

Collective Agreement Telenor d.o.o.	Text Revision:	First Version Date: 2011-04-18	Text Revision Date: 2009-10-14	
Prepared by: Telenor d.o.o. Trade Union Telenor Trade Union Nezavisnost - Telenor	Revised by:	Approved by:		Strana 1 od 37

COLLECTIVE AGREEMENT

for the 2011-2014 period

Telenor d.o.o.
(Telenor in Serbia)

Concluded on April 18, 2008 on the basis of Article 248 of the Labour Act ("Official Gazette of the RS" Nos.24/05 and 61/05), between Telenor Trade Union Organisation and Independence (Nezavisnost), represented by authorised representatives, Trade Union representatives, Dejan Roganović i Slađana Đorđević, on the one side and Telenor d.o.o., Belgrade, Omladinskih brigada No. 90, 11070 Belgrade, represented by Director Kjell Morten Johnsen, on the other.

This Collective Agreement defines rights, obligations and responsibilities of employees from the field of employment, regulates mutual relations between the Contracting Parties, as well as the procedure for amending this Agreement and other issues of importance for the Contracting Parties.

This Agreement shall apply to all employees of Telenor d.o.o.

The intention of the Contracting Parties is for this Agreement to be fully in line with all valid legal regulations of the Republic of Serbia, particularly the Labour Act.

Apart from the Trade Union policy, this Agreement contains priority values and welfare of Telenor d.o.o.

In this Agreement Telenor d.o.o. shall be abbreviated as Telenor, and should be taken as a legal person which is hereinafter also referred to as the Employer or Company.

Telenor Trade Union Organisation and Trade Union Nezavisnost shall be hereinafter referred to as the Trade Union Organisation.

Both parties shall hereinafter be referred to as the Contracting Parties.

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1. Telenor in Serbia – Employees and the Company

Which way is Telenor heading:

For Telenor users, Telenor shall be a provider of telecommunications services with priority right that make the life easier.

For Telenor employees, Telenor shall be a great place to work, where ambitious people are motivated to achieve high work performances and personally excel.

For social community, Telenor shall contribute to the growth and development of the Serbian nation.

How does Telenor work with others – Telenor values:

- *Keep promises*
- *Make it easy*
- *Be inspiring*
- *Be respectful*

Challenging the established order of things

- *Does not accept status quo*
- *Constantly searches for new ways to do things*
- *Does not work or think in a traditional way*

Telenor shall be a unique Company hiring employees and giving them authority

All the above mentioned is regulated in the Human Resources Policy

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2. Major Company demands

Business ethics is something more than mere avoidance of law violation; ethics is reflected in the way we behave to each other and outside world. Telenor "Codes" include the Company stand to corruption, harassment at work place, intellectual property and many other fields in which both Telenor, as well as all Telenor employees are interested. Furthermore, these Codes contain clear rules as regards observing confidentiality and secrecy of company data, as well as the way we treat intellectual property.

Every employee of Telenor is under the obligation to abide by the rules and instructions developed on the fundamental values of Telenor, which constitute the stand which Telenor is proud of. Everyone in Telenor should be included in this and help create a healthy corporate culture based on the work satisfaction and safety.

Employees should get thoroughly informed with the provisions of this Collective Agreement, Telenor 'Code of Business Ethics', as well as all other Telenor general enactments *and must abide by them*. All employees shall sign a copy of the Code as a sign of accepting and respecting it. The full version of the text hereof, Code of Business Ethics, as well as of all other Telenor general enactments available at the Intranet.

As a support there are detailed instructions for implementing provisions of Telenor documents.

2.1 Job and work task scale and job description

First assignment to a job and work tasks, as well as the first job description shall be stated in the Employment Contract under which the employee shall establish his/her employment. The Employer may propose changes to the Employee's contracted work conditions and work duties as long as they correspond to the Employee's capabilities and Telenor needs, all in line with the law. Each change of job shall be specified in an Annex to the Employment Contract to be concluded.

2.2 Working hours

Full working hours shall be 40 hours a week, i.e. 8 hours a day. For employees performing office job the working hours during a day shall be distributed between 08.00 a.m. and 05.00 p.m. from Monday to Friday (five work days), with 30-minute lunch break.

Employees who are not working in shifts or other predetermined, fixed time periods, can work *flexible working hours* that allows them to work the usual 8 work hours (including the 30-minute lunch break) with a possibility of starting earlier or later in relation to the usual start of working hours at 08.00 a.m. However, the Employee shall be under the obligation to be at his work place between 09.00 a.m. and 03.00 p.m. The possibility of working flexible hours shall depend on the user's request, work and agreement with his/her immediate superior Manager, as well as work associates. The immediately superior Manager shall have to approve the flexible working hours.

Employees working more than full working hours, 10 hours a day at minimum shall be entitled to a break of up to 60 minutes at maximum during work.

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As a general rule, Telenor shall ensure 12 hours of uninterrupted rest to employees between two consecutive work days, as well as 24 hours of uninterrupted rest during working week.

2.3 *Clean desk policy*

In the open work space the Employee shall take care of his working environment because of other employees who share office space with him/her. The main reasons for the Company to introduce this policy were the following:

- Employees with clean desks are less exposed to stress, which reduces occupational accidents and accidental spill over of various drinks;
- The impression left is favourable as is the Company image when our users visit Telenor work premises;
- Security threats are reduced when PC passwords and confidential information is locked;
- There is a flexible work space for mobile staff to share office space.

At the end of work day each Employee is expected to tidy up his work desk and put all office documents in order. For these purposes the Company has provided closets and cupboards.

Reduced use of paper

Company policy is also directed to the reduced use of paper in business operations. This can reduce the quantity of paper used by an Employee in everyday work, as well as expensive and toxic printing cartridges. This shall also reduce the space for disposing the used documentation.

In line with the above and with a view to protecting environment, as part of their electronic e-mail signature Employees shall have a message "Save a tree. Don't print this e-mail unless it's really necessary".

2.4 *Meals*

In line with the 'clean desk' policy Employees cannot take their meal at work desks. Employees should take a true break for their meals and take them in space specially designated for these purposes.

2.5 *Smoking*

Employees are working in the space where no smoking is allowed; smoking is allowed only at the outside space specially designated for these purposes.

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3. *Employment Conditions*

3.1 *Employment – data accuracy*

Telenor shall rely on the accuracy of data contained in the job application, as well as on the accuracy of all other data provided during employment procedure. An applicant may be dropped from any further consideration for employment or, if already employed, may have his employment contract terminated if he has provided any false data, committed forgery or significant omissions in provided information or data.

3.2 *Personal data*

All data relating to Employees Telenor shall treat with high level of confidentiality and in line with the legal requirements for treating these.

An Employee shall be entitled to review the documentation containing his/her personal data kept in Telenor, and shall be able to request deletion of data that are of no direct relevance for his/her work, as well as correction of incorrect data.

3.3 *Employment*

Employees shall contract employment voluntarily, free to give notice at any time, while respecting notice period in line with the Law or in accordance with the agreement with the Employer, either stating or not reasons for such employment termination. When leaving Telenor Employees shall be under the obligation to respect the Employment Termination Procedure.

3.4 *Employees – Definition*

- “Employee” of Telenor shall be a person employed with Telenor for definite or indefinite time period.
- Full Time Employees (FTE) shall be Employees who are expected, as a rule, to work 40 hours a week.
- Part time Employees shall be Employees who, as a rule, work less than 40 hours a week.
- Term Employees shall be Employees hired based on Term Employment Contract, usually 6 months or shorter, with a view to helping complete a specific project or replace absent Employees.
- Expats shall be Employees who are foreign nationals employed for a definite time period.
- Trainees shall be Employees who are employed for the first time for independent work in their profession. Maximum duration of trainee period shall depend on the education level required for performing specific jobs envisaged in the job scale, namely:
 - Three months for jobs requiring secondary education;
 - Five months for jobs requiring two-year post secondary education;
 - Six months for jobs requiring university education.

During trainee period, the trainee shall be entitled to wages and all other labour-based rights, in line with the Law, general act and Employment Contract.

3.5 *External advisors*

For the purpose of staffing human resources and reinforcing Telenor professional capacities, Company Departments may opt to hire external advisors. Advisors shall be hired provided that they shall join in the personnel training and development of Telenor, as part of their contracts, and to abide by Telenor Code of Professional Ethics.

All professional hiring of advisors shall be done in cooperation with CHRO Division and in line with the Law.

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3.6 *Employment Contract*

A Contract (Employment Contract) shall be concluded with each Employee in a written form, which shall contain all conditions under which employment shall be concluded.

The Employment Contract, this Collective Agreement and the Code of Professional Ethics shall define relations between the Employee and Telenor.

A copy of the Collective Agreement shall be available at the Intranet.

3.7 *Employment Changes*

Working position (tasks), as well as job and work task descriptions of the Employee shall be stated in the Employment Contract whereby the Employee is getting employed. The Employer may propose a change in the contracted conditions of work which the Employee is performing as long as that is in line with the Employee's capabilities and Telenor needs, all in line with the Law. Each change in jobs shall be regulated by an Annex to the Employment Contract to be concluded.

3.8 *Amendments to Employment Contract*

Except in cases envisaged under the Law the Employer may offer the Employee a change of the contracted conditions of work (Annex to the Employment Contract) at the Employee's written and argued request.

Apart from the mentioned and cases stipulated by the Law, the Employer may offer the Employee amendmets to the contracted work conditions (Annex to the Employment Contract) also in cases when the Employee does not achieve work results or lacks knowledge and capabilities required for performing the job he/she is holding, or does not perform his/her work duties, or work discipline, if there are other jobs in the Company that the Employee could perform. Based on work results, i.e. knowledge and capabilities of the Employee, the Manager shall file a proposal for amending the contracted work conditions. CXO shall approve this proposal.

The Employee may be offered to conclude an Annex to the Employment Contract under changed conditions only for justified reasons stated herein.

Reasons fro concluding an Annex shall be, without fail, stated in the rationale sent to the Employee together with the offer to conclude an Annex to the Employment Contract. By concluding an Employment Contract under changed conditions the Employee cannot be place in a less favourable position as regards conditions stipulated in the Law and herein.

Should the Employee refuse the offer to conclude an Annex to the Employment Contract, Telenor can cancel the Employee's Employment Contract.

3.9 *Trial period*

Full time Employees' trial period and for those working part time shall be contracted in the Employment Contract ad last six months as of the date of employment, except when shorter duration of the trial period is agreed by the Contracting Parties.

During trial period, Employees shall have an opportunity to evaluate how working for Telenor suits them as regards the work place, and the Company management shall have a possibility to evaluate the Employee. During trial period both the Employee and Telenor shall be entitled to terminate the Employment Contract by sending a written notice of dismissal, as state din the Employment Contract, with notice period that may not be shorter that five work days.

Three weeks before the expiry of the trial period Employee on trial work shall be evaluated. After successful completion of trial work, a possibility of full time employment shall be considered and the Employee shall be informed thereof in writing five days before the expiry of date specified in the Contract as the last employment date, at the latest. Telenor shall cancel Employment Contract of the Employee who fails during trial work and his/her employment shall be terminated as of the date of trial work end, at the latest.

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3.10 *Work outside the Company and private business*

Telenor shall expect from the Employees to be fully engaged in Telenor, but Telenor may agree for Employees to accept work outside Company as long as such engagement does not lead to conflict of interests or possible conflict of interests with those of Telenor and doesn't negatively affect Employees work performance in Telenor.

Telenor business space, equipment and materials may not be used for work outside Telenor and/or private business.

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4. Human Resources Planning and Organisational Structure

The Company is aspiring to avoid unnecessary bureaucracy, but rather to create an efficient and flexible organisation.

The aim of human resources planning is to plan the development of human resources by setting clear goals which are connected to and support Telenor Strategic Plan.

All stated has been done in line with the Human Resources Policy.



5. Employment

Telenor is looking for Employees wishing to work in another kind of Company, which challenges the established order to things and inspires people to realise their full potentials. We are looking for highly motivated Employees, ambitious, dynamic and constantly shifting the borders, with a winning drive and wishing to make a positive difference.

The function of employing new personnel is a joint activity carried out by line management and CHRO Division.

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6. Vacations, leaves and state holidays

Telenor accepts Employees' need to rest and relax. All Employees' requests for a leave shall be approved, provided they are grounded.

6.1 Break during office hours, daily and weekly break

Employee shall be entitled in line with law to a break during office hours, daily and weekly break. Employer's organisational sectors can, according to their needs and work conditions, establish with a special decision a break in duration over 30 minutes during office hours.

6.2 Request for a leave

A formal request for a leave should be submitted to a direct manager, as soon as possible, in order to be granted or for other purposes mentioned below. Manager's consent has to be sent to the CHRO Division. Employee can not start the leave prior to the approval of his/her request.

Telenor shall take into consideration all requests for a leave; however, Telenor shall have a discretionary right to determine time of the leave, unless otherwise provided by the law. The approval of a request shall not be cancelled once it has been approved, unless there are business needs. Default to send corresponding information on use of the leave or extension of the leave without consent acquired in advance, can be treated as a breach of work discipline.

6.3 Leave without prior notice

If Employee turns sick during office hours or has to leave due to some other reasons before end of daily work hours, he/she has to inform his/her direct manager thereof. (It is also defined in „Complaint Procedures, Discipline Procedure”).

6.4 Paid leave

6.4.1 Vacation

No specific time of the year is scheduled as vacation time. Direct manager shall be responsible, together with Employees, to minimise impact of the vacation on Telenor activities. Direct manager shall make a vacation & leave schedule, which shall include exact vacation & leave planned time periods for all Employees he/she manages with.

By the rule, the vacation shall be used in the calendar year to which it refers to.

When the vacation is used partially, the first part should last 15 consecutive days, as provided by the law, to enable Employee have a good rest. The second part should be used by the end of the calendar year to which the vacation refers to but not later than June 30, next year.

The shortest vacation period is 5 (five) consecutive work days.

6.4.1.1 Right on vacation

All Employees that has at least 6-month experience or in line with their individual agreements shall be entitled to the vacation in the calendar year, in line with the law and this Collective Agreement. All days of vacation shall be calculated as work days.

In case of employment termination, Employee shall be entitled to use the balance of the vacation during the notice period, provided is has been agreed by direct manager.

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In an emergency Employee can be recalled from the vacation in order to work and Telenor shall reimburse all relevant costs thereof and allow Employee to re-use the vacation in duration of the period spent at work.

Employee shall be entitled to the vacation in duration of 25 work days in each calendar year. Duration of the vacation under paragraph 1 hereof shall be extended according to following criteria:

- Years of working experience (employment years):
 - from 20 to 25 years for 2 work days
 - from 25 to 30 years for 3 work days
 - from 30 to 32 years for 4 work days
 - from 32 and more for 5 work days
- Health status and number of children:
 - Disabled employees for 3 work days;
 - Employees having psycho-physically handicapped or disabled child for 3 work days;
 - Employees who are single parents of a child up to 15 years of age for two (2) days
- Work conditions:
 - Employees performing jobs under special conditions for 2 work days
 - Employees working in shifts for 2 work days

Maximum duration of vacation is 30 work days notwithstanding aggregation of mentioned criteria. If Employer does not submit to Employee a decision on vacation 15 days before the planned start date, at the latest, it shall be considered that the right to vacation has been withhold to Employee.

6.4.1.2 Deferred vacation

As stated above, the vacation has to be used completely in the year the right thereto has been acquired, i.e. by June 30 next year, at the latest, when the vacation is used in 2 parts. By the rule, the vacation from one calendar year can't be delayed and joined to the next year vacation.

However, if due to extraordinary situations or needs of work process an Employee can't use the whole vacation for the calendar year, he/she can use the relevant part in the next year subject to the written consent of a direct manager and CHRO. Employee must be informed on a date of amended vacation plan in writing, 5 (five) work days prior to the date the balance of vacation has to be started by law, at the latest.

If the case from the previous paragraph occurs, Employer shall reimburse Employee all actual costs incurred by such amendment. In order to be entitled to the reimbursement, Employee must give evidence of the costs incurred.

The unused vacation days for one calendar year must be implemented by June 30 next year, at the latest, or Employee shall lose the right thereto, except in cases provided by law.

6.4.1.3 Monetary allowance instead of vacation

Employee shall be entitled to the allowance for each vacation day unused due to Employer's fault by June 30 next year. The Company and Trade Unions acknowledge and agree that damage occurred in this way shall be equivalent to a double average salary paid to Employee in last three months, proportionally to unused vacation days. In addition, in case of employment termination, all unused vacation days from the previous and the calendar year to which Employee is entitled to, but are unimplemented due to the Employer, can be paid as unused vacation days indemnification in line with the average Employee's salary received in previous three months.

6.4.1.4 Vacation bonus

Employees shall be entitled to the full vacation that shall be used in line with legal provisions, and shall be entitled to the holiday bonus as well. The vacation bonus shall be the one-off annual payment effected together with a salary for June c.y. Employees who are entitled to a part of vacation and use it in line with legal provisions, shall be entitled to the vacation bonus in proportion thereto.

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Employees not meeting bonus vacation prerequisites or meeting partial vacation bonus prerequisites at the time of vacation bonus payment, but shall be meeting by the end of the current year, shall receive the bonus together with a December salary.

Employee who did not use the vacation right with the Employer due to his/her own fault, shall not be entitled to the vacation bonus.

6.4.2 *Sick leave*

Employee who is absent from work due temporary incapacity, shall be entitled to the sick-leave allowance in line with below state provisions.

When an Employee is incapable of working due to illness or injury, he/she has to notify his/her immediate manager as soon as possible, one hour after start of work hours, at the latest. This will enable Telenor to find a replacement and help other Employees carry on their task in his/her absence. Any absence from work not notified in this way shall be considered unjustified and shall not be paid, unless the Employee subsequently justifies it with doctor's verification/certification.

If an Employee is absent from work for more than two days or if it requested by an immediate manager, Employee shall bring a doctor's verification, i.e. doctor's certification to the CHRO Division (certificate shall include the check-up date, diagnosis and expected period of work incapability). Employee shall bring Telenor a doctor's certificate within three days as of the start of work incapability.

If Employee is absent for more than 2 days, and does not submit a doctor's certificate, Telenor may, at its own discretion, consider the whole period as unapproved absence from work and can institute proceedings against the Employee.

Wages compensation during the absence from work due to temporary incapability – sick leave allowance shall be paid in line with obligations provided by provisions of Labour Act and Health Insurance Act.

6.4.3 *Paid leave*

Employee shall be entitled to absence from work with wages compensation (paid leave) in total of 7 work days in the calendar year, for following reasons:

6.4.3.1 *Paid leave for severe illness of an immediate family member*

Up to 7 (seven) work days in case of severe illness of Employee's immediate family member (spouse, child, brother, sister, parents, adopter, adoptee, custodian and other persons living in common household with Employee). Telenor may request from the Employee to present documentation related to the emergent event, such as a written doctor's certificate.

6.4.3.2 *Marriage leave*

Employee is entitled to maximum 5 (five) work days leave with full monetary allowance when getting married, once during the employment with Telenor. The Employee may be requested to present the Marriage Certificate.

6.4.3.3 *Child birth*

Male Employee shall be entitled to maximum 5 (five) work days in case of a child birth. The Employee may be requested to present the Birth Certificate.

One (1) work day in case of child delivery of other member of close family (sister, daughter or other immediate family member).

6.4.3.4 *Moving*

Up to 2 (two) work days in case of moving personal household in the same place of living. Up to 3 (three) work days in case of moving personal household in another place of living.

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6.4.3.5 *Exam taking*

Up to 3 (three) work days for taking a professional or similar exam, and total 7 work days during one year.

6.4.3.6 *Leave in case of natural disaster*

Up to 5 (five) work days in case of fire, flood, earthquake and other natural disaster the Employee may be exposed to.

6.4.4 *Additional paid leave cases*

Apart from the above mentioned paid leave cases, Employee shall be entitled to additional paid leave days, as stated below.

6.4.4.1 *Death of an immediate family member*

Up to 5 (five) work days in case of death of an immediate family member, as provided by the law. Telenor may request from the Employee to present relevant documentation, such as a Death Certificate.

6.4.4.2 *Voluntary blood donation*

2 (two) work days of paid leave for each voluntary blood donation, the date of blood donation included.

6.4.5 *Maternity and child care leave*

Female employee, i.e. child's father, shall be entitled to maternity leave for child care, in line with Labour Act (3 + 9 months) and for each third and every successive child in total duration of 2 years. Female employee, i.e. child's father, shall be entitled to a special child care leave, should special health reasons exist, in line with the law.

Employee who has fulfilled prerequisites for a vacation right, in line with provisions of Labour Act, but has not used the vacation in the calendar year either completely or partially due to maternity leave, child care leave or special child care leave, shall be entitled to use the vacation by June 30, next year.

6.4.6 *Miscellaneous*

In addition to stated leaves, an Employee may be granted a paid leave in the calendar year for following reasons:

- For carrying out urgent personal and family issues – 2 (two) days
- For needs of regulating pension and disability insurance based rights - 2 (two) days
- For military service or completion of military service term (before going) 1 (one) day
- For medical check-up of Employee or his/her immediate family member 3 (three) days

Paid leave can be granted to Employee for following reasons:

- Sending Employee to rehabilitation by Employer or a competent Fund
- Participating at productive, scientific, cultural or sport competitions that Employer has interests in
- Participating at Trade Unions meetings and educational Trade Unions seminars

Paid leave duration shall be determined subject to duration of grounds stated in the above paragraph. Telenor may, at its own discretion, grant other requests for a paid leave in cases not mentioned herein. Such paid leave proposed by Trade Unions shall be subject to mutual consent of Employee's immediate manager and CHRO.

6.5 *Unpaid leave*

6.5.1 *General Provisions*

The Company may grant to Employee an unpaid leave for following reasons:

- If such Employee's absence shall not prevent Company's business in any way,

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- When Employee used maximum determined days of paid leave in a calendar year based on relevant ground, but Employee's absence is needed due to the conditions (a request must be documented in writing),
- In other justified cases, with a written explanation (a request must be documented in writing).

Decision on leave shall be made by Employer in line with the law.

6.5.2 *Unpaid leave for working in another company (beyond Telenor group)*

Employee must submit a request for unpaid leave for working in another company at least 1 month prior to effective start.

A request for unpaid leave for working in another company must be approved by an immediate manager and upper level manager. The final approval shall be given by CEO.

Unpaid leave for working in another company can't be longer than 6 months.

An Employee filing a request for unpaid leave for the first time shall have priority to other employees who already did it.

Minimal interval between 2 successive unpaid leaves must be at least 2 years (between the end of the last vacation and beginning of the next one).

During the unpaid leave all Employee's labour related rights and obligations shall be suspended, unless otherwise provided by the law, general enactment or employment contract for special rights and obligations.

Employee may not work in competitive companies in countries where Telenor has operations.

6.5.3 *Unpaid leave for personal reasons*

Telenor may, at its own discretion, grant an Employee use of unpaid leave in duration of maximum 12 months. Potential cases are medical treatment or studying at Employee's cost. If Telenor has interest and it does not prevent its business operations, the unpaid leave can be extended for additional 12 month period.

Whenever an Employee uses unpaid leave for personal reasons, all his/her labour related rights and obligations are suspended, and as case may be, the Employee shall be responsible for payment of possible legal liabilities.

6.5.3.1 *Nursing a sick immediate family member*

If an Employee has to nurse a sick immediate family member, the unpaid leave up to 5 (five) work days in a calendar year can be approved at his/her request in addition to a paid leave from Article 6.4.3. hereof.

6.5.3.2 *Visiting an immediate family member abroad*

When an Employee has to visit an immediate family member working abroad, the unpaid leave up to 5 (five) work days can be approved to him/her.

6.5.4 *Miscellaneous*

Telenor may, at its own discretion, approve a request for unpaid leave in cases not mentioned herein. These are by the rule urgent matters. Such leaves shall be subject to the agreement of an immediate manager and CHRO.

6.6 *State holidays*

Telenor shall respect all state holidays in the Republic of Serbia. In order to provide uninterrupted operations, Telenor may request from an Employee to work during any state holiday granting him/her in return days-off. The Company General Manager (CEO) may approve that the whole Company uses

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one additional day as a holiday – day-off for some other reason, unless it is contrary to the interest of the work process.

6.6.1 *State holidays during business travel*

If a state holiday falls during Employee's business travel, Employee shall be entitled to a day-off that he/she shall use subsequently, the time of which shall be agreed with an immediate manager.

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7. Monetary allowance and benefits

Telenor sets up challenging goals and rewards work. Telenor expects from its Employees to set up challenges and in return offers a possibility for career improvement in an inspirational and dynamic working environment, which provides education to Employees and expects from Employees to take over responsibility, act and make results.

Telenor's strategy is to have a rewarding policy that is unique, fair and competent. Telenor rewards its Employees for a good work, competence improvement and Company success.

7.1 Allowance and reward policy

Telenor shall develop and maintain the wages structure that shall attract and retain qualitative manpower required for Telenor. The wages structure shall stimulate a high-quality work, be clear and fair, simple for understanding and administration. Telenor shall adopt a systematic methodology for relative value assessment of one work compared to other works. CHRO Division shall coordinate and administrate this method. Wages scale shall be adjusted in a way to reflect economic and market changes. Each year, by taking active part in audits, reviews and/or other sources, Telenor compares data on earnings, identifies guidelines and labour market changes and determines necessary adjustments, including a review of a labour cost index, in order to retain a competitive position in the labour market, however, everything in cooperation with the State Unions.

7.2. Structure of wages

Telenor's Employees are entitled to corresponding wages, in line with the Law, this Collective Agreement, HR Policy and Employment Contract. Employees are guaranteed equal wages for the same work or the work of the same value they are earning in Telenor. The work of the same value implies work for which the same competence, responsibility, physical or intellectual work and the same level of education is required.

Wages of Telenor's Employee consist of the earnings for the work performed and time spent at work, earnings based on Employee's contribution to Telenor's business success (bonuses, rewards, etc.) as well as other labour related earnings, in line with the Collective Agreement and Employment Contract.

Employee's wages consist of:

- Basic earnings according to Employment Contract;
- Part of earnings based on work efficiency;
- Part of earnings based on wages increase;
- Compensation of wages;
- Part of wages based on Employee's contribution to Employer's business success (rewards, bonuses, etc.);
- Compensation of costs (business travel in country, transportation costs, per diems, other costs, foreign business travel, meal allowances and vacation bonus)
- Other earnings in line with the law;

The basic wages value for the simplest work shall be 41.921,00 RSD.

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Should in the course of a business year changes related to circumstances and assumptions (business results, costs savings, etc.) arise, based on which the basic wages value was determined, Employer may, without explanation to the Trade Unions, determine a new value of basic wages.

Each Employee's basic wages value shall be determined with the Employment Contract. Resources earmarked for payment of basic wages shall have priority when making the calculation and payment of resources for wages.

An Employee shall be entitled, in addition to basic wages, to compensation of costs in line with this Collective Agreement and Employment Contract.

7.3 *Payment of wages*

Generally, Telenor functions through monthly payments, wages are paid directly on the bank account. Telenor's goal is to pay basic wages by the 5th of each month, for the previous month, or even a day before if the payment day falls on a state holiday or a weekend.

7.4 *Deductions from wages*

No deductions from wages shall be made without a written notice sent to Employee at least one month in advance, unless these deductions are grounded on the Law or Employee had accepted deductions, i.e. gave his/her written consent.

7.5 *Wages decrease*

In case an Employee interrupts his/her employment in Telenor, he/she shall be entitled to the compensation of wages that corresponds to 60% of average actual wages paid in last three months, for the period of 45 work days, at maximum. This percentage shall always be pursuant to the Law.

7.6 *Revision of wages*

Each Employee's monthly wages shall be revised once a year. Employee must finish a trial work in order to be entitled to wages revision. Increase of wages depends on budget and work performance. If the Employer decides to increase wages, the officially published inflation rate for a 12-month period or growth of living costs ("consumer basket") may be taken as a basis for the increase.

7.7 *Overtime work, state holidays, night work and on-calls*

When an Employee must work overtime due to work necessities, this shall be stipulated in line with legal provisions in relation to time spent at work and usual organisation of overtime work. In line with the Law, overtime work can be forbidden to some Employees or they can't work without a written consent. Any of agreements including below stated allowances must be agreed with an immediate manager in advance. All calculations shall be done based on Employee's basic wages. Allowances shall be calculated based on hours spent at work within following categories:

Increase prerequisite	Increment
Standard overtime work, including work over weekends – not entailing a right on corresponding days-off	26%
Work on a non-work holiday day	110%
Night work between 22:00 and 06:00	26%
If an Employee is requested to be available after work hours or during the vacation, to come at work in short notice, he/she shall be rewarded for showing flexibility. It is usual that Employee starts working 45 minutes after being called.	10%
Passive on-call service on state holiday	21%

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7.8 *Minimal annual increase of wages*

Employees shall be entitled to the increase of wages, on an annual basis, based on his/her overall years of work experience. Wages shall be adjusted annually for a minimum of 0,5% of monthly basic wages for each completed employment year.

7.9 *Annual bonus*

Employee should have a possibility to share Telenor's success. Since Telenor believes in rewarding a quality work, Telenor may decide to develop different ways of bonus rewarding, in addition to main wages, what is in line with Telenor's goals and its annual financial results.

7.10 *Other systems of rewarding*

Programmes, such as individual or team rewarding, enables Telenor to offer immediately a reward to an Employee also for team achievements, if the Employee or the team extraordinary contributed to achievements of Telenor's goals, beyond and in addition to defined standard work requirements.

7.11 *Mobile phone policy*

The purpose of giving mobile phones to Employees for use is to enable Employees to perform their work obligations efficiently and be aware of all Telenor's products and services.

As a general rule, Telenor shall pay for all Employees the subscription and use of mobile phones.

The mobile phone policy is stipulated in details in the HR Policy.

7.12 *Business cars use policy*

Based on a special review, a Company car shall be given to Employees who frequently need car for performance of their work obligations, provided the Company car use system is cost-effective for Telenor. If a Company car is given to an Employee for everyday use, including going to and from the work, this shall have an effect on decrease or cancellation of the right to public transportation costs allowance.

7.13 *Use of personal car for business*

An Employee who uses his/her personal car for business (with agreement of an immediate Manager) shall receive a compensation based on miles passed. Employees using their own cars must have corresponding insurance (this is Employee's obligation).

Compensation shall be paid based on the request and is defined at 15,00 dinars per kilometre (including compensation for fuel). Compensation based on miles passed is subject to tax payment. The non-taxable amount as of the date of conclusion of this Collective Agreement is 5,066.00 RSD monthly.

7.14 *Public transportation allowance*

Employee shall be entitled to compensation of public transportation costs equal to the value of a public transpiration ticket.

If an Employee is living outside the territory covered by the first zone transportation ticket in public transportation, Telenor undertakes to compensate that Employee for transportation costs for distance between his/her place of residence and work place up to 50 km., at maximum, in the amount equal to the value of transportation ticket for the given distance. If the distance between the place of residence and work place is more than 50 km. the Employee shall be entitled to the compensation in the amount of the value of public transportation ticket to the place 50 km. from the work place, and if there is no such place, proportionate to the price of the public transportation ticket up to 50 km. away. The Employee shall be under the obligation to keep and bring his/her monthly transportation ticket at the end of the month.

For distances at which public transportation firms do not provide monthly subscriber tickets, but only individual ones, the Employer undertakes to compensate the Employee for costs of transportation in the amount equal to actual costs.

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The actual costs shall be determined based on the number of days spent at work, price of individual ticket for lines an Employee is using, for which no monthly ticket exists. In such cases the Employee shall be under the obligation to keep and bring his/her individual transportation tickets at the end of the month.

An Employee who has no possibility of using public transportation for coming to and returning from work because there is no organised public transportation on a given route, shall be entitled to compensation of transportation costs in money equal to the price of the monthly subscriber public transportation ticket for the same or similar route.

An Employee shall be under the obligation to obtain from the public transportation firm a certificate on the price of subscriber transportation ticket.

At the Employer's request an Employee shall give his/her written statement in a prescribed form on the place of residence and transportation used for coming to and returning from work.

Payment of actual costs, in line with statements above, shall be done in money after the end of the month based on the number of days the Employee came to work.

7.15 *Meal allowance*

Employee shall be entitled to monthly allowance for meals provided during work hours that corresponds to 20% of average monthly wages in the Republic of Serbia, in line with last published statistical data. This allowance shall constitute a part of Employee's wages.

7.16 *Vacation bonus*

Employee shall be entitled to a vacation bonus for a calendar year in the amount of one average Employer's wage, not including average wages of M3, M4, C5 and C6 level Employees.

If the employee who becomes employed with Telenor d.o.o. by transferring from another company during a calendar year, is paid a lower amount of vacation bonus (in the previous company) compared to the amount envisaged under this Collective Agreement, he shall be entitled to a difference up to that amount, provided that he has become employed with Telenor by August 31 of the current year and has not used his entire vacation for the current year in the pervious company.

7.17 *Solidarity and jubilees*

A right to a solidary aid, in line with criteria defined with special Employer's enactment, can be assigned to an Employee.

7.18 *Reward for a long-term work experience in the Company*

Employees shall be entitled to a jubilee prize that is awarded for Employee's loyalty to the Company. Jubilee prizes are awarded in following amounts:

Work years	Value of a voucher of gift:
10 years of continuous work with Employer	20.000 RSD
20 years of continuous work with Employer	30.000 RSD
30 years of continuous work with Employer	40.000 RSD

7.19 *Gifts for Employees' children*

Telenor shall earmark funds from the budget in the amount not exceeding a non-taxable amount stipulated by law, for gifts given to Employees' children for Christmas or New Year.

The right to have the gift and children of deceased employees.

7.20 *Credit granting to Employees*

Telenor shall endeavour to provide Employees a good financial position with banks that Company operates with. Feasible offers shall be posted on Intranet and information boards. Any financial agreement is a matter exclusively of relationship between an Employee and a bank. Telenor shall not enable or guarantee Employee any credit that he/she takes as a physical person.

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7.21 *Reimbursement of funeral expenses*

In case of death of a close family member (Employee's spouse and child), Telenor shall reimburse funeral expenses, up to the non-taxable amount pursuant to the law, at the maximum. In case of Employee's death, Telenor shall reimburse to a close family funeral expenses to the same amount. Reimbursement shall be done based on documents on actual costs.

7.22 *Child birth allowance in cash*

Employee shall receive cash allowance for a birth of child in net amount of 40,000.00 RSD. Payment shall be made based on submitted Birth certificate.

7.23 *Reduced work capability*

Employee shall receive money allowance for being seconded to another job, due to reduced work capability caused by professional injury, according to the rules of Pension and Disability Insurance. Employer shall pay a balance to the full wage that Employee would receive should he/she have not changed job due to reduced work capability caused by professional injury.

7.24 *Aid for Employee and his/her family*

Money aid for education of diseased Employee's children shall be paid for preschool children and until the age they complete education, according to following criteria:

- For preschool children 20% monthly;
- For eight-year elementary school children 25% monthly;
- For Secondary School children 30% monthly;
- For college and university children 45% monthly;

Money aid for education of deceased Employee's children shall be paid of deceased employees who lost their lives while performing services for Telenor according to following criteria:

- For preschool children 70% monthly;
- For eight-year elementary school children 75% monthly;
- For Secondary School children 80% monthly;
- For college and university children 95% monthly

of the employee' personal wages, or average wages in the Company if that is more favourable for the Employee's children.

Right to payment starts as of the date of Employee's death, while the aid shall be paid by 5th of the month, for the previous month, at the latest.

Revision of payments shall be made each September 1 for children of pre-school age, children attending eight-year schooling and children who are secondary school pupils, up to the year of their graduation, inclusive, based on percentage of increase of average wages in Telenor.

Revision of payments shall be made each October 1 for children attending two-year post secondary or high schools, up to the year of their graduation, inclusive, based on percentage of increase of average wages in Telenor.

Children of the deceased employees are under the obligation to submit proof of the school they are attending each September 1, i.e. October 1.

7.25 *Supporting recreative sport activities*

In order to keep Telenor's Employees health, Telenor shall finance recreative sport activities. In line with the financial planning process, Telenor shall earmark money for financing Employees' sport-recreative, as well as cultural needs. A work group consisting of four Employees' representatives, two of which shall be appointed by Telenor and two by Trade Unions, shall be established and they will be able to give propositions for the use of these funds.

Telenor shall have a right to make a final decision on the use of these funds and be a general or partial sponsor of Company sport teams.

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7.26 *Loan granting to Employees*

Telenor may grant a loan in cash or kind to an employee, group of employees or all employees in the following cases:

- for the purchase of shares of Telenor ASA Company from Norway;

The loan may be granted for a period of 3 to 12 months and the loan instalment cannot exceed one half of the monthly salary paid to the employee before the granting of the loan. This shall determine the highest limit of loan to be granted to an employee.

The repayment shall be made out of the salary, i.e. employee's wage compensation, as of the payment of salary in the first month after the one in which the loan has been drawn.

At the employee's request in justified cases (emergencies, family sickness, etc.) Telenor may extend the loan repayment period for 3 months, at maximum.

The CEO or person authorised by him shall bring a decision on granting the loan.

The CEO or person authorised by him shall sign a Loan Agreement with the employee. This Contract shall include the following: loan amount, loan granting purpose, loan repayment period and agreement of the employee for Telenor to deduct the loan repayment instalment from his/her salary.

The Contract shall also include a provision under which the employee assumes the obligation to repay the loan within the agreed period in case of unpaid leave, abeyance of employment or termination of employment with Telenor.

A new loan cannot be approved until the previously granted one has been repaid in full.

7.27 *Salary compensation to pregnant woman during a temporary inability to work due to illness or complications related to pregnancy (pregnancy sick leave)*

At the expiration 30 of days absence from work due to temporary inability to work due to illness and complications related to pregnancy, pregnant women (employee) is entitled to the allowance by the Employer which is the difference of the amount that is provided from the funds of mandatory health insurance for up to 100% of average earnings in the previous three months before the month in which she started a temporary inability to work.

To receive a right under paragraph 1 this point employee has to provide evidence that otherwise does not receive the difference of the amount that is provided from the funds of mandatory health insurance for up to 100% of average earnings in the previous three months before the month in which she started a temporary inability to work.

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8. Development and Learning

Telenor Development Process (TDP) is Telenor's mandatory annual development process designed for all employees. TDP is designed to enable the unique access or goal creation, identification of promotion needs, work and behaviour evaluation and further development monitoring. The goal is to enable Telenor to maintain competitiveness through efficient administration of work results.

Telenor endeavours to create an environment where new skills are constantly exchanged and acquired. Telenor knows that it is of crucial significance to retain highly skilled, qualified and well motivated staff.

Telenor's Employees are entitled to education, qualification and improvement in line with Telenor's enactment – Human Resources Policy.

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9. *Business Travel & Allowances Policy*

Telenor is a global Company and Employees are expected to travel in order to perform obligations related to their job on behalf of Telenor.

9.1 *Basic rules*

Manager shall be responsible for providing that all travels performed by Employees are in line with Company needs, all the time. All business travels must be approved in advance.

Business travel & allowance policy is stipulated in Telenor's enactment – Travel Policy.

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10. Health protection, Occupational Safety, Environmental Protection and Social Insurance

Telenor emphasizes that Employees need to express awareness of possible injuries at work and believes that preventive measures reduce risk of people and property injury. Telenor expects that Employees shall respect safety measures, which are applied, all the time in order to reduce risk of undesired damage and disorder.

Insurance does not prevent accidents from happening but mitigates possible consequences thereof. Telenor shall provide insurance that covers Employees in a proper way in case of undesired accidents.

10.1 Smoking policy

Smokers are welcome, but Telenor operates in a non-smoking environment. Smoking is allowed only in certain areas outside the building. Employees smokers are expected to reduce interruptions of their work by restricting their smoking breaks.

10.2 Alcohol and drugs

Telenor shall not tolerate Employee under influence of alcohol or drugs at work or outside the work during regular work hours, as well as the use of alcohol and drugs beyond the work to the extent it reduces Employee's work efficiency. They are harmful for work and efficiency, and represent a serious threat for health, safety and whole work environment.

If, pursuant to obligations and local culture, it is expected from the Employee to drink alcohol beverage at business dinner, alcohol drinking shall be allowed so far it is approved by Employee's manager and if done in a moderate way.

Use of prohibited legal drugs or use, possession, distribution or sale of illegal drugs at work place in Telenor or other Telenor's business sites is strictly prohibited.

Should an Employee not abide with the above mentioned, discipline measures shall be instituted, including termination of the employment contract.

Telenor may conduct an unannounced search for drugs and alcohol at all work sites.

10.3 Responsibilities for conduct of occupational safety, health & life protection

Each Employee shall be entitled to occupational safety and health protection in line with the law, and Employer shall ensure health and life protection in line with the law, other regulations and Telenor's Rules on Procedure on Occupational Health & Safety Protection. Trade Unions Organisation has right to be directly informed on occupational safety & health protection measures taken and to propose measures for improvement of work conditions.

10.4 Precaution, use of common sense and danger avoidance

Telenor is interested in health, safety and security of its Employees, as well as in other values Telenor is governed with. Employee shall receive the information on safety of his/her position, security and health issues by regular internal communication at trainings, team meetings, intranet and information boards, and Employees are expected to respect them.

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Special activities related to occupational health & safety protection, as well as environmental protection, such as Safety Audits, Position Risk Assessment and Reviews are kept in a way to ensure Employees' rights related to Health, Safety and Environmental issues.

10.5 *Disability prevention and active medical annual check-up*

Employer may provide funds for prevention of work disability and active medical annual check-up for all Employees.

10.6 *Board and Representatives of Employees and Employer for Occupational Safety and Health Protection*

Telenor can establish a Board for Occupational Safety & Health Protection in line with the organisational structure (hereinafter referred to as Board). The Board shall consist of four Employees' and three Employer's representatives. The Employees' representatives shall be appointed by the Trade Unions Organisation.

Board's capacity shall be defined by the Rules of Procedure on Occupational Safety & Health Protection.

10.7 *Occupational Insurance*

Telenor shall provide, in line with *Health Insurance Law* of the Republic of Serbia, the insurance that covers an Employee during his/her regular work hours, including business travels. The insurance shall cover, within given restrictions and under given terms, injuries incurred by occupation and resulting in temporary disability, medical treatment, permanent disability and death. Precise terms regarding stated insurance can be obtained in the CHRO Division.

10.8 *Post-work hours Insurance*

Telenor shall provide, in line with the Health Insurance Law of the Republic of Serbia, health insurance that covers an Employee after work hours. The insurance shall cover, within given restrictions and under given terms, consequences caused by injury and disease. Rights under this mandatory insurance are a) right to health protection, b) right to compensation of wages during temporary work disability (e.g. during a sick-leave) and c) right to compensation of public transportation costs related to implementation of health protection. More precise terms on mentioned insurance can be obtained in the CHRO Division.

10.9 *Pensions*

The Law on Pension and Disability Insurance of the Republic of Serbia shall apply on Telenor's Employees. Mandatory pension insurance ensures Employee's rights in senior age. Especially important part for Employees is the one that refers to *Discontinuation of employment* due to the definition of old age.

10.10 *Social insurance registration and reductions*

Telenor shall register all Employees with mandatory social insurance authorities of the Republic of Serbia. Telenor shall calculate wages and pay in line with the Law the mandatory social insurance, which includes health, accident, unemployment, pension and disability insurance.

10.11 *Voluntary pension insurance*

The employer shall, in cooperation with the representative trade unions in Telenor, prepare and sign an agreement on accession to the pension fund and enable voluntary pension insurance to the employees, in amount of maximum 2,000.00 RSD per month per employee, starting as of signing of the contract with the fund.

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11. Complaints and Disciplinary Procedure

With a view to establishing the best possible relationship between the Employer and Employee and reduce misunderstandings, Telenor has established procedures which relate to the review and examination of complaints of and against Employees.

The below stated procedures require that all debates, counselling, warnings, advice and/or decisions at all levels be registered and entered in the Employees' file.

The effect of these procedures shall not exclude, limit or in any other way affect the rights or legal remedies that the Employee is entitled to in line with the laws of the Republic of Serbia.

Some of the given subjects have also been covered at the Company level by bringing each Employee in line with Telenor's Codes of Conduct.

11.1 Complaint Procedure

Each problem of an Employee that arises shall be resolved in the shortest possible time. The manager shall have the obligation to be available to discuss any problem that an Employee might have with regard to work, including interpretations and application of rules that affect the Employee's relation with Telenor.

The Employee shall have the following Procedures at his/her disposal:

- The Employee should talk as soon as possible to his/her immediate Manager about his/her complaint. Part of Manager's duties shall be to help resolve problems quickly and efficiently.
- If the Employee is still dissatisfied with the written answer he/she has received, he/she can complain directly to his Manager's Manager ("Higher Level Manager"). Formal procedure shall be initiated once the Employee files a Letter of Complaint (Employee's letter stating the subject of complaint) to his immediate Manager. The Procedure may be suspended only with Employee's direct participation or at the Director's (CEO) intervention.
- If after the talk with his/her higher level Manager about his complaint the Employee remains dissatisfied with the received answers, he/she can present the case to the Division (CXO) Manager.
- Should the case remain unresolved, the CHRO shall consider the case. CHRO may hold consultations with persons involved in the case. Finally, CHRO shall give recommendation to the Company Director General (CEO) in a written form.
- Decision of the Director General (CEO) shall represent the final stand of Telenor.

The entire procedure, from the moment of filing the complaint (in a Letter of Complaint) up to the time the Employee receives the answer, shall not take more than 4 weeks.

11.2 Measures against Work Duty or Work Discipline Violations

Should the immediate superior find out by any means that an Employee's conduct is contrary to Telenor Codes of Conduct, i.e. that there are elements of work duty and/or work discipline violations, he shall initiate the procedure of filling the form *List of violations*.

Records of violations shall be kept in electronic form – *Incident book*.

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Telenor shall initiate disciplinary procedure against every Employee whose behaviour is not satisfactory. It is very important for the entire procedure to be properly documented and Employee clearly informed of rights and procedures stipulated hereunder, including of what is considered work duty and work discipline violation, as well as of the measure that are available to Telenor.

11.3 *Violation of Work Duty and Work Discipline*

The following acts shall be considered to constitute violations of the work duty:

- Conscious negligence or failure to act according to procedures and general documents established by Telenor.
- Failure to act and conscious refusal to act under legally based orders of immediate Manager or other authorised manager.
- Conscious disregard and disregard of Company Security Procedures.
- Conscious disregard and disregard of Telenor Codes of Conduct and other internal documents.
- Untimely, negligent and careless discharge of work duties and obligations.
- Frequent failure to observe "Clean Desk Policy", as well as document archiving procedures and other Telenor internal procedures.
- False and incorrect reporting to the Company bodies.
- Causing damages and/or creating possibilities for damages to occur.
- Incorrect registration and recording of documents, and incorrect presentation of work results with the aim of acquiring illegal gain.
- Filing reports to Company bodies with incorrect data.
- Violation of other provisions of the Employment Contract, this document or any other Company general document.

The following acts shall be considered to constitute violations of the work discipline:

- Performing private work during work hours.
- Unaccounted absence from work or being late to work for more than 30 minutes two times a month.
- Persistent and unjustified absence from work, including persistent tardiness. This also includes abuse of sick leave rules, which are as such stipulated under the Law.
- Unaccounted absence for 3 consecutive work days or 5 work days with interruptions during 3 months.
- Offensive expression (verbal or written), or offensive behaviour to other Employees.
- Disclosing confidential information that the Employee learns of during work, except when disclosure of such information is permitted by the Law.
- Disclosing business, official or any other secret.
- Giving or public disclosure of information about your salary or the earnings of other employees.
- Giving and spreading false statements that can cause harm to Company reputation.
- False presentation, giving false and incorrect information or committing forgery in order to secure employment with Telenor.
- Conscious commission of acts that result or may result in injury of other Employee and/or material damages to Telenor.
- Fundamental disturbance of the work process.
- Intereferring with the work of one or more Employees during work process which causes or might cause significant problems in the discharge of work duties.
- Attempt at acquiring or acquiring illegal gain for oneself or others.
- Inefficient and irresponsible use of instruments of labour.
- Illegal disposal with the instruments of labour.
- Theft, fraud or other behaviour considered to constitute a crime in the Republic of Serbia.
- Abuse of position and rights and authority.
- Forging monetary and other instruments.
- Causing or participating in fights at work place.
- Possession and use of alcohol, or appearing at work intoxicated or under the influence of drugs.
- Violation of the ban on smoking in all enclosed workplaces and Telenor company vehicles.

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- Any abuse of an employee or group of employees at work, sexual harassment, and abuse of the right to protection from abuse at work.
- Other Employee's acts that, under Employer's enactments, may be considered disregard of the stipulated rules of conduct in Telenor.

11.3.1 Type of Measures against Work Duty and Work Discipline Violations

The deadline for applying measures against an Employee for violation of work duty and work discipline shall be 3 month as of date the work duty and work discipline violation became known. No measure may be applied after the expiry of 6 months as of the date of its commission.

In all cases the Employee may be subject of only one disciplinary procedure for the same violation, at the same time.

In each specific case Telenor shall assess the gravity of the work duty and/or work discipline violation, as well as any extenuating or aggravating circumstances and depending thereon may do the following:
a) if the procedure shows that a minor work duty and/or work discipline violation is in question, Telenor can warn the Employee in writing pointing to the type and gravity of the violation, stating evidence on the violation committed, as well as that repetition thereof may lead to the termination of his Employment Contract.

In case the violation is not repeated after 12 months as of the last warning, CHRO shall remove and destroy all Letters of Warning from the Employee's file.

The Employee shall be entitled to establish whether Letters o Warning have been removed or not.

The Employee's Employment Contract shall be terminated after any repeated violation of work duty and/or work discipline within six months as of the date of the warning.

b) if the procedure shows that a grave violation of work duty and/or work discipline is in question, Telenor shall institute Employment Contract cancellation procedure in accordance with the Law.

11.4 Failure to Perform

Should Employee fail to perform or lack requisite knowledge and capabilities for the job he is performing, Telenor can undertake the following measures:

11.4.1 Verbal Warning

Immediate Manager shall be authorised to use written warning if he considers that the Employee can improve his/her results and/or knowledge and capabilities required for the job he/she is performing. A note of this shall be prepared and inserted in his/her file and the CHRO Division informed thereof accordingly. The Employee shall be informed hereof without fail.

11.4.2 Written Warning

First Written Warning: The first written warning shall be addressed to the immediate Manager and copied to the Division/Department Manager and CHRO Division, stating reasons for the warning, as well as the plan for improving work results and/or knowledge and capabilities required for the job he/she is performing.

Second Written Warning: If no satisfactory improvement is recorded after the first written warning, at the recommendation of the immediate Manager, the CHRO shall issue second written warning. This Letter of Warning shall refer to the first instance and shall contain all grounds for which it is being issued, facts and evidence that point to conditions being met for dismissal and warning on the termination of the Employment Contract.

Employee shall sign the receipt of each written warning. The Employer shall give the Employee a 5-work day period to state his case regarding allegations from the second written warning.

11.5 Temporary Suspension from Work

The Employee may be temporarily suspended from his work place in the following cases:

- 1) if criminal proceedings have been instituted against him for a crime committed at work or in connection with the work, or if he has committed a violation of the work duty that place under danger the property in the value of over 5,000.00 EURs in dinar counter-value at the official mean exchange rate of the NBS valid on the date of violation;

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- 2) if the nature of the work duty violation, i.e. work discipline violation or behaviour of the Employee is such that he/she cannot continue working with the Employer before the deadline from Article 180, paragraph 1 and Article 181, paragraph 2 of the Labour Act expires.

Suspension shall not be a form of disciplinary measure and cannot last over three months. In case the Employee is remanded to detention, he shall be suspended from work as of the first day of his/her detention for as long as the detention lasts.

During suspension the Employee shall be entitled to remuneration in the amount as prescribed by the laws of the Republic of Serbia. If, after the period of the Employee's suspension, a decision is made on terminating the Employee's employment, his or her employment shall be terminated as of the date the Employee is given Decision on the Employment Contract termination.

11.6 *Notice Period*

The Employee whose Employment Contract has been terminated on account of failure to achieve required work results, i.e. lacking required knowledge and capabilities , shall be entitled and obliged to continue working (notice period) 1 to 3 months in line with the Law. The Employee can agree with the Employer to stop working before notice period expires. During this time he shall be provided with remuneration equal to the amount of his basic wages as specified in the Employment Contract.

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12. Termination of Employment

During the implementation of this Collective Agreement, some of the Employee shall leave Telenor for different reasons. Employees leaving the Company shall be treated with respect irrespective of their reasons for leaving. Telenor wishes former Employees to remember the Company as excellent working place – also by the way his employment with the Company has stopped.

12.1 Termination by Employee

Should an Employee wish to cancel Employment Contract, he/she shall have to file a notice to his immediate Manager in a written form. Notice period shall be in line with the Employment Contract and the Law (15 days, at minimum), but the Employer and the Employee may freely agree on the change of notice period.

12.2 Old Age Pension

In line with the Law, Telenor may decide to cancel Employment Contract and terminate employment of an Employee with 65 years of life and minimum 15 years of insurance. This shall apply to all except cases when Telenor and Employee agree otherwise.

12.3 Death

Should Employee die while employed with Telenor, all receivables that Telenor should pay the Employee shall be paid to his close relation. This rule applies to the Employee wages, where special rules relating to insurance and pension shall also apply. Other allowances are stipulated in the Human Resources Policy part "*Monetary allowances and benefits*" and this Collective Agreement.

12.4 Company Property

When the Employee is leaving Telenor, he shall be required to hand over all property and things belonging to the Company that were given to him to use, such as ID – cards, PCs, mobile phone. As a rule, this shall be done on the last day the Employee is working with Telenor. In some cases, the Employer may depart from this rule, especially in cases when employment with Telenor is a consequence of the violation of work duties or when the Employee is getting employed with another Employer at the job which can be defined as competition to Telenor. In such cases Telenor may ask the Employee to surrender the property within a shorter period.

12.5 Severance Pay in Case of Redundancy

Severance pay in case of redundancy cannot be lower than 40% of the sum of Employee wages for each full year of employment for the first ten years of employment and for each year after completed 10-year employment term 33, 3% of the Employee wages for every completed year of employment.

12.6 Severance Pay in Case of Retirement

Severance payment in case of employment termination on account of exercised right to retirement or termination of employment by the force of law on account of loss of working capacity with the Employer, shall be made in the amount of 5 (five) average wages in the Company (or personal wages if that is more favourable for the Employee), paid by the Employer for the month preceding the one in which the payment is effected.

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12.7 Redundancy

In case of redundancy the Employer shall be under the obligation to adopt a redundancy solution programme if he determines that due to technological, economic or organisational changes it will no longer need to employ a larger number of Employees for an indefinite period of time, all in line with the Labour Act.

If Telenor establishes that there is a surplus of employees, in the case of reducing the number of employees in certain jobs, or in the case of adoption of resolution of surplus employees, the criteria defined in the current General Collective Agreement will be applied.

12.7.1 Protection from dismissal on the basis of redundant employees

Telenor can not make a decision on termination of employment on the basis of the surplus of employees to disabled persons who acquired the disability working in Telenor, without his/her consent, or to employee over 40 years of pension insurance (men), or over 35 years of pension insurance (women).

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13. Relations with Trade Unions

Trade Unions want to contribute to the promotion of Telenor vision and values, as well as to challenging the established order of things.

13.1 Employee Trade Union Organisation

Employees are guaranteed the freedom of trade union organisation. Telenor shall enable the trade unions to take active part in the work of the Company essential for the field of activity, material, economic and social status of Employees. In line with this, Telenor shall inform the trade union of the following:

- conditions of Telenor business operations;
- prospects for Telenor position on the market of telecommunications services;
- organisational changes in Telenor;
- professional specialisation and excelling plans;
- assignment of Employees to new jobs.

Telenor agrees for each Employee to be given a chance to creatively contribute to and promote Company business processes. Employees may give such proposals to trade unions also. The trade unions shall, with professional support, forward these to the corresponding organisational unit, which shall have the obligation to inform the trade unions on its stand to the presented proposal.

Telenor shall inform the authorised representatives of trade unions at quarterly meetings on the following:

- average wages paid to Employees with growth index compared to the previous month (monthly, quarterly and annually) and proposal of Telenor strategic and annual plan;
- semi-annual and annual report on Telenor business activities, i.e. its parts, as well as of the share of wages and labour costs in total Company operating costs, that can be found on Intranet (WoW portal);
- quarterly reports on the number and structure of Employees who have been employed and dismissed;
- bi-annual and annual reports on the state of security and occupational health, measures for improving working conditions and health protection of Employees;
- proposal of corresponding documents and decisions which, in line with this Agreement, regulate issues from the field of work, wages, material-social status, as well as other issues of relevance for Employees.

In addition to the above, the trade unions may propose other issues which are of relevance for Employees.

13.2 Trade Union Priority

Telenor shall enable trade unions to have their representatives on all boards, funds, commissions and work groups that shall review and decide on standardisation, procurement and use of personal work safety means and equipment, occupational safety, prevention of occupational disabilities, voluntary pension insurance solidarity aid, sports, recreation and culture within the Company.

13.3 Trade Union Working Conditions

Telenor shall ensure conditions for the work and activity of Trade Union Organisation in line with the Law and this Collective Agreement. Activities of the trade union representative shall not be prevented or disturbed if he is acting in line with the Trade Union Articles of Association, the Law and other regulations.

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Telenor shall provide the following conditions for the work of trade unions without charge:

- use of corresponding premises for regular work and meetings of the trade union - in Telenor HQ, i.e. Employer's organisational parts;
- technical assistance (use of phone, fax, PC technology and equipment, copying of materials and use of company car);
- calculation and collection of membership fees and other funds in line with the trade union documents;
- organisation and holding of trade union membership meetings, which at the annual level cannot last over 12 hours, provided that they do not disrupt the work process;
- creation of "website" on the Internet, as well as on the Employer's Intranet network, as well as its own editing policy in informing the Employees, i.e. trade union members.

13.4 *Trade Union Representatives*

Authorised representatives of the Trade Unions are members of the Trade Unions elected or nominated by a competent body of the Trade Unions. The Trade Unions can have two authorised representatives, at the maximum.

While performing their duties in the trade union, as well as one year after its expiry, if acting in line with the law and this Collective Agreement, trade union representatives and members of trade union bodies, which in total could not be more than 9 persons, cannot be assigned to other jobs, to other Telenor organisational units, other place of work or with another Employer, to have their work established as no longer needed, to be declared redundant or otherwise be placed in an unfavourable position.

Trade Unions are obliged to inform Telenor of any change of trade union representatives or members of trade union bodies.

Telenor shall enable members of trade union bodies and Employees elected to trade union bodies outside Telenor, to be absent from work for the purpose of attending trade union meetings, conferences and congresses, and other trade union activities in line with the Law.

Trade union representatives leaving their place of work for trade union needs, shall be issued a travel order in line with the Company Travel Policy.

In order to ensure undisturbed performance of works for Telenor and trade unions activities in line with the law and this Collective Agreement, the authorised representatives of the representative Trade Unions shall be entitled to the proportional increase of the base salary for the amount they earn for 40 hours of regular per month.

13.5 *Trade Union Financing*

From wages of Employees members of the trade union Telenor shall deduct trade union membership fee based on his/her written statement (application form) and pay that amount to the corresponding trade union account.

Within budget resources for the current business year and in line with its possibilities Telenor may plan financial resources for securing the conditions for the work of trade unions. When planning resources Telenor shall take into account the level of allocated funds, and extent and purpose of their commitment by the trade union in the previous business year.

A special agreement between Telenor and trade unions shall regulate other rights with regard to conditions for the trade union work, i.e. addition funds for implementing it, their purpose and special conditions linked to the use of additional funds.

Additional funds can be used for specific purposes especially the following ones:

- for the implementation of joint projects contributing to Telenor development goals and of importance for all Employees;
- for ensuring higher professional level of trade union functions and work of trade union professional bodies.

Such committed funds shall have to be in line with the Telenor business policy principles in the field of work productivity increase and cost rationalisation.

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14. *Validity and Cancellation of Collective Agreement*

14.1 *Collective Agreement Validity Period*

This Collective Agreement shall be concluded for a period of three years. Each Contracting Party may file a written request for the cancellation hereof at any time, provided that the cancellation period shall be 180 (hundred and eighty) days as of the date a representative of the other Contracting Party hands over the request. Upon the expiry of the deadline from the previous paragraph, this Collective Agreement shall cease to be valid, unless parties hereto agree otherwise. The Contracting Parties agree for the provisions of this Collective Agreement to apply in their entirety in the subsequent 180 (hundred and eighty) days counting from the day marked as the cancellation notice day, provided that parties hereto shall be under the obligation to start negotiation process during 15 days as of the date of receipt of cancellation notice, at the latest.

14.2 *Amendments to the Collective Agreement*

The Contracting Parties agree to re-examine provisions of this Collective Agreement each year as of the date of its entry into force. During the validity period hereof, each Contracting Party shall be entitled to propose amendments should changes in the regulations or circumstance that prevent quality application of individual provisions hereof occur. The proposing party shall submit the proposal of amendments to the other Contracting Party for consideration and adjustment of stands. The Contracting Parties have agreed to jointly follow the application of this Collective Agreement and jointly interpret its controversial provisions. The manner of joint cooperation shall be specified by the agreement of the Contracting Parties.

14.3 *Settlement of Disputes*

Telenor undertakes that it shall ensure the exercise of all rights from the trade union organisation of Employees, as laid down in ratified conventions of the International Labour Organisation, the Law and this Collective Agreement. Parties to this Agreement have agreed to settle all disputes that might arise in the conclusion, amending, as well as implementation of this Agreement in a peaceful way in line with the Law on Peaceful Settlement of Disputes.

14.4 *Exercising the Right to Strike*

Telenor guarantees to its Employee a legal right to strike. In line with the Law, Employees participating in the strike shall not be entitled to wages, but only to compulsory social insurance, in line with the Law, and Telenor and the Trade Union Organisation shall jointly lay down their mutual relations on the matter of strike with the Employer in a special document.

14.5 *Transitional and Final Provisions*

This Collective Agreement shall enter into force on the eighth day as of the its conclusion and publishing on Telenor Notice Board and Intranet. This Collective Agreement was done in four original copies, two for each Contracting Party. The Collective Agreement of April 18, 2011, was published on April 18, 2011.

For the Trade Union:

Trade Union - Telenor

Trade Union Nezavisnost

For the Employer:

Telenor d.o.o.

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