



CSFK-01518-001/2023

# RESEARCH CENTER FOR ASTRONOMY AND EARTH SCIENCES

## INTERNAL LABOR REGULATION (ENGLISH SUMMARY<sup>1</sup>)

Last modification: November 16, 2023.

Approved by:

A handwritten signature in blue ink, appearing to read 'L. Kiss', is written over a horizontal dotted line.

Dr. Laszlo Kiss  
General Director



<sup>1</sup> for informational purposes only.



## **INTERNAL LABOR REGULATION**

**(hereinafter referred to: Regulation)**

The purpose of this Regulation is to establish rules regarding the initiation, modification and termination of employment relationship and measures and instructions of the employer. This Regulation relies on the law Nr.1 of 2012. on the Labor Code. "§" references are references to the provisions of the Labor Code. This Regulation provides for rules, which can unilaterally be regulated by the Employer. The Employer may deviate from these rules if law declares emergency base on government decree.

**Name of the Employer:** Csillagászati és Földtudományi Kutatóközpont  
(Research Center for Astronomy and Earth Sciences,  
hereinafter referred to as: Research Center))

**Seat of the employer:** 1121 Budapest, Konkoly Thege Miklós út 15-17.

**PIR ID number of the Employer:** 300322

**Representative of the Employer:** Dr. Kiss László General Director

**Last modification:** 1 June, 2023.

### **I. GENERAL RULES OF EMPLOYMENT**

1. This regulation sets forth the right and duties deriving from employment relationship in light of prevailing Hungarian laws.

### **II. DURATION OF THE REGULATION**

1. This Regulation has been issued by the General Director of the Research Center, who is the legal representative of the employer.
2. This Regulation is for indefinite duration and is valid until revocation.

### **III. PERSONS COVERED BY THIS REGULATION**

This Regulation covers all employees of the Research Center.

### **IV. INITIATION AND TERMINATION OF EMPLOYMENT**

#### **1. Conditions for the initiation of employment:**

- employment has been created by the conclusion of an employment contract,
- the employment contract shall be in writing, which is the responsibility of the Employer,
- the person exercising employer's right shall be entitled to sign the employment contract,



– regarding all issues not regulated in the employment contract, this Regulation and the Labor Code shall be applicable,

– the following issues shall be included in the employment contract:

- a) job designation,
- b) personal basic wage,
- c) place of work,
- d) form of payment,
- e) definite or indefinite duration of employment,
- f) name and relevant data of the parties.

The **place of work** is the seat of the Employer except if the employment contract regulates otherwise.

Parties may agree on teleworking. If so, the employment contract shall be modified according to §196-197. of the Labor Code.

The **date of commencement of the employment** is the day when the employee starts working, which day shall be specified in the employment contract. **Fundamental Employer's** rights (see the internal regulation for the operation of the organization: SzMSz) shall be exercised by the General Director. Such rights include the initiation, modification and termination of employment.

The employment may be for definite or indefinite **duration**, which shall be specified in the employment contract. The duration of a fixed-term employment relationship may not exceed five years, including the duration of an extended relationship and that of another fixed-term employment relationship concluded within six months of the termination of the previous fixed-term employment relationship. A fixed-term employment relationship may be extended, or another fixed-term employment relationship may be concluded within six months from the time of termination of the previous one upon the employer's legitimate interests. The agreement may not infringe upon the employee's legitimate interest. Employment for definite duration is applied typically in case of project work by the Research Center.

In the employment contract the parties may stipulate a **probationary period** of not more than three months from the date of commencement of the employment relationship. In the event that a shorter probationary period has been stipulated the parties may extend the probationary period once. In either case, the duration of the probationary period may not exceed three months. Further limitations also apply to the probationary period. If the fixed-term employment relationship is extended or another fixed-term employment relationship is established within six months from the time of termination of the previous one and employment is provided in the same or similar position,



no probationary period may be stipulated. If the duration of employment relationship does not exceed twelve months, the length of the probationary period shall be proportionate.

**At the initiation of employment, the Employer provides for the following information to the Employees:**

- a) the daily working time;
  - b) wages above the base wage, and other benefits;
  - c) payroll accounting, the frequency of payment of wages, and the day of payment;
  - d) job duties;
  - e) the number of days of leave and the procedures for allocating and determining such leave;
- and
- f) the rules governing the periods of notice to be observed by the employer and the employee;
- furthermore
- g) whether a collective agreement applies to the employer; and
  - h) the person exercising employer's rights,
  - i) the commencement date of employment and its duration
  - j) the place of employment,
  - k) training policy of the Employer and the time to be allocated to training
  - l) the name of the authority for which tax is paid.

## **2. Modification of employment**

The employer and the employee may modify the employment contract by mutual agreement in writing. Any party may initiate the modification of the employment agreement. The employee may initiate the modification of the employment agreement through the General Director but also shall notify the director of the institution where s/he works.

**Following the end of the child birth related leave of absence defined in Sections 127-132 of the Labor Code,** the employer shall make an offer to the employee for having his wages adjusted, taking into consideration the average annual wage improvement implemented in the meantime by the employer for employees in the same position. In the absence of such employees, the rate of actual annual wage improvements implemented by the employer shall be applied. An employee shall be offered a job fitting for her state of health if considered unable to work in her original position according to a medical opinion from the time her pregnancy is diagnosed until her child reaches one year of age. The pregnant employee shall be discharged from work duty if no position appropriate for her medical condition is available. The employee shall be given the base wage normally paid for the job offered, which may not be less than her base wage fixed in the



employment contract. The base wage shall be payable for the duration of discharge, except if the job offered is refused without good reason.

**The employer informs the employee on the following circumstances specifying the exact positions:**

- a) the possibility of employment for definite or indefinite duration,
- b) the possibility of teleworking,
- c) the possibility of change of employment of definite duration.

**The employee - except for the first 6 months of employment - may request the modification of the employment contract.** The employee may request the modification of the employment contract through the General Director but also shall notify the director of the institution where s/he works. Employers shall amend the employment contract based on the employee's proposition to part-time work covering half of the regular daily working time until the child reaches the age of four, or the age of six in the case of parents with three or more children.

### **3. Termination of employment**

**An employment relationship shall terminate:**

- a) upon the employee's death;
- b) upon the dissolution of the employer without succession;
- c) upon the expiration of the fixed term if the employment contract does not regulate otherwise;
- d) upon the change of the person of the employer, if the employer is no more under the coverage of the Labor Code.

**An employment may be terminated:**

- a) by mutual consent,
- b) by termination with notice,
- c) by termination without notice.

Any party may initiate the termination of employment in writing. The employee shall send the termination notice to the Director General.

### **4. Prohibitions and restrictions of termination**

§65-67 regulates the prohibitions of termination. The Labor Code **prohibits the termination** of employment in some cases. Such cases include:



- a) during pregnancy,
- b) during birth leave,
- c) during paternal leave,
- d) during parental leave,
- e) during unpaid leave for the care of the child (128. §, 130. §),
- g) during some period of reproduction procedure, and
- h) during the provision of personal care (55. § (1)(l))

On other instances, the Labor Code **restrict the termination** of employment. Such instances include when the employee is unable to work due to illness or is in protected age.

## 5. Termination of employment

With some limitation, both the employer and the employee may terminate employment. The employer- with some exception (e.g. if employee reached the retirement age or the employment is for definite duration) - shall give a reason for the termination. The employee shall give a reason for the termination only if the employment is for definite duration.

The period of notice is at least thirty days. Where employment is terminated by the employer, the thirty-day notice period shall be extended:

- a) by five days after three years;
- b) by fifteen days after five years;
- c) by twenty days after eight years;
- d) by twenty-five days after ten years;
- e) by thirty days after fifteen years;
- f) by forty days after eighteen years;
- g) by sixty days after twenty years of employment at the employer.

The employment relationship of an employee within 5 years of retirement age can be terminated only in justified case by termination with notice.

## 6. Relief from employment duties and documentation related to termination

In the event of dismissal by notice period the employer shall excuse the employee concerned from work duty for at least half of the notice period. Such period shall also be paid with absentee pay. Should the employee terminate employment, there is no excuse from work duties. However, the employee may file a written petition to the General Director to excuse him/her from work duties.



Such petitions shall be adjudicated upon the discretion of the employer. The General Director will consult with the director of the institution where the employee works.

According to the Labor Code, upon termination of the employment relationship by notice, the employee shall be paid his work wages and other emoluments from the last day of work, in any other case on the fifth working day at the latest after the termination of employment relationship, and shall be supplied the statements and certificates prescribed by employment regulations and other relevant legislation.

The employer shall provide the employee with a certificate in accordance with Subsection (2) showing the length of:

- a) paternity leave, or
- b) parental leave, allocated, indicating also the duration of paternity leave or parental leave at the previous employer.

The above documents shall be issued by the department of economic relations.

## **7. Severance pay**

An employee shall be entitled to severance pay if his employment relationship is terminated:

- a) by the employer;
- b) upon the dissolution of the employer without succession; or
- c) under Paragraph d) of Subsection (1) of Section 63. (The employer will no longer be under the Labor Code).

Entitlement to severance pay shall only apply upon the existence of an employment relationship with the employer during the period specified bellow at the time when the notice of dismissal is delivered or when the employer is terminated without succession. In terms of entitlement for severance pay, any period of at least thirty consecutive days for which the employee did not receive any wages shall not be taken into consideration, with the exception of:

- a) maternity leave, parental leave and any leave of absence without pay for nursing or caring for a child (Section 128);
- b) any leave of absence without pay taken for the purpose of actual voluntary reserve military service for a period of not more than three months.

Severance pay shall be the sum of the absentee pay due for:



- a) one month, in the case of at least three years;
- b) two months, in the case of at least five years;
- c) three months, in the case of at least ten years;
- d) four months, in the case of at least fifteen years;
- e) five months, in the case of at least twenty years;
- f) six months, in the case of at least twenty-five years of employment.

The amount of severance pay established according to:

- a) Paragraphs a)-b) shall be increased by one month's absentee pay,
- b) Paragraphs c)-d) shall be increased by two month's absentee pay,
- c) Paragraphs e)-f) shall be increased by three month's absentee pay,

**if the employment relationship is terminated inside the five-year period before the date when the employee reaches the age limit for old-age pension.**

**The employee shall not be entitled to receive severance pay if:**

- a) he/she is recognized as a pensioner at the time when the notice of dismissal is delivered or when the employer is terminated without succession, or
- b) he/she is dismissed for reasons in connection with his/her behavior in relation to the employment relationship or grounds other than inability due to health reasons.

#### **8. Termination without notice period (78. §)**

An employer or employee may terminate an employment relationship without notice if the other party:

- a) willfully or by gross negligence commits a grave violation of any substantive obligations arising from the employment relationship; or
- b) otherwise engages in conduct that would render the employment relationship impossible.

**The following circumstances give rise for the termination of employment by the employer without notice (not exhaustive list of reasons):**

- working while drunk
- grave violation of health and safety rules
- grave violation of the duty to cooperate
- absence from work without documented reason
- the violation of rules regarding the documentation of work and rest period





- the violation of rules regarding business secret, protected data or personal data,
- the violation of the good reputation of the employer
- the violation of accounting rules
- the abuse of sickness leave.

The right of termination without notice may be exercised within a period of fifteen days of gaining knowledge of the grounds therefor, in any case within not more than one year of the occurrence of such grounds, or in the event of a criminal offense up to the statute of limitation for criminal liability.

Any party shall be entitled to terminate employment without notice period during the probationary period without giving any reason for it. In addition, the employer shall also be entitled to terminate the employment for definite duration without notice period. The employee shall be entitled to absentee pay due for twelve months, or if the time remaining from the fixed period is less than one year, for the remaining time period.

### **9. Consequences of unlawful (wrongful) dismissal**

The **employer** shall be liable to provide compensation for damages resulting from the wrongful termination of an employment relationship. Compensation for loss of income from employment payable to the employee may not exceed twelve months' absentee pay.

In addition to what is contained above, the employee is entitled to severance pay as well, if:

- a) his employment relationship was wrongfully terminated by means other than notice; or
- b) he did not receive any severance pay pursuant to Paragraph b) of Subsection (5) of Section 77 at the time his employment relationship was terminated.

In lieu of the above, the employee may demand payment equal to the sum of absentee pay due for the notice period when his employment is terminated by the employer.

In some cases, the court may reinstate employment at the request of the employee.

The **employee**, if having terminated his employment relationship unlawfully, shall be liable to pay compensation in the sum of absentee pay due for the notice period when the employment relationship is terminated by the employee.



The employee, if having terminated his fixed-term employment relationship unlawfully, shall be liable to pay compensation in the sum of absentee pay due for the time remaining from the fixed period, up to three months' absentee pay at most.

Employers shall be entitled to demand payment for damages if such are in excess of the amount described above. These sums in total may not exceed the employee's absentee pay due for twelve months.

The provisions on wrongful termination of employment shall apply if the employee fails to leave his post according to regulations (related to work duties of the job).

**V. WORK PERFORMANCE RULES**

**1. General rules of work and discipline**

Employers shall employ their employees in accordance with the rules and regulations pertaining to contracts of employment and employment regulations and - unless otherwise agreed by the parties - provide the necessary working conditions.

Employers shall be liable to compensate their employees for justified expenses incurred in connection with fulfillment of the employment relationship.

Employees shall be employed for work of such nature which is not considered harmful with a view to their physical condition or development. The employer shall modify working conditions and working time schedule if the medical condition of the employee justifies it.

The responsibility for the implementation of **occupational safety and occupational health requirements** lies with the employers. The employee's fitness for the job for which he is being considered shall be examined free of charge before taking up work and on a regular basis during the life of the employment relationship.

Employment related health care providers are as follows:

Area	Name of Service Provider	Name and availability of the medical professional
Research Institute, Institute of Astronomy, Geographical Institute, Institute for	High-Tech Kft.	Dr. Papp Magdolna Phone: 06 30 329 6279



<b>Geological and Geochemical Research</b>	1093 Budapest, Közraktár u. 12/b. (Cg.01-09-955858)	
<b>Observatory in Piskésetető</b>	<b>Szalkai és Társa Kft.</b> 3060 Pásztó, Fürdő u. 9. (Cg.12-09-002680)	Dr. Szalkai Éva Phone: 06 20 947 0553

**Health and safety, fire and accident prevention trainings are held by Murányi Gyula: e-mail, [muranyi.gyuszi@cserhatszentivan.com](mailto:muranyi.gyuszi@cserhatszentivan.com) .**

Employees of the Research Center elected health and safety representatives according to the relevant law.

The names of representatives can be found in the internal health and safety regulation of the employer (Annex 9.).

Link

In the employment of **persons with disabilities** appropriate steps shall be taken to ensure that reasonable accommodation is provided.

Employees shall:

- a) appear at the place and time specified by the employer, in a condition fit for work;
- b) be at the employer's disposal in a condition fit for work during their working time for the purpose of performing work;
- c) perform work in person, with the level of professional expertise and workmanship that can be reasonably expected, in accordance with the relevant regulations, requirements, instructions and customs;
- d) perform work in such a way that demonstrates the trust vested in him for the job in question;
- e) cooperate with their co-workers.

Employees may not accept and may not lay claim to any remuneration from third parties in connection with their activities performed with the employment relationship without the employer's prior consent.

**The employee shall be required to read and follow internal rules of employment, health and safety, fire safety and quality assurance, which are accessible through the intranet:**



(<https://csfk.org/intranet/szabalyzatok/>)

**The employee shall be required to read and follow the instructions of the Director General too, which can be accessible through the intranet:**

**<https://csfk.org/intranet/foigazgatoi-utasitasok>**

Instructions of the directors of the institutions shall also be followed.

The General Director and the directors of the institutions shall inform the employees about the internal rules.

**Any violation of the rules may have consequences related to the employment relationship. If the violation is substantial, termination of employment may occur.**

## **2. Working time, and working time arrangement**

**Working time** shall mean the duration from the commencement until the end of the period prescribed for working, covering also any preparatory and finishing activities related to working.

**Preparatory or finishing activities** shall mean operations comprising a function of the employee's job by nature that is ordinarily carried out without being subject to special instructions.

**Working time shall not cover:**

- a) break-time, with the exception of stand-by jobs; and
- b) travel time from the employee's home or place of residence to the place where work is in fact carried out and from the place of work to the employee's home or place of residence.

The daily working time in full-time jobs is eight hours (**regular daily working time**). Based on an agreement between the parties, the daily working time in full-time jobs may be increased to not more than twelve hours daily for employees working in stand-by jobs such as the guardian (**extended daily working time**).

The regular daily working time may be reduced in full-time jobs pursuant to the relevant employment regulations or by agreement of the parties (**reduced daily working time**).



The daily working time applicable for a specific full-time job may be reduced by agreement of the parties (**part-time work**).

The employer may define the working time of an employee in terms of the **'banking' of working time** or working hours as well. Where working time is defined within the framework of working time banking the beginning and ending date and the working time to be performed shall be specified in writing and shall be made public.

The **work schedule** shall be for at least one week and shall be made known at least seven days in advance in writing. If not provided, the last work schedule shall remain in force. The employer may alter the work schedule for a given day upon the occurrence of unforeseen circumstances in its business or financial affairs, at least 96 hours in advance. The employee may also request in writing the modification of work schedule.

**Work schedules applied in general (exceptions may apply):**

Employees	Work Schedule
<b>Regular daily working time, full time work:</b>	8.00-16.20
<b>Regular daily working time, part time work:</b>	8.00-12.00 or 8.00-14.00
<b>Guardian (stand-by job)</b>	0-24 (24 hours of work followed by 48 hours of rest period)

The regular daily working time is 8 hours except if the parties agree otherwise or in guardian positions.

**Part time work** requires the agreement of the parties except if the employee seeks part time work by legal entitlement (e.g. child birth).

**The individual institutions may deviate from the above with the permission of the Director General.**

**Scheduling work is the right of the employer.**



**Employers shall keep records of:**

- a) the durations of regular working time and overtime;
- b) the durations of stand-by duty;
- c) periods of leave;
- d) other overtime work related agreement specified by law.

The records aforementioned shall be updated on a daily basis and shall contain facilities to identify the time of commencement and ending of any regular and overtime work and stand-by duty. **The records may be maintained in the form of verifying the work schedule made out in writing at the end of the month, updated on a daily basis.**

**The time sheet shall be kept and signed at the place of work. Employees shall sign the time sheet daily and accurately. The directors of institutions shall verify the adherence to this requirement. The institutions shall transfer the timesheet to the HR of the research center by the 5th of each month.**

**The employee shall be required to immediately inform the employer about any sickness or absence in writing and to provide the documentation verifying the reason. The following persons shall be notified:**

- leader of the organizational unit, (Director General, director of the institution, director of the department of economic relations)
- direct group leader
- HR

Exceptionally, sickness can be reported over the phone.

**3. Rest breaks, daily and weekly rest period**

If the scheduled daily working time or the duration of overtime work performed

- a) exceeds six hours, twenty minutes of break-time shall be provided;
- b) exceeds nine hours, an additional twenty-five minutes of **break-time** shall be provided.

At least eleven hours of uninterrupted rest period shall be provided after the conclusion of daily work and before the beginning of the next day's work (hereinafter referred to as "**daily rest period**").

Employees shall be entitled to two rest days in a given week (weekly rest day), which may be scheduled irregularly as well. After six days of work one rest day shall be allocated in a given week



but some statutory exemptions apply. In lieu of weekly rest days, each week employees shall be given at least forty-eight hours of uninterrupted weekly rest period.

#### 4. Overtime work

Overtime work' shall mean work performed:

- a) outside regular working hours;
  - b) over and above the hours covered within the framework of working time banking;
  - c) over and above the weekly working time covered by the payroll period, where applicable;
- and
- d) the duration of on-call duty.

At the employee's request overtime work shall be ordered in writing. The leader of the organizational unit, (Director General, director of the institution, director of the department of economic relations) may decide on overtime work.

Overtime work may be ordered without limitation in the interest of the prevention or mitigation of any imminent danger of accident, natural disaster or serious damage or of any danger to health or the environment (havaria situation).

Overtime work on public holidays may be ordered:

- a) if the employee can otherwise be required to work in regular working time on such day; or
- b) in havaria situation

Two hundred and fifty hours of overtime work can be ordered in a given calendar year. It shall be applied proportionately:

- a) if the employment relationship commenced during the year;
- b) in the case of fixed-term employment relationships;
- c) in connection with part-time jobs.

If parties agree in writing, maximum one hundred and fifty hours of overtime work can be ordered in a given calendar year subject to agreement between the employee and the employer in writing (**voluntary overtime**). The employee may withdraw from the agreement at the end of the given calendar year.



## 5. Vacation

Employees are entitled to paid annual leave based on the time spent at work, comprising vested vacation time and extra vacation time.

### **Time spent at work shall include:**

- a) any duration of exemption from work as scheduled;
- b) any duration of paid leave;
- c) any duration of maternity leave;
- d) the first six months of leave of absence without pay for caring for a child (Section 128);
- e) any duration of incapacity to work;
- f) any duration of leave taken up to three months for the purpose of actual voluntary reserve military service;
- g) the duration of exemption from work specified by law (§55: care)

The amount of vested vacation time (**base vacation**) shall be twenty working days.

Employees shall be entitled to **extra vacation time** as follows:

- a) one working day over the age of twenty-five;
- b) two working days over the age of twenty-eight;
- c) three working days over the age of thirty-one;
- d) four working days over the age of thirty-three;
- e) five working days over the age of thirty-five;
- f) six working days over the age of thirty-seven;
- g) seven working days over the age of thirty-nine;
- h) eight working days over the age of forty-one;
- i) nine working days over the age of forty-three;
- j) ten working days over the age of forty-five.

Employees shall be first entitled to **extra vacation time** in the year when reaching the age specified in above.

Employees shall be entitled to extra vacation time as follows:

- a) two working days for one child;
- b) four working days for two children;
- c) a total of seven working days for more than two children under sixteen years of age. The extra vacation time shall be increased for children with disabilities by two working days per child. For





the purposes of entitlement to extra vacation time, a child shall first be taken into consideration in the year of his birth and for the last time in the year in which he/she reaches the age of sixteen.

**Young workers** shall be entitled to five extra days of vacation time each year. The last time such benefit applies shall be the year when the young workers reaches eighteen years of age.

Employees permanently working underground or spending at least three hours a day on a job exposed to ionizing radiation shall be entitled to five extra working days of vacation each year.

Employees:

- a) having suffered a degree of health impairment of at least fifty per cent as diagnosed by the body of rehabilitation experts,
- b) eligible for **disability** allowance, or
- c) eligible for special aid for the blind, shall be entitled to five working days of extra vacation time a year

**Further vacation entitlements:**

The employee shall be entitled to forty-four working days' of **parental leave** until his or her child reaches three years of age. Parental leave shall be provided after at least one year of employment.

Upon the birth of his child, a father shall be entitled to ten working days' leave at the latest by the end of the second month following the birth of the child, or the definitive date of the resolution on adoption if the child was adopted (hereinafter referred to as "**paternity leave**"), which shall be granted on the days requested by the father in not more than two installments. Paternity leave shall be provided also if the child is stillborn or dies.

Vacation time shall be scheduled by the employer upon hearing the employee. With the exception of the first three months of the employment relationship, employers shall allocate seven working days of the vacation time in a given year in not more than two parts, at the time requested by the employee. The employee shall notify the employer of such request at least fifteen days in advance.

**Request for vacation time shall be communicated by the employee in writing to the leader of the organizational unit** (Director General, director of the institution, director of the department of economic relations). Such rights may be delegated in writing to other employees provided that the General Director is also informed.



Unless otherwise agreed, vacation shall be allocated to contain at least fourteen consecutive days once in a calendar year, where the employee is exempted from the requirement of availability and from work duty. To this end, in addition to the vacation days allocated, the weekly rest day (weekly rest period), the public holiday and any day off under irregular work schedule shall be taken into consideration.

Employees shall be notified of the scheduled date of their vacation time no later than fifteen days before the first day of vacation.

With the exception of paternity leave and parental leave, **vacation time shall be allocated** in the year in which it is due. If the employment relationship commenced on the first of October or subsequently, the employer shall be entitled to allocate vacation time by 31 March of the next year. If vacation time could not be allocated for reasons attributable to the employee, it shall be allocated within sixty days after the cause ceases to exist.

Vacation time shall be considered allocated during the year when it is due, provided that it begins during that year and the portion allocated in the following year does not exceed five working days.

In the event of economic reasons of particular importance or any direct and consequential reason arising in connection with its operations, the employer:

- a) may postpone the granting of leave, except for paternity leave, by up to sixty days,
- b) may recall the employee from vacation, with the exception of paternity leave and parental leave,
- c) may allocate one-fourth of the employee's vacation time by 31 March of the following year if so stipulated in the collective agreement.

The employer shall explain the above measures.

By agreement of the parties covering a calendar year, the employer shall be entitled to allocate the vacation time specified in Section 117 (age related extra vacation) by the end of the year following the year when due.

## **6. Other working time allowances**

Other working time allowance can be used if it is prescribed by law. Such entitlements include unpaid leave: §128-133, birth leave (§127.) and sick leave (§126.).

Should the employee want to take unpaid leave, the petition shall be sent to the General Director. If the unpaid leave is not a statutory entitlement, the employer will make a decision upon its discretion. The leaders of the organizational units will be consulted with.

## **VI. PAYMENT OF WORK**

### **1. WAGE**

The employee is entitled to monthly wage on time (and not performance) basis. The employment contract may deviate from this.

Any change of the wage requires the modification of the employment contract.

### **2. Wage supplement**

The employee may be entitled to wage supplement in addition to his/her wage.

The rules of wage supplements can be found in §139-145.

### **3. Remuneration in absence of work**

The employee may be entitled to a remuneration in absence of work (§146-147.). Such cases include the paid vacation.

### **4. Absentee fee**

The amount of absentee pay shall be calculated:

a) based on the base wage (§ 136) or fixed supplement (§145) in effect at the time when due,

b) based on:

ba) the performance-based wage (§ 150),

bb) the wage supplement (§ 151),

paid for the last six calendar months (relevant period) before the time when due.

Details regarding absentee fee can be found in §148-152.

### **5. The payment of wage**

The wages of employees shall be retrospectively accounted once a month. The payment shall be made and the payroll statement of wages paid shall be made available in writing by the tenth day of the following month. The payroll statement shall be given to the employee in paper form or sent to the employee in an encrypted attachment of an e-mail.

Deductions from wages shall only be made on the basis of the relevant legislation, or - up to the deduction-free part of the wages - on an enforcement order. Employers may deduct their claims from wages:



- a) up to the deduction-free part of the wages based on the employee's consent; or
- b) if it originates from the provision of an advance.

## **6. Wage payment without legal ground**

Any wages paid without legal grounds may be reclaimed after sixty days if the employee should have recognized, or has himself caused, the unsubstantiated nature of the payment.

## **VII. WAGE ADVANCE**

### **1. Wage advance**

In exceptional cases, wage advance may be provided by the employer. Wage advance can be provided to an employee hired for indefinite duration and with at least 6 months of employment. The model petition (which is not mandatory) is Annex 2. of this regulation.

## **VIII. DAMAGES LIABILITY**

### **1. Employee's damage liability**

Employees shall be subject to liability for damages caused by any breach of their obligations from the employment relationship stemming from their failure to act as it might normally be expected in the given circumstances.

The burden of proof to verify the facts, the occurrence of loss, as well as the causal link lies with the employer.

The amount of compensation may not exceed four months' absentee pay payable to the employee. Compensation for damage caused intentionally or through grave negligence shall cover the full extent of losses.

No liability shall apply with respect to any damage that is considered unforeseeable or that resulted from the employer's wrongful conduct, or that was incurred due to the employer's failure to perform his obligations to mitigate the damage.

#### **a) Liability for safeguarding**

The employee shall be subject to liability concerning the loss of objects received for the purpose of safeguarding with the obligation to return or account for said objects, which are continuously safeguarded and exclusively used or handled by such employee.



The employee shall be relieved of liability if able to prove that the given failure has occurred for a reason beyond his control.

The employee shall be liable to provide compensation for the loss, only if signing a list or acknowledgement receipt upon receiving the property. Where a property is given to several employees for the purpose of safeguarding, the list or acknowledgement receipt aforementioned shall be signed by all employees involved. An employee may give authorization to another employee to accept the property in his name and on his behalf.

Cashiers, handlers of money and valuables shall be liable for the money, securities, and other valuables they handle, regardless of having the list or acknowledgement receipt. The burden of proof to verify the conditions and the damage lies with the employer.

If a property under safeguarding is physically damaged, the employee shall be relieved of liability if he is able to prove that he has acted in a manner that can generally be expected in the given situation.

#### **b) Joint liability of employees**

Liability for damages shall be borne by the employees involved consistent with the degree of their culpability, or - if this cannot be determined - in proportion to their respective involvement. Employees shall be jointly liable for damages if the degree of culpability or involvement cannot be verified.

As regards any loss in property given to several employees for safeguarding, liability shall be borne by such employees in proportion to their wages.

Liability for damages caused willfully by several persons shall be joint and several.

#### **c) Inventory liability**

Employees shall be liable for inventory shortages irrespective of any wrongdoing. The following shall be construed preconditions for inventory liability:

- a) conclusion of an inventory liability agreement for the inventory period;
- b) proper delivery and receipt of inventory stocks;
- c) inventory shortage determined by a procedure to include all stocks on inventory and conducted according to inventory regulations; and



d) working at the given workplace covering at least half of the inventory period.

If an employee who is not subject to liability for inventory shortages also has access to the inventory stocks, liability shall - furthermore - be contingent upon the prior written consent of the employee responsible for inventory shortages for employment in the given job or workplace.

## **2. Damage liability of the employer**

The employer shall be liable to provide compensation for damages to the employee caused in connection with the employment relationship. The employer shall be relieved of liability if able to prove:

- a) that the damage occurred in consequence of unforeseen circumstances beyond his control, and there had been no reasonable cause to take action for preventing or mitigating the damage; or
- b) that the damage was caused solely by the unavoidable conduct of the aggrieved party.

The employer shall compensate the employee for all his losses in full. No compensation is required if the employer is able to prove that the occurrence of such loss could not have been anticipated.

The portion of the damage resulting from the employee's wrongful conduct or that was incurred due to the employee's failure to perform his obligations in relation to the mitigation of damage shall not be compensated.

The court, under special and equitable circumstances, may grant partial exemption from providing compensation to the employer held liable for damages, upon weighing the financial standing of the parties, the gravity of the infringement and the consequences of providing compensation.

## **IX. LABOR DISPUTE**

Employees and employer may pursue their claims arising from the employment relationship or out of Labor Code by judicial process. Rules are specified in §285-290.

The **term of limitation** for labor-law claims **shall be three years**.

The term of limitation:

- a) for claims for compensation for damages caused by,
- b) for the payment of restitution for any violation of rights relating to personality resulting from, a criminal offense shall be five years, or longer, as consistent with the statute of limitations for such criminal liability.



**An action shall be brought within thirty days of notification of the employer's act, in connection with:**

- a) any amendment of the employment contract implemented by unilateral decision; b) wrongful termination of the employment relationship;
- c) the sanctions applied on account of a breach of obligation by the employee;
- d) a payment notice; and
- e) the provisions of Subsection (2) of Section 81. (untrue work assessment of the employee)

In the case of **challenging the agreement or unilateral act for the termination of the employment relationship**, an action may be brought within thirty days from the date when the action was declared declined. The action shall be declined if the other party fails to respond within fifteen days from the date of delivery, or refuses to accept it.

**The application for making a claim under Subsection (6) of Section 61 (change of working conditions) and Subsection (4) of Section 64 (requirement to justify act)** shall be submitted within thirty days from the date the employer's legal statement was communicated or after expiry of the deadline set for making the legal statement.

## **X. COMMON RULES OF CONDUCT**

### **a.) General rules of conduct**

Employment contracts shall be executed as it might normally be expected in the given circumstances, unless any legal provision exists to the contrary. A person may not rely, in support of his claim, on an unlawful act he has committed. A person who himself engaged in an unlawful act may rely on the wrongful act committed by others.

In exercising rights and discharging obligations, the parties involved shall act in the manner consistent with the principle of good faith and fair dealing, they shall be required to cooperate with one another, and they shall not engage in any conduct to breach the rights or legitimate interests of the other party. The requirements of good faith and fair dealing shall be considered breached where a party's exercise of rights is contradictory to his previous actions which the other party had reason to rely on.

Employers shall take into account the interests of employees under the principle of equitable assessment; where the mode of performance is defined by unilateral act, it shall be done so as not



to cause unreasonable disadvantage to the employee affected. Equitable assessment shall be applied for instance regarding overtime work.

The parties falling shall inform each other concerning all facts, information and circumstances, and any changes therein, which are considered essential from the point of view of employment relationships and exercising rights and discharging obligations. This obligation covers the change of personal data, the commencement of another employment relationship or any circumstance touching upon the rightful economic interest of the employer.

Abuse of rights is prohibited. For the purposes of this Act 'abuse of rights' means, in particular, any act that is intended for or leads to the injury of the legitimate interests of others, restrictions on the enforcement of their interests, harassment, or the suppression of their opinion.

Where the abuse of a right is manifested in the repudiation of a legal statement required under employment regulations and this conduct does injury to an overriding public interest or an interest of the other party in cases of exceptional circumstances, the court is entitled to substitute its judgment for the party's legal statement, provided there is no other way of averting the injury.

In making a claim under labor law alleging infringement of the prohibition on abuse of rights:

- a) the claimant shall provide evidence of the fact, circumstance suggesting contravention of that prohibition, and for the resulting injury, and
- b) the party exercising the right shall prove that causal relationship between the fact, circumstance evidenced by the claimant is lacking.

During the life of the employment relationship, employees shall not engage in any conduct by which to jeopardize the legitimate economic interests of the employer, unless so authorized by the relevant legislation.

Employees may not engage in any conduct during or outside their paid working hours that - stemming from the employee's job or position in the employer's hierarchy - directly and factually has the potential to damage the employer's reputation, legitimate economic interest or the intended purpose of the employment relationship. The actions of employees may be controlled. When exercising such control, the employees affected shall be informed in writing in advance.

Employees may not exercise the right to express their opinion in a way where it may lead to causing serious harm or damage to the employer's reputation or legitimate economic and organizational interests.





Employees shall maintain confidentiality in relation to business secrets obtained in the course of their work. Moreover, employees shall not disclose to unauthorized persons any data learned in connection with their activities that, if revealed, would result in detrimental consequences for the employer or other persons. The requirement of confidentiality shall not apply to any information that is declared by specific other legislation to be treated as information of public interest or public information and as such is rendered subject to disclosure requirement.

**b.) Conflict of interest**

The employee, if s/he wishes to conclude another employment relationship with the permission of the employer, shall respect the followings:

During the life of the employment relationship, employees shall not engage in any conduct by which to jeopardize the legitimate economic interests of the employer. Thus, the employee shall report to the employer any employment or contractual relationship, which has any impact on the employment with the Research Center, which may interfere with it or cause a conflict of interest. The General Director may approve the conclusion of such employment relationship.

Executive employees:

- a) shall not acquire shares, with the exception of the acquisition of stocks in a public limited company, in a business association which is engaged in the same or similar activities or that maintains regular economic ties with their employer;
- b) shall not conclude any transactions falling within the scope of the employer's activities in their own name or on their own behalf; and
- c) shall report if a relative has become a member of a business association which is engaged in the same or similar activities or that maintains regular economic ties with the employer, or has established an employment-related relationship for an executive office with an employer engaged in such activities.

**Conflict of interest procedure:**

If the employer obtains information on conflict of interest, it will call the employee upon within 5 days to remedy it. If the employee is unable to prove within 30 days that the conflict of interest no more exists, the employer may terminate the employment without notice period.



### **c.) Contracting with a so called utilizing company**

The General Director shall approve the conclusion of an employment with a utilizing company (specified in the law Nr. LXXVI. of 2014. on scientific research) for an employee hired by the Research Center as a researcher. The General Director may make a decision relying on his discretion.

The employee shall file a petition for the approval of the initiation of employment. The petition shall contain the followings:

- name of the employer and the project participants
- name and description of the project
- the proposed job duties of the employee
- the nature of employment
- the start and final day of employment
- working time schedule and working time in general

**For more information on the petition, please contact the employer.**

The petition shall be filed 60 days in advance of the proposed commencement of the new employment. Decision shall be made in 30 days if the petition is complete. **The employee may turn to court if s/he disagrees with the decision.**

## **XI. Annexes**

1. Information to the employee relying on §46 of the Labor Code
2. Wage advance petition

### **Explanation to Annex 1.**

The employer shall inform the employee in writing within seven days at the latest from the date of commencement of the employment relationship about

- a) the person exercising employer rights;
- b) the date of commencement and the content of the employment relationship;
- c) the workplace;
- d) the functions of the job;
- e) the daily working time, days of the week when work may be scheduled, the possible time of the beginning and ending of scheduled daily working time, the length of any overtime work, and the specific nature of the employer's activity (Section 90);
- f) payroll accounting, the frequency of payment of wages, and the day of payment;
- g) wages above the base wage and other benefits;
- h) number of days of leave, the way they are calculated and the rules of allocation;
- i) the provisions on the termination of the employment relationship, in particular the rules governing the periods of notice;
- j) the employer's training policy, the duration of time available for employees for attending training courses;



- k) the name of the authority to whom the employer pays taxes and contributions in connection with the employment; and
- l) whether a collective agreement applies to the employer.