: March 8, 2023.