Attachment 1

INTERNAL SALARY REGULATION OF THE UNIVERSITY OF CHEMISTRY AND TECHNOLOGY IN PRAGUE as at March 1, 2007

The Academic Senate of the University of Chemistry and Technology, Prague, under Section 9 paragraph 1 letter b) and Section 17 paragraph 1 letter c) of the Act No. 111/1998 Coll., on Higher Education Institutions and on Changes and Amendments to Some Other Acts (the Higher Education Act), as amended, approved this Internal salary regulation of the University of Chemistry and Technology, Prague:

Article 1 Introductory provisions

- 1) The Internal salary regulation (hereinafter the "regulation") of the University of Chemistry and Technology, Prague with registered office at Technická 5, 166 28 Praha 6 (hereinafter "UCT Prague") regulates the rules for provision of salary, remuneration for standby and severance payment at UCT Prague.
- 2) The respective articles of this regulation implement the provisions of generally binding legal regulations for the area of remuneration, employment relationship or other related areas.
- 3) At any time, employees have the right to access this regulation published on the websites of UCT Prague.

Article 2 Applicability

- 1) This regulation applies to employees in work relationship in all units of UCT Prague except for employees whose salary has been agreed in a salary conditions agreement (hereinafter "individual salary agreement").
- 2) At UCT Prague, an individual salary agreement may be agreed with Deans, Vice-Rectors, the Registrar and the Director of Administration of University Facilities. An individual salary agreement may be agreed also with other employees provided that they are key for UCT Prague or they perform activities which may be called backbone; in such case the proposal of an individual salary agreement is submitted to the Rector by the respective Dean, Vice-Rector, Registrar, or the individual salary agreement is proposed by the Rector him/herself if it concerns an employee of a unit reporting directly to the Rector; the Rector discusses the proposal with the Union and then submits it for approval to the Academic Senate of UCT Prague. Individual salary agreement are made by the Rector of UCT Prague.

Article 3 Fundamental provisions

- 1) UCT Prague applies monthly salaries.
- 2) The salary is provided based on complexity, responsibility and required effort, according to the working conditions, performance and results of the employee.
- 3) For the provision of salary under paragraph 2, namely the following salary components (parts of salary) are applied at UCT Prague:

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a) salary rate (Article 5);
b) premium for risk (Article 6);
c) premium for management, representation or function (Article 7);
d) personal premium (Article 8);
e) bonuses (Article 9);
f) premium for work in a project (Article 10).
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- 4) The salary components stated in paragraph 3 letters a) through d) are granted in the form of a monthly amount for the defined weekly working hours.
- 5) If the employee has agreed shorter working hours, the monthly amount under paragraph 4 is reduced proportionally to the agreed shorter working hours.
- 6) If the employee has worked the planned monthly fund of working hours, the employee is entitled to the salary components under paragraph 3 letters a) through d) for the respective month at the full or proportional amount. If the employee does not work the planned monthly fund of the working hours, such salary components will be reduced by the days and hours not worked.
- 7) The salary components stated in paragraph 3 letters a) through c) form the monthly basic salary of the employee, after the assignment of which the employee is entitled to receive such salary components until the conditions under which they were assigned are changed or terminated.
- 8) Assignment of or change to the salary components under paragraph 3 letters a) through c) is notified to the employee in the form of a written salary schedule.
- 9) Placement of an employee in a job position and salary grade, assignment of a salary rate, as well as premium for risk, for management, representation or function, provided the employee meets the conditions for their assignment, take place no later than on the day of origination of the employment. Any changes to job position, salary grade, salary rate and working hours as well as changes (i.e. assignment, removal, increase or decrease) to the premium for risk, management, representation of function may take place only as at the first calendar day of the month, however not retrospectively.
- 10) Besides the salary components stated in paragraph 3 letters a) through f) UCT Prague grants, if the respective conditions have been met, the following to its employees
- a) salary or compensatory time off for overtime work (Article 11);
- b) salary or compensatory time off or compensation of salary for work on public holiday (Article 12);
- c) salary for work on Saturday or Sunday (Article 13);
- d) salary for night work (Article 14);
- e) premium for standby (Article 15);
- f) severance payment (Article 16).
- 11) The employee is entitled to premium for work in a project, premium for overtime work, for work on public holiday, for work on Saturday and Sunday, for night work, and premium for standby at the extent and under the conditions stated in Articles 10 through 15.

Article 4 Definition of powers

The levels of authority for application of the respective provisions of this regulation are defined in the internal directive Circulation of personnel documents or directly in the respective provisions hereof.

Article 5 Salary grades and salary rates

- 1) At UCT Prague, the academic, scientific, research and development workers as well as other employees are divided in 3 basic groups A, V, B, where each group is subdivided in grades to which the respective types of work (job positions) are assigned. An overview of the valid salary grades and the job positions assigned to them form an attachment to the valid collective agreement "Assignment of Positions at UCT Prague".
- 2) An employee is assigned to a salary grade based on the agreed type of work in the work agreement. When agreeing the type of work (job position), namely the specific requirements for responsibility and complexity of the activities to be performed as well as fulfilment of requirements defined for the respective job position are taken into account.
- 3) As the employees are assigned to the salary grade, they are assigned the respective salary rate.

Article 6 Premium for risk

- 1) A premium for risk is part of the salary for the aspects of work related to the hardness of work conditions (risky environment). The premium for risk expresses specific requirements for performance of pedagogical, research and development activities at the workplaces of UCT Prague.
- 2) The formalities and conditions for assignment of a premium for risk are governed by the valid collective agreement.

Article 7 Premium for management, representation or function

- 1) A premium for management, representation or function is part of the salary for the aspects of work related to the responsibility for management of workplaces of UCT Prague and the complexity of such management work or for the area of activities in charge.
- 2) The premium for management is granted to managers specified in the valid collective agreement in connection with the Organisational Rules of UCT Prague. The premium for management is not assigned to mangers who have an individual salary agreement or whose management activities are covered by other form of salary benefits according to the specific conditions (see Article 8 paragraph 3).
- 3) The premium for representation can be granted to employees who represent in full, in compliance with the valid Organisational Rules and based on a written authorisation, the activities of a manager under Article 7 paragraph 2 where the manager does not perform such activities and the authorisation lasts for more than 4 weeks without interruption. For the time when the employee is granted such premium for representation, the manager represented by such employee shall not receive the premium for management.

- 4) The premium for representation can be granted also in case of authorisation to manage a work place if a manger has not been installed under paragraph 2; such authorisation shall be valid for the necessary period, however no longer than till the time of instalment of such manager.
- 5) The premium for function is granted to employees whose range (functions) is provided in the valid collective agreement.

Article 8 Personal premium

- 1) A personal premium is a non-claimable part of the salary, expressing namely long-term evaluation of work performance and results of the employee.
- 2) In exceptional cases, the employee's work performance can be evaluated also in the form of a so-called individual personal premium. It is assigned namely in cases when the employee performs an agenda or its part instead of a long-term absent employee or if the employee performs in long term activities beyond the scope of his/her normal work duties.
- 3) The individual personal premium can be granted also to managers whose activities related to management are not evaluated in the form of premium for management, or who do not have an individual salary agreement. In such case, the proposal for granting an individual premium within the range agreed in the valid collective agreement is submitted by the Personnel Department and approved, upon consideration of the specific conditions and circumstances, by the Rector.

Article 9 Bonuses

- 1) A bonus is a non-claimable part of the salary, designed for evaluation of work results and performance of an employee, for evaluation of fulfilling of tasks beyond the scope of normal work duties, for evaluation of single extraordinary important tasks and also for appreciating the employee's contribution to solving extraordinary situations (namely exceptional merits in saving life, removal of consequences of natural disasters, or of damages to property of UCT Prague, etc.).
- 2) The bonus is granted in the respective amount based on assessment of the fact provided in paragraph 1.
- 3) At UCT Prague, namely the following types of bonuses are applied:
- a) regular bonuses for overall evaluation of namely long-term, usually annual work results and performance of the employee, or for appreciation of long-term fulfilment of tasks beyond the range of normal work duties;
- b) bonuses for work in projects for evaluation of long-term, usually annual results and activities of the employee related to the performance of activities directly within research, pedagogical, or other projects;
- c) bonuses for project support for evaluation of long-term, usually annual results of the employee related to support activities for research, pedagogical or other projects;
- d) other bonuses for evaluation of long-term, usually annual results and activities within supplementary economic activities, life-long learning, or other; the conditions for granting such bonuses are defined in the respective internal standards of UCT Prague;

e) extraordinary bonuses – for evaluation of single extraordinary important tasks and for appreciating the employee's contribution to solving extraordinary situations; also for evaluation of work results and merits on important birthdays or work anniversaries of the employee and on his/her first retirement to old age pension or invalidity pension provided that the granting of such bonuses has been agreed in the valid collective agreement.

Article 10 Premium for work in a project

A premium for work in a project is a part of the salary expressing evaluation of the employee's activities within the project in case such evaluation is at the same time linked to the employee's timesheet reporting his/her activities in the project in the given period.

Article 11 Salary for overtime work

- 1) For overtime work, the employee shall receive the salary components stated in Article 3 paragraph 3 letters a) through d), entitlement to which has incurred during that time (hereinafter "achieved salary"), and a premium as a percentage of the average pay agreed in the valid collective agreement and in compliance with the minimum given by the Labour Code (hereinafter "LC").
- 2) The premium stated in paragraph 1 is not applied if compensatory time off equal to the overtime work has been agreed with the employee.
- 3) If the compensatory time off is not given to the employee within three calendar months from the overtime work or within other agreed time, the employee is eligible to the premium stated in paragraph 1.

Article 12 Salary for public holiday

- 1) For work on public holiday, the employee is entitled to the achieved salary and compensatory time off equal to the work performed during public holiday, which shall be provided no later than by the end of the third calendar month following the performance of work on public holiday, or within other agreed period of time. For the compensatory time off, the employee is eligible to salary compensation at the amount of average pay.
- 2) It is possible to agree with the employee the provision of premium to the achieved salary instead of compensatory time off at the amount agreed in the valid collective agreement and in compliance with the minimum given by the LC.
- 3) In case of an employee who did not work because the holiday was on his/her usual working day, the salary components stated in Article 3 paragraph 3 letters a) through d) shall not be reduced for that reason.

Article 13 Salary for work on Saturday and Sunday

For work on Saturday and Sunday, the employee is entitled to the achieved salary and a premium as a percentage of the average pay agreed in the valid collective agreement and in compliance with the minimum given by the LC.

Article 14 Salary for night work

For salary for night work, the employee is entitled to the achieved salary and a premium at the amount agreed in the valid collective agreement.

Article 15 Premium for standby

For standby, the employee is entitled to a premium at the amount agreed in the valid collective agreement.

Article 16 Severance payment

- 1) Granting of severance payment is governed by the respective provisions of the LC.
- 2) At UCT Prague, the severance payment amount is agreed in the valid collective agreement, in compliance with the minimum multiples given by the LC, as the multiple of the average monthly pay given by the LC and the valid collective agreement.

Article 17 Salaries payment

- 1) Salaries payment includes:
- a) salaries, i.e. monthly basic salaries, personal premiums, bonuses, premiums for work in a project, premiums for overtime work, for work on public holiday, for work on Saturday and Sunday, and other applicable salary components representing the employee's salary.
- b) other incomes under Section 145 paragraph 2 of the LC;
- c) financial allowances under the Health Insurance Act, payments related to the employee's benefits;
- d) deductions from salaries and other incomes.
- 2) The salaries are paid for the past calendar month after deducting appropriate amounts under the LC, or any agreed amounts; the salaries are paid out on the date as agreed in the valid collective agreement.
- 3) Based on monthly salary accounting, the employee is given a written document containing information about the individual salary components and the deducted amounts, the so-called payroll.
- 4) An extraordinary advanced salary payment may be made upon the employee's request and under the conditions agreed in the valid collective agreement.

Article 18 Final provisions

- 1) The Internal Salary Regulation of the University of Chemistry and Technology, Prague, registered by the Ministry of Education, Youth and Sports on February 13, 2003 under the ref. 11 904/2003-30, is hereby cancelled.
- 2) This regulation relates namely to the following:
- a) Collective Agreement of UCT Prague;
- b) Statute of UCT Prague;
- c) Organisational Rules of UCT Prague;
- d) internal standard Rules of Management of Salary Funds at UCT Prague;
- e) internal directive Circulation of Personnel Documents.
- 3) This regulation was discussed with the Unions organisation of UCT Prague on January 10, 2007.
- 4) This regulation was approved under Section 9 paragraph 1 letter b) of the Act No. 111/1998 Coll., on Higher Education Institutions and on Changes and Amendments to Some Other Acts, as amended, by the Academic Senate of UCT Prague on January 16, 2007.
- 5) This regulation comes to force under Section 36 paragraph 4 of the Higher Education Act on the day of its registration by the Ministry of Education, Youth and Sports.

Vladimír Růžička Rector of UCT Prague