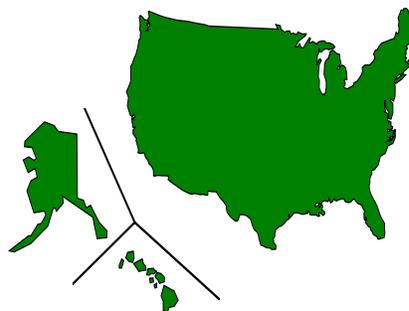
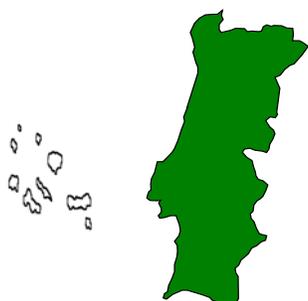
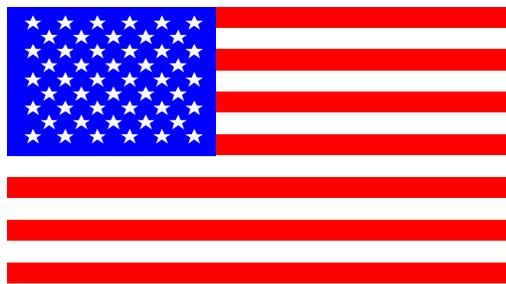


WORK REGULATION OF 1995



**EMPLOYMENT CONDITIONS
FOR PORTUGUESE
CIVILIAN PERSONNEL
EMPLOYED BY USFORAZORES**

TABLE OF CONTENTS

Article 1	Scope
Article 2	Publications
Article 3	Internal Regulations
Article 4	Personnel Strength Report
Article 5	Notification of USFORAZORES
Article 6	Identification Badge
Article 7	Restriction of Base Access
Article 8	Position Classification System
Article 9	Movement of Employees
Article 10	Change in Position Classification
Article 11	Performance of Duties Not Included in the Position Description
Article 12	Classification Appeals Procedures
Article 13	Wage Survey
Article 14	Meal Subsidy
Article 15	Computation of Pay Rates
Article 16	Longevity Increments
Article 17	Christmas Subsidy
Article 18	Payroll Lease and Earnings Statement
Article 19	Social Security Contributions and Union Dues
Article 20	English Language Bonus
Article 21	Labor Positions
Article 22	Registration
Article 23	Recruitment of Personnel
Article 24	Recruitment Outside of Terceira
Article 25	Return Transportation
Article 26	Assistance from Employment Center
Article 27	Notification
Article 28	Civil Identification and Professional Trade License
Article 29	Removal from Registration Lists
Article 30	Appointments
Article 31	Appointment Procedures
Article 32	Probationary Period
Article 33	Composition of Committee of Employee Representative (CRT)
Article 34	Rights and Responsibilities of the Committee of Employee Representatives (CRT)
Article 35	Allowance of Hours
Article 36	Meetings of the Work Force— Place and Time
Article 37	Elections
Article 38	Work Schedules
Article 39	Scheduling Female Employees
Article 40	Lunch Periods
Article 41	Weekly Day Off
Article 42	Work Performed on Weekly Days Off
Article 43	Overtime
Article 44	Overtime Work Limits
Article 45	Work in Shifts
Article 46	Compensatory Time Off
Article 47	Night Work

Article 48	Overtime and Holiday Pay
Article 49	Firefighter Pay
Article 50	Transportation
Article 51	Legal Holidays
Article 52	Holiday Entitlement
Article 53	Entitlement to Leave/Vacation
Article 54	Scheduling of Vacation
Article 55	Leave/Vacation Allowance
Article 56	Accumulation of Vacation
Article 57	Vacation Pay
Article 58	Illness During Leave
Article 59	Postponement of Interruption of Scheduled Leave
Article 60	Suspension of Vacation Rights
Article 61	Definition of Absence
Article 62	Notification of Absences
Article 63	Policies related to Unjustified Absences
Article 64	Justified Absence
Article 65	Leave Without Pay
Article 66	Reemployment Rights to Position
Article 67	Interruption Due to Forced Absence on the Part of the Employee
Article 68	Return of Employee
Article 69	Rights of Female Employees
Article 70	Termination of Employment
Article 71	Termination of Expiration
Article 72	Retirement Termination Due to Old Age or Disability
Article 73	Revocation of Mutual Agreement
Article 74	Termination by Just Cause Promoted by USFORAZORES
Article 75	Termination of the Work Agreement During Probationary Period
Article 76	Reduction in Force and Termination by Collective Dismissal
Article 77	Employment Termination Effects
Article 78	Employment Interruption Effects (Due to Prolonged Absence)
Article 79	Disciplinary Authority
Article 80	Disciplinary Actions
Article 81	Limits of Penalties
Article 82	Serious Disciplinary Violations
Article 83	Procedures for Administering Discipline
Article 84	Determination of Validity of Disciplinary Removal
Article 85	Potential Remedies of an Invalid Removal
Article 86	Processing Complaints
Article 87	Suspension of Judicial Terms
Article 88	Safety Officer
Article 89	Fatal Accidents
Article 90	On-the-Job Accidents and the Occupational Diseases
Article 91	Validity

Article 1: Scope

1. In accordance with Article 1 of the Portuguese-United States Labor Agreement dated June 1, 1995, hereafter referred to as the Labor Agreement, this Work Regulation governs employment relations between the United States Forces Azores, hereafter referred to as USFORAZORES, and its Portuguese employees.
2. This regulation shall apply to all Portuguese employees directly paid by USFORAZORES, who is considered the sole employer, regardless of funding activity.

Article 2: Publications

1. The Portuguese language version of this regulation will be published concurrently with the English language version in the Diario da Republica (Journal of the Republic) as well as in the Jornal Oficial dos Acores (Official Journal of the Azores).
2. Without prejudice to the provisions of the previous paragraph, copies of this regulation shall be maintained in all USFORAZORES sections.

Article 3: Internal Regulations

1. In accordance with Article 1 of the Labor Agreement, USFORAZORES may issue internal regulations after submitting them to the Commander, AB4 (CBA4), for review and comment. The CBA4 will have thirty (30) calendar days to submit his comments to USFORAZORES.
2. USFORAZORES may publish the regulation following expiration of the thirty (30) day time period without prejudice to the following paragraph.
3. If CBA4 considers the proposed internal regulation to be outside the scope of this regulation, the Labor agreement or applicable Portuguese law, the CBA4 would submit his concerns to the Labor Committee who shall review the regulation in question within thirty (30) days.
4. If the Labor Committee disapproves of a provision of the internal regulation, USFORAZORES will suspend that provision.

5. USFORAZORES will publicize the contents of its internal regulations, making them available to work areas to be referenced by employees at all times.

6. USFORAZORES will provide Direccao Regional do Emprego/Direccao Servicos do Trabalho de Angra do Heroismo (DRE/DST), hereafter referred to as DST, a copy of published internal regulations and any subsequent changes.

Article 4: Personnel Strength Report

1. USFORAZORES will prepare a strength report containing the name, age, date of appointment, category, class, pay rate and CPPSS beneficiary number of each employee as of October 31st of each year. This report will be submitted to CBA4 for forwarding to DST by November 30th. A copy will also be provided to the CRT.

2. The aforementioned provision is applicable to all changes resulting from promotions, appointments, separations and other circumstances which must be reported on a monthly basis.

Article 5: Notification of USFORAZORES

DST will notify COMUSFORAZORES, through CBA4, of any possible violations of the provisions of this regulation or the Portuguese/U.S Labor Agreement in order that USFORAZORES may take appropriate action.

Article 6: Identification Badge

1. As a security measure, personnel employed under the provisions of this regulation must carry an identification badge which conforms to the model provided in the instructions for issuance of entrance passes to Air Base No. 4.

2. USFORAZORES has the authority to require that the aforesaid badge or other acceptable identification be conspicuously worn in designated areas for justified reasons.

Article 7: Restriction of Base Access

1. The CBA4 may restrict the access of Portuguese Nationals employed by USFORAZORES to areas under the jurisdiction of the Portuguese Air Force either temporarily or permanently whenever justified. In such cases, the individual Portuguese National employee will be suspended during the period of restriction.
2. For the duration of the suspension period, USFORAZORES will not be liable for any pay benefits or entitlements, such as salary, step increases, or social welfare contributions.
3. If the restriction is lifted, the employee may be reinstated. Upon reinstatement, the calculation of the time of service will be adjusted to exclude the period of suspension and all salary, benefits and entitlements will be denied for the period of suspension.
4. The Portuguese authorities may provide the pay, benefits and entitlements if the suspension is later deemed unjustified.
5. USFORAZORES will not be held liable by the courts for damages, salary, benefits or entitlements for the period of suspension caused by the CBA4 restriction of the employee's access to the base.
6. If the restriction of access is determined to be permanent, the employee will be terminated without indemnity.

Article 8: Position Classification System

1. In accordance with Article 3 of the Labor Agreement, USFORAZORES employees subject to the provisions of this Agreement shall be classified according to the guidelines of the official U.S. Classification System and occupational categories defined therein, and shall be assigned a grade in conformity with the duties of the specific position in which they are employed.
2. USFORAZORES shall be responsible for maintaining an up-to-date library of classification standards, directives and guidelines. Employees, the Committee of Employee Representatives, CBA4 and CRT shall enjoy the right of unrestricted access to all such documents.

3. Whenever an employee performs duties involving more than one grade, he/she (hereafter referred to as he) shall be classified according to the highest level duty which the employee regularly performs.

4. Employees are required to perform work related to the specific position to which assigned, except as provided in Article 11.

Article 9: Movement of Employees

1. USFORAZORES cannot reduce an employee's professional category or his/her (hereafter referred to as his) class within a respective category. Exceptions to provisions of this section include:

a. Cases where an employee serving under a temporary promotion is returned to his former position.

b. Cases in which an employee voluntarily, and for his own convenience, requests transfer to a different professional category or lower class. Such requests must be made in writing to CBA4 for DST review and approval.

c. Cases meriting separation under Article 75 and where at the option of USFORAZORES, continued employment in a different category and class is offered in lieu of separation.

d. Cases in which an employee is unable to perform the full range of duties of his position due to confirmed medical infirmity, and continued employment in a different category or class is offered in lieu of separation. In such cases, the employee may be reassigned immediately following the initial medical determination; however, the case will be forwarded through CBA4 to the Centro de Prestacoes Pecuniarias da Seguranca Social (CPPSS) for review.

2. Whenever the employee accepts continued employment under conditions outlined in paragraphs 1c and d above, the employment shall be with no loss of pay and benefits as provided by this regulation.

3. The employee assigned to a lower grade shall receive his current rate of pay, plus one-half of any wage increase granted his former position until the scheduled rate for his new position meets or exceeds his salary calculated as set forth above.

4. Employees subject to the provisions of paragraph 1d who decline continued employment under paragraph 2 may be terminated under the provisions of Article 70.

Article 10: Change in Position Classification

1. Implementation of new position classification standards, correction of classification error or actions necessary to otherwise ensure accurate position descriptions shall be accomplished by USFORAZORES.

2. Positions requiring downgrade will be identified; however, the downgrade action will not be consummated until the position becomes unencumbered.

Article 11: Performance of Duties Not Included in the Position Description

1. An employee must perform work related to the specific position for which he was employed without prejudice to the following paragraphs.

2. An employee may be temporarily assigned duties not included in the position description when USFORAZORES interests so require it, provided this change does not entail a reduction in pay or substantial change in the employee's position.

3. An employee is entitled to a temporary promotion whenever the performance of higher graded duties lasts more than thirty (30) calendar days. In such cases, the temporary promotion becomes effective from the beginning of the performance of those duties.

4. Whenever the temporary performance of new duties last more than six (6) months, the promotion will become permanent and the worker will be entitled to the highest grade corresponding to those duties. Whenever the temporary promotion is caused by another employee's forced absence under provisions of Article 67, the employee will not be permanently promoted until the obligations to the absent employee have ceased.

Article 12: Classification Appeals Procedures

1. Whenever an employee disagrees with the classification of their position, the employee may appeal the classification decision to the USFORAZORES Civilian Personnel Flight, hereinafter referred to as the CPF.

2. The employee must submit a request for reconsideration to the CPF within fourteen (14) days of the decision in paragraph 1.
3. The employee may request comments from the Technical Commission on Professional Classification, hereinafter referred to as TCPC. The TCPC is composed of two classification specialists, one representing the CBA4 and the other representing the CPF.
4. The TCPC may submit recommendations to the CPF. It should do so within fourteen (14) calendar days of the date of the employee appeal.
5. The head of the Civilian Personnel Office will subsequently consider any recommendations submitted by the TCPC and include the recommendations as part of any appeal to higher headquarters.
6. If the employee is dissatisfied with the decision of the CPF, the employee may further appeal the classification of the position through the established U.S. classification appeal channels as referred to in Article 3 of the Labor Agreement. Specific procedures for pursuing an appeal shall be contained in USFORAZORES internal regulations.
7. USFORAZORES shall notify the employee in writing of the decision rendered in appeal cases.

Article 13: Wage Survey

1. USFORAZORES will annually review and adjust the pay rates of Portuguese National employees based on a survey of prevailing rates on Terceira Island. The adjustments shall be effected on July first of each year.
2. The survey referred to in the previous paragraph is conducted by USFORAZORES, with the cooperation of representatives of CBA4 and DST. These representatives will cooperate with USFORAZORES to identify the companies to be surveyed, and the key ranking positions, the development of summary descriptions of duties for key ranking positions, data collection, and data analysis.
3. Final data analysis and development of proposed wage schedules shall be the responsibility of higher headquarters within the Department of Defense. Wage proposals shall be developed in conformity with appropriate DOD manuals.

4. A single increase will be applied both to LWG and LGS wage schedules. The increase is based on an analysis of the weighted averages of the combined data of all job samples.

5. Salary and wage changes are subject to the concurrence of COMUSFORAZORES and CBA4. CBA4 will provide a copy of the approved wage schedules to DST.

Article 14: Meal Subsidy

1. Portuguese employees who work at least four hours on their scheduled work day will be provided a noon day meal or its equivalent.

2. Upon mutual agreement, an employee may receive a cash payment in lieu of a meal. The amount will be adjusted annually each year, according to a survey of the meal payments awarded to the employees of the public administration on the Island of Terceira.

3. The date of the adjustment will coincide with the effective date for the public administration.

Article 15: Computation of Pay Rates

1. A schedule of basic monthly salaries shall be attached to this agreement. It shall be reviewed and adjusted annually.

2. USFORAZORES employees shall be paid on a bi-weekly (fortnightly) basis.

3. The pay to which full-time USFORAZORES employees shall be entitled is established by mathematically converting the basic monthly rate to a bi-weekly rate. Administration of pay shall be effectuated by conversion to basic hourly rates of pay. Computation of the basic hourly rate of pay for purposes of this regulation, such as payment of overtime, uncommon tours of duty, night work, holiday work, deduction for absences, etc., shall be obtained by the following formula:

$$HR = \frac{(MP + LB + LI) \times 12}{26 \times 2 \times HW}$$

HR = Hourly Rate MP = Monthly Pay LB = Language Bonus
HW = Work Hours Per Week LI = Longevity Increments

Part-time and hourly rate employees shall be paid according to the basic hourly rate of pay.

4. Pay rates cannot be fractioned into periods of less than one hour.

Article 16: Longevity Increments

1. USFORAZORES employees will be entitled to longevity increases. These increments will be part of their basic annual salary after attainment of 5, 10, 15, 20 and 25 years of creditable service. Increases will become effective on the first day of the pay period following completion of the five year waiting period.

2. Annual adjustments to longevity increases will be based on the officially published public sector increase used by the public administration on the Island of Terceira.

3. The entitlement to longevity increases referred to in paragraph 2 will become effective on July first, of each year.

Article 17: Christmas Subsidy

1. All new employees who have completed thirty (30) days of service by December 31st of the respective year are entitled to a Christmas Subsidy proportionate to the amount of time spent in a duty status during the first year of the employment. An employee who has served continuously for a year or more by December 31st of the respective year shall receive a Christmas Subsidy equal to one month's salary. This subsidy will be payable on the first day of the pay period in December.

2. The provisions of the preceding paragraph shall apply to part-time employees and hourly rate workers proportionate to time spent in a duty status during the year.

3. Employees who are terminated are entitled to a Christmas Subsidy proportionate to their months in service for the respective year.

Article 18: Payroll Leave and Earnings Statement

In each pay period, employees shall be given a statement reflecting the employee's full name, CPPSS Beneficiary number, pay period covered, itemized overtime, night differential, weekly day of rest or holiday pay, deductions and net pay.

Article 19: Social Security Contributions and Union Dues

1. Payroll offices are authorized, upon written request from the employee, to deduct appropriate union dues from employee's wages according to amounts established by the appropriate labor union. Payroll offices are further authorized, upon written request from the employee, to cease such deductions.
2. USFORAZORES and its employees will submit contributions to Social Welfare, as set forth in Portuguese law.
3. Changes in Portuguese law relating to the above shall be communicated to USFORAZORES through CBA4 by DST.

Article 20: English Language Bonus

1. There shall be three categories of English Language Bonus (ELB) payable. Each shall receive the amount stated below.
 - A. 1500
 - B. 2200
 - C. 2700
2. Employees who are employed by USFORAZORES on the date this agreement enters into force shall receive the appropriate amount for the ELB to which they are entitled without further retesting.
3. Employees who voluntarily take a position with a different ELB will receive the ELB of the new position, if they are qualified. Employees who are involuntarily moved to a position with a lower ELB, or if there is a change in the ELB of the position, will retain the ELB paid on the original position.
4. New employees, or those who have not been assigned an ELB category, shall take the English Comprehension Language Test (ECL). They shall then be

assigned an ELB category if they qualified.

5. Employees in ELB categories A and B shall take the ECL for promotion to a higher ELB category.

Article 21: Labor Positions

The positions referred to in Article 5 of the Labor Agreement as having been "held in the past by Portuguese national employees" are those that were previously occupied by Portuguese national employees but have been occupied by U.S. citizens since January 1, 1991. When these positions become available through the attrition of the incumbent employee, and if the position is open for recruitment, it will be filled by a Portuguese national employee.

Article 22: Registration

1. Candidates for employment with USFORAZORES must register with SRPC.
2. Candidates may register in as many categories or classes for which they qualify.
3. SRPC shall set up the necessary registers and files so that candidates applying for employment who meet the necessary requirements will be listed by professional categories and classes.
4. These registers and files shall include information pertaining to: length of service, work performed, education, technical or professional qualifications and trade licenses, special skills and other information necessary to determine qualifications for employment.
5. SRPC will process registrants for USFORAZORES employment through CBA4 to determine their eligibility for base access before referring them to the CPF for consideration.

Article 23: Recruitment of Personnel

1. In accordance with Article 7 of the Labor Agreement, the Civilian Personnel Recruitment Section (SRPC) shall refer candidates to the CPF within thirty (30) calendar days of the request.
2. The request shall include information pertaining to: occupation, number of vacancies available, required conditions, qualification requirements and other pertinent information.
3. SRPC will refer all available candidates who meet the necessary requirements for the position to be filled. The CPF will be provided a list of all candidates who have been referred.
4. USFORAZORES may request, by name, former employees who have performed the same type of work and meet the employment qualifications.

Article 24: Recruitment Outside of Terceira

If it becomes necessary to recruit personnel with the required qualifications off Terceira Island, a USFORAZORES representative may go to other islands of the Azores and Madeira Archipelagos or to the mainland to contract the necessary personnel in accordance with the information provided by DST.

Article 25: Return Transportation

1. USFORAZORES will provide employees contracted under the provisions of Article 24 return transportation to their usual place of residence upon termination of the work contract.
2. The initial and return transportation entitlement only applies to the employee and not dependents or transportation of household goods.

Article 26: Assistance from Employment Center

1. Whenever the SRPC does not have qualified personnel registered for the desired occupation, it will request the necessary personnel from the Centro de Emprego de Angra do Heroísmo (CEAH).
2. If the CEAH is unable to provide qualified personnel for requested occupations, it will advertise the vacancy in local newspapers. Such advertisements will be paid

for by USFORAZORES.

Article 27: Notification

1. In order to fill the requests, SRPC will notify the candidates who meet the requirements to report within four (4) calendar days.
2. Urgent notification, paid for by USFORAZORES, should be made by telephone or telegram.
3. SRPC will provide the USFORAZORES Civilian Personnel Flight (CPF) with a listing of all candidates contacted in response to the request.

Article 28: Civil Identification and Professional Trade License

1. Registrants shall furnish the SRPC proper civilian Identification and any other documents required for completion of the registration cards.
2. Whenever the professional Trade License constitutes an essential certificate for the practice of an occupation, the registrants shall present it at the time of registration. The loss of a trade license during the registration period will disqualify the registrant from employment.

Article 29: Removal from Registration Lists

The following personnel will be removed from the registration list of employee candidates:

- a. Personnel notified for selection purposes who do not report within four (4) days without a valid reason.
- b. Personnel called for an interview who do not report within forty-eight (48) hours without a valid reason.
- c. Personnel who refuse an employment offer within their occupation and pay grade without a valid reason.

Article 30: Appointments

1. Employees of USFORAZORES can be hired either for permanent or temporary work.

2. Permanent and temporary workers can be hired for full-time or part-time work.

3. Part-time employment is defined as work of less than 40 hours per week.

a. An employee's work schedule will be posted in advance and contain the hours for each day he is expected to work.

b. A part-time employee's scheduled hours may vary from day to day or week to week.

c. Individuals hired for part-time employment will be entitled to overtime pay when the total number of hours in their bi-weekly pay period exceeds two times the weekly number of hours established in the work contract.

4. A permanent employee occupying an obligated position will be returned to his original position if the person who previously held the position returns to duty.

5. Temporary hiring may be either for a definite or indefinite period of time.

a. Temporary contracts of an indefinite nature are for the replacement of a worker who, for any reason, is unable to work, or who may have a case in court to determine the validity of his employment termination, or for construction projects.

b. Temporary contracts of a definite nature are for the following situations:

(1) Temporary work increase in an organization.

(2) Perform an occasional task or a specific temporary job.

(3) Hiring of workers looking for their first job or those who have been unemployed for a long period of time.

c. A temporary contract must be done in writing and signed by both parties. It must state the professional category, work schedule and location, the date the contract begins, the date signed and the period of time it covers. It must also include the reason for the action.

d. Temporary contracts with a term of six (6) months or more can be renewed.

(1) A contract can be renewed two (2) times beyond the initial appointment for up to a maximum of three years of employment.

(2) If a contract is renewed, the period of service is considered continuous and retroactive to the original appointment date for service computation date purposes.

e. The temporary contract expires at the end of the term that was stipulated, provided that USFORAZORES gives the employee at least an eight (8) day advance written notice stating the contract will not be renewed. In the case of an indefinite temporary appointment lasting more than one year, the employee will be given thirty (30) calendar days notice of termination.

f. If USFORAZORES fails to comply with the notice requirements of this article concerning temporary employment, the employee will be entitled to another temporary appointment equal to his current one. In the case of an indefinite temporary appointment, it will be made permanent. If the employee is extended beyond the maximum period of three years, or the appointment is renewed more than two times, or the requirements of paragraph 5e are not fulfilled, the appointment will be made permanent and the entire time will be considered creditable service.

g. When a temporary contract that has lasted for more than twenty-four (24) months expires, USFORAZORES cannot hire anyone else to said position for a period of ninety (90) days.

6. General provisions regarding termination of employment of temporary workers are contained in Article 71.

7. A temporary worker must provide at least fifteen (15) calendar days advance notice of their intended resignation date. Failure to provide notice will result in the employee's payment of an indemnity in the amount equal to base pay corresponding to the advance notice period.

8. While temporarily employed, the worker will be afforded priority consideration if the same position is being externally recruited on a permanent basis.

9. Failure to provide the required consideration will oblige USFORAZORES to pay the employee an indemnity corresponding to one half of one month's base pay.

10. USFORAZORES can, whenever necessary, hire personnel on a services rendered basis. This category is known as an Hourly Rate Worker status to supplement the work force.

a. USFORAZORES will be allowed to work up to fifteen (15) percent of the number of employees in each Non Appropriated Fund (NAF) activity as Hourly Rate Workers, (e.g, the club, billeting, the bowling alley, BX,etc.)

b. Hourly Rate Workers may work up to eight (8) hours each day for up to twenty (20) hours each week.

c. If an Hourly Rate Worker works more than the maximum number of hours each day or week, the employee will be compensated at a premium of one hundred (100) percent.

d. The following benefits and allowances apply to an Hourly Rate Worker:

(1) A noon meal, or the equivalent, will be provided if the employee works five (5) hours or more in any given day.

(2) Employees who have completed a cumulative total of thirty (30) days service are entitled to a Christmas subsidy in proportion to the average number of hours worked.

(3) Social Security contributions.

(4) On-the-job accident insurance.

(5) English Language Bonus.

(6) Overtime as described in paragraph 10e above.

(7) Holiday pay for hours worked will be paid at a premium of fifty (50) percent basic pay. Holiday hours worked in an overtime status as defined above will be paid a premium rate of one hundred (100) percent.

(8) Hours worked between 2000 and 0700 will be computed at a premium rate of twenty-five (25) percent of the basic hourly rate.

Article 31: Appointment Procedures

1. Personnel who have been selected for appointment will report to the CPF to schedule medical exams, skills and other necessary tests.
2. The CPF will accomplish the individual admission proposal and forward it to SRPC to complete the process.

Article 32: Probationary Period

1. Considering the special nature of the work performed by USFORAZORES, new employees will be required to serve the following probationary periods:
 - a. Employees are considered to be on a probationary basis for the first sixty (60) days of employment.
 - b. Temporary employees with appointments for more than six (6) months are considered to be on a probationary basis for the first thirty (30) days of employment.
 - c. Temporary employees with appointments for six (6) months or less are considered to be on a probationary basis for the first fifteen (15) days.
 - d. The period defined above does not apply to positions such as accounting and engineering technicians, mechanical maintenance and repair technicians, aircraft and electronic equipment maintenance technicians, skilled tradesmen and craftsmen, supervisors, firefighters and others requiring prolonged training and development which require a greater probationary period due to the technical complexity or elevated degree of responsibility of such jobs or duties. The greater probationary period shall not exceed six (6) months. In such cases, the duration of the probationary period shall be specified in the employment contract.
2. During the probationary period following selection in a permanent or temporary appointment, an employee may be separated for sub-standard performance and/or misconduct without advance notice or indemnity.
3. During the probationary period following selection to a permanent or temporary appointment of an employee, the immediate supervisor will make the determination in accordance with USFORAZORES internal directives as to whether the subordinate employee meets the general character traits and

qualifications for continued employment with USFORAZORES. If a determination is made to separate the employee, the employee's future selection into a USFORAZORES position must be approved by the COMUSFORAZORES prior to appointment action. If such approval is granted, the time spent during the first probationary period will not be considered creditable service for any reason.

4. If the employee remains employed with USFORAZORES during the entire probationary period that time will count for length of service purposes.

Article 33: Composition of Committee of Employee Representatives (CRT)

1. The CRT referred to in Article 10 of the Labor Agreement will be composed of five (5) members.

2. Without prejudice to the provisions of this regulation, the Committee members are entitled to the protection provided by internal Portuguese law to members of employee representative committees.

Article 34: Rights and Responsibilities of the Committee of Employee Representatives (CRT)

1. The committee shall have the following specific rights and responsibilities:

a. Be provided a copy of the USFORAZORES annual personnel report in accordance with Article 4.

b. Be provided a copy of the USFORAZORES monthly report of personnel changes resulting from promotions, appointments, separations and other circumstances in accordance with Article 4.

c. Meet with COMUSFORAZORES or his designated representatives once every month for discussion and review of matters within its area of responsibility.

d. Call general meetings of workers in accordance with Article 36.

e. To elicit input from the employees regarding work related matters.

f. To disseminate information to employees regarding work related matters.

g. Participate in the electoral process of the CRT in accordance with applicable Portuguese Law.

h. Be provided a copy of all proposed disciplinary actions pertaining to suspensions without pay and dismissals.

i. To otherwise represent the legitimate interests of the employees they represent at the levels of USFORAZORES, CBA4 and DST.

2. The exercise of the rights of the CRT may have to be postponed based upon the requirements of military operations.

3. Prior to their implementation, the following will be submitted to the Committee for its review and comment:

a. Proposal for USFORAZORES internal regulations in accordance with Article 3.

b. Proposal for USFORAZORES uncommon tours of duty and changes to work schedules in accordance with Article 38.

c. Proposed changes to USFORAZORES position classification standards and methods used for internal promotion.

d. Proposed changes to this regulation as provided by Article 91.

e. Proposed changes of a substantial nature in matters affecting employment and working conditions, such as collective dismissals.

4. Except for paragraph 3b above, the comments referred to in the previous paragraph must be submitted in writing within a maximum of fifteen (15) days from date of receipt of the request. Responses to paragraph 35 will be required within five (5) working days. These periods may be extended by mutual consent if the range and complexity of the matter so requires.

5. If a response is not submitted within the time periods referred to in the previous paragraph, the requirement specified in paragraph 3 will be considered fulfilled.

Article 35: Allowance of Hours

1. Committee members are entitled to twenty (20) hours per month for exercise of their Committee activities. This allowance may not be carried over from one month to another. Additional hours, to a maximum of forty (40) hours per month will be granted by USFORAZORES when justification is provided.
2. Keeping in mind administrative and military requirements, committee representatives must advise their supervisors prior to leaving the worksite of the time of their departure, their destination, the anticipated time of their return and the fact that their absence is related to functions of the Committee.
3. At all times not specified in paragraph 1 above, Committee members are required to perform their normal duties.

Article 36: Meetings of the Work Force--Place and Time

1. The Committee may convene general meetings of employees who are subject to the provisions of this regulation. These meetings will take place outside of the aA4 area and during normal off duty hours.
2. The Committee may convene partial meetings with employees outside work areas during normal off duty hours provided such meetings do not affect the regular performance of duties nor interfere with mission accomplishment.

Article 37: Elections

1. The CRT will be elected bi-annually from lists of candidates proposed by permanent employees through secret ballot according to the principle of proportional representation.
2. The proposed lists of candidates must be endorsed by a minimum of ten (10) percent of the permanent employees. No employee may endorse or be included in more than one list.
3. The elections will be called with a minimum of fifteen (15) days advance notice from the CRT or a minimum of ten (10) percent of the permanent employees. Ample publicity of the elections will be made, indicating specifically the date, place and time that voting will take place. A copy of the notice of elections will be forwarded to USFORAZORES, CBA4 and DST at the same time.

4. The elections will be held in the work area during duty hours.
5. A permanent employee's right to elect or be elected cannot be prejudiced against by reason of his age or position.
6. The electoral laws will be made by the CRT, and after approval by USFORAZORES and CBA4, the electoral laws will be published concomitantly with the notice of the elections.
7. USFORAZORES shall not be responsible for any expenses incurred incident to the elections.

Article 38: Work Schedules

1. Work schedules established by USFORAZORES in accordance with applicable provisions will be conspicuously posted in all work areas subject to this regulation.
2. Work schedules for USFORAZORES employees on uncommon tours of duty or working in shifts, as defined in Articles 45 and 49, will be submitted to CBA4 for DST review and approval.
3. The Committee of Employee Representatives will be provided with a copy of all changes to organization work schedules for their review and comment.

Article 39: Scheduling Female Employees

1. Female employees subject to the provisions of this regulation cannot perform work before 0700 and after 2000, except in special cases that must be submitted to CBA4 for DST review and approval.
2. USFORAZORES is required to excuse female employees with family responsibilities from performance of overtime work whenever they so request. Said excusal cannot result in less favorable treatment.

Article 40: Lunch periods

1. The normal work day period, referred to in Article 11 of the Labor Agreement, will be interrupted by a lunch period of one hour after four or five consecutive hours of work.

2. In special and properly justified cases, requests to change lunch periods may be submitted to CBA4 for DST review and approval.

3. Lunch periods scheduled in accordance with the provisions of the previous paragraph shall not exceed two (2) hours nor be less than thirty (30) minutes.

4. Thirty (30) minute lunch periods are granted only to employees who work in shifts. In this case, the lunch period will be counted as time worked.

Article 41: Weekly Day Off

1. Employees subject to the provisions of this regulation are entitled to a weekly day off which, as a rule, will be Sunday.

2. Activities who operate on Sunday are authorized by law to schedule the day off according to the operation of the activities.

3. When work is performed in shifts, shifts must be established so that employees have a day off within each seven days.

4. USFORAZORES will schedule the day off referred to in the previous paragraph to fall periodically on a Sunday at least four times a year.

5. Employees will be given a complementary day off which will precede or follow the day off defined in paragraph 1. By mutual agreement between the employer and employee, the complementary day off may be separated from the weekly day off.

6. Employees belonging to the same household shall be given the same weekly day off whenever possible.

Article 42: Work Performed on Weekly Days Off

1. An employee may be required to work on his weekly or complementary day off only when a mission essential requirement exists; in cases of serious accidents or imminent serious losses and damage.
2. DST shall be notified through CBA4 of the situations specified in paragraph 1 within forty-eight (48) hours.

Article 43: Overtime

1. Overtime is defined as authorized and approved work in excess of either the scheduled work day or basic workweek, as defined by Article 11 of the Labor Agreement.
2. Overtime work can be performed for the following reasons only:
 - a. When USFORAZORES must meet special, time-critical, or increased work requirements or
 - b. In cases of unforeseeable and unavoidable circumstances, including Acts of God.
3. Without prejudice to the provisions of paragraph 3 of the following Article, employees may be excused from performance of overtime upon presentation of acceptable justification.

Article 44: Overtime Work Limits

1. As a rule, each employee cannot perform more than two (2) hours overtime per normal work day up to a maximum of 220 hours per year.
2. An employee may not work more than the same number of hours on the scheduled day off that he works on his normal work day.
3. These limits may be exceeded in the following cases:
 - a. When work requirements cannot be met otherwise and local labor conditions do not permit another solution.

b. In cases specified in paragraph 25 of the previous Article.

4. Whenever possible in the cases specified in paragraph 3a above, the increase in overtime must be previously authorized by DST through CBA4. When circumstances do not permit prior authorization, USFORAZORES will advise DST through CBA4 of the overtime performed.

5. In the cases specified in paragraph 3b, USFORAZORES will record, as far in advance as possible, each hour of overtime in an overtime control log, indicating the reasons.

Article 45: Work in Shifts

1. Activities requiring 24-hour manning or those, which due to special circumstances require a longer manning period each day, may be organized in shifts.

2. Whenever possible, shifts should be organized in accordance with the employee's interests and preferences.

3. Each shift cannot exceed the normal work day period limits established in Article 11 of the Labor Agreement.

4. A change in shift can only be made following the employee's weekly day off.

Article 46: Compensatory Time Off

1. Personnel required to work overtime during their weekly day off shall be entitled to a day off with pay on one of the three following days.

2. Personnel required to work overtime during their complementary day off are entitled to a half day off with pay when the hours worked accumulate to equal their normal full day. This time must be taken within thirty days following the accumulation to the normal full day.

3. Personnel required to work on the following holidays are entitled to an additional day off which must be taken within thirty days:

- a. New Year's Day
- b. Day of Portugal
- c. Day of the worker
- d. Espirito Santo Monday
- e. Christmas Day

Article 47: Night Work

1. Work performed between 2000 hours of one day and 0700 hours of the following day is considered night work.
2. Night work pay is 25% higher than the pay for equivalent work performed during the day for all employees except day shift employees (0800-1500) who are entitled to 50% of the basic hourly rate.

Article 48: Overtime and Holiday Pay

1. Overtime work performed on a regular work day shall be computed at a premium rate of 100% of the basic hourly rate established in accordance with Article 15.
2. Overtime work performed on weekly and complementary days off will be paid at a premium rate of 200% of the regular hourly rate.
3. Overtime work performed on holidays will be paid at rate of 200% of the regular hourly rate, in addition to the remuneration to which the employee would be entitled.
4. Regularly scheduled work performed on a holiday shall be paid at the rate of 200% of the basic hourly rate.

Article 49: Firefighter Pay

1. Firefighter employees shall be entitled to receive premium pay after completion of 40 hours of work in the work week.
2. Firefighter employees will work a schedule of two twenty hour days per week.
3. Premium pay will be paid at the rate of 50% of the basic hourly rate for those hours worked between 40 and 44 hours, premium pay will be paid at the rate of 75% for those hours in excess of 44 hours worked.

Article 50: Transportation

1. USFORAZORES employees will be provided round-trip transportation from established transportation routes in the area of their legal residence to BA4 for each day of scheduled work.
2. Upon mutual agreement, employees may receive a cash reimbursement in lieu of round-trip transportation for each day of scheduled work.

Article 51: Legal Holidays

The following are considered legal holidays:

1. New Year's Day - January 1
2. Mardi Gras - Variable
3. Day of Liberty - April 25
4. Good Friday - Variable
5. Day of the Worker - May 1
6. Corpus Christi - Variable
7. Espirito Santo Monday - Variable
8. Day of Portugal - June 10
9. Praia de Vitoria - Variable - Municipal Holiday
10. Assumption Day - August 15
11. Founding of the Republic - October 5
12. All Saints' Day - November 1
13. Restoration of Independence - December 1
14. Immaculate Conception - December 8
15. Christmas Day - December 25

Article 52: Holiday Entitlement

1. All employees shall be paid for the holidays referred to in the previous article when the holidays fall on a regular day of work.
2. When the holiday falls on a regularly scheduled non-work day, the employee shall not be entitled to any remuneration or additional day off for such holiday.
3. In the event that COMUSFORAZORES authorizes any additional holidays over and beyond those authorized in Article 51 above, those employees released to observe the additional holiday will receive their regular remuneration; however, declaration of such holidays does not obligate USFORAZORES to the provisions of Article 48.

Article 53: Entitlement to Leave/Vacation

1. All USFORAZORES employees shall be entitled to accrue and use leave for vacation, personal and emergency purposes.
2. Entitlement to leave for vacation is based upon work performed in the previous calendar year. Leave is earned as of January 1, except when employment begins during the first semester of the calendar year. In this case, an employee shall be entitled to a vacation period of ten (10) consecutive days after completion of the probationary period.
3. Entitlement to leave is undeniable and the actual use of leave cannot be substituted, except as expressly authorized herein, by any compensation monetary or otherwise, even with the employee's consent.

Article 54: Scheduling of Vacation

1. The vacation period should be scheduled by mutual agreement between USFORAZORES and the employee.
2. If there is no agreement, USFORAZORES shall prepare the vacation schedule after advising the CRT regarding this matter.
3. In the case specified in paragraph 2, USFORAZORES may only schedule the vacation period between May 1 and October.

4. The final vacation schedule shall be completed and posted in all work sections no later than April 15 of each year.

5. Employees belonging to the same household shall have the option of taking their yearly vacation period at the same time, unless a determination is made that priority job requirements exist.

Article 55: Leave/Vacation Allowance

1. The annual vacation period will be as follows:

a. Sixteen work days for an employee on an indefinite appointment with less than two years of creditable service as of January 1 of the respective year.

b. Twenty-four work days for employees on an indefinite appointment with two years or more of creditable service as of January 1 of the respective year.

c. Two work days for each complete month of service if an employee is on a temporary appointment.

2. Employees may use their leave on a daily basis. However, employees will be encouraged to schedule the major portion of their annual leave for a single period of absence.

3. For purposes of determining the complete month of service referred to in paragraph 1c, all of the days in which work was performed, both consecutive and interpolated, will be counted.

Article 56: Accumulation of Vacation

1. Vacation should be taken during the course of the calendar year in which it is earned.

2. As an exception, if important personal or family reasons are involved, employees may request their vacation period be carried over for accumulation in order to take it with the vacation period of the following year.

3. The maximum amount of vacation period that may be carried forward from one calendar year to another is twenty-four (24) work days. Any days to the employee's credit which at the end of the calendar year would exceed twenty-four (24) work days must be taken prior to the end of the calendar year or it will be lost.

Article 57: Vacation Pay

1. The remuneration owed during the vacation period cannot be less than the amount an employee would receive if he were actually working. Said remuneration does not include meals (in money or in kind), overtime (does not refer to premium pay for firefighters), transportation subsidy, or irregular right work. It shall be paid prior to the onset of the employee's vacation period.

2. In addition to the remuneration mentioned in the previous paragraph, employees are entitled to a vacation subsidy equal to 100 percent of said remuneration.

3. Said subsidy shall be paid in a lump sum once annually on the payday prior to the vacation, or major portion thereof, if the vacation period is segmented. The subsidy cannot be carried over to the next year. Therefore, if the employee does not take his annual leave and carries it over to the next year, the employee will be paid his subsidy for the previous year on the payday covering the first pay period of the new calendar year.

Article 58: Illness During Leave

1. If the employee becomes ill while on leave, his leave will be interrupted as long as USFORAZORES is informed of the illness. The remainder of the leave can be used upon termination of the illness or as agreed upon by both parties.

2. Proof of illness in the situation specified in the previous paragraph may be provided by a hospital, a social security physician, or a medical certificate.

Article 59: Postponement or Interruption of Scheduled Leave

1. Whenever an employee's scheduled use of the major portion of his leave must be postponed or interrupted due to imperative operational requirements of USFORAZORES, the employee may be entitled to compensation. The

compensation will be paid in the event that an employee sustains direct monetary losses as a result of the interruption of his leave. The employee is responsible for verifying the amount of direct monetary loss and the compensation will be limited to that amount.

2. Whenever an employee's scheduled use of the major portion of his leave is interrupted by USFORAZORES, one-half of that leave period must be taken without interruption.

3. The vacation period must be rescheduled whenever an employee is temporarily unable to begin his scheduled vacation period due to reasons beyond his control.

4. Any postponed leave will be rescheduled for a time acceptable to USFORAZORES and the employee. If an employee's leave is rescheduled into a subsequent calendar year, he shall not be subject to the limitations of Article 56.

Article 60: Suspension of Vacation Rights

1. In cases where scheduled leave has to be denied due to military emergency, leave in excess of twenty-four (24) days may be carried over for use the following year.

2. In other situations, if USFORAZORES denies the employee the use of his leave under the terms foreseen in this regulation, the employee shall receive three times the remuneration equivalent to the vacation denied. This denied vacation must be taken during the first semester of the next calendar year.

Article 61: Definition of Absence

1. An employee is considered absent when he is not present during his normal duty hours.

2. When an employee is absent from work for shorter periods than his normal duty hours, the individual absences will be added to determine the normal workday periods for which he was absent.

3. In cases where the normal workdays are not equal, the shortest period will always be considered as the complete workday when applying the provisions of the previous paragraph.

4. Employees with variable work schedules will be charged a day of absence when they do not perform work during a period of scheduled duty hours.

Article 62: Notification of Absences

1. When the employee foresees that he will be absent for justified reasons, the employee will notify USFORAZORES as far in advance as possible.

2. An employee who cannot report to work due to unforeseeable justified reasons is obligated to notify his immediate supervisor within two hours after the start of the workday, except when unusual circumstances preclude such reporting. So as to permit the section to get a replacement, an employee who is on night shift must give notice of absence by telephone or other fast means at least two hours prior to the start of a shift, except when the unusual circumstances preclude such reporting.

3. If an employee is ill for more than three days and less than thirty (30) days, he must submit on his return to duty a medical certificate or a statement from the Social Welfare medical services specifying the period in which he was unable to work due to illness.

4. If an employee is not in a condition to return to work after thirty (30) days from the onset of an illness, the period of this absence may be extended for a maximum of four years under the provisions of Article 67(1). The employee shall submit a medical certificate or statement from the Social Welfare medical services at the end of the first thirty (30) days and every thirty (30) days thereafter. Employees who fail to return within the maximum four years will be terminated in accordance with Article 71(c)

5. Failure to comply with the provisions of the previous paragraphs will render the absences unjustified.

Article 63: Policies Related to Unjustified Absences

1. Absences not justified under Article 64 are considered to be unjustified.

2. Unjustified absences always entail a corresponding loss in pay. Any period of unjustified absence shall be deducted from an employee's time in service for service computation date purposes.

3. When an employee is unjustifiably absent for a scheduled work period, the scheduled time off or holidays immediately prior or subsequent to the absence will also be subject to the provisions of the previous paragraph.

4. When an employee reports for work either to begin or return to work with an unjustified delay of more than thirty (30) to less than sixty one (61) minutes, USFORAZORES may refuse to accept his services during all or part of the normal work period.

Article 64: Justified Absence

1. Employees are entitled to the following justified absences without charge to their leave and without loss of pay or benefits:

- a. Marriage: eleven (11) consecutive work days.
- b. Death of spouse, father, mother, father-in-law, mother-in-law, son, daughter, stepfather, stepmother, stepson, and stepdaughter: Five (5) consecutive calendar days.
- c. Death of grandparent, grandchildren, brother, sister, and brother or sister-in-law: two (2) consecutive calendar days.
- d. Birth of a child: two (2) consecutive calendar days.
- e. Blood donation: not to exceed four (4) hours. This may be increased to one day when warranted by special circumstances.
- f. Jury duty or when an employee is called as a witness by a court to testify.
- g. When an employee is taking a test in an educational facility.
- h. When his assistance to a member of his immediate household is essential: not to exceed three (3) consecutive days.
- i. Candidates in election for public office: number of days legally established for each case, when justified.

j. Other absences as may be specified in USFORAZORES internal regulations.

2. For the following, employees may use leave or are entitled to justified absences with loss of pay.

a. When an employee cannot work due to reasons beyond his control, such as illness or accident.

b. Absences relating to court matters other than those of paragraph 1 above.

c. Other absences as may be specified in USFORAZORES internal regulations.

3. When an employee is on forced absence in accordance with the previous paragraph 2b for more than one month, the provisions contained in Article 67 and subsequent Articles will be applicable.

4. Employees are required to prove the veracity of the facts to their immediate supervisor for such absences.

Article 65: Leave Without Pay

1. USFORAZORES may approve leave without pay at the request of the employee, not to exceed one year. If unusual circumstances warrant, this period may be extended by USFORAZORES at the request of the employee.

2. The period of leave without pay is creditable for length of service purposes but not for accrual of leave.

3. During said period, the rights, responsibilities and guarantees of the parties are terminated since they presuppose the actual performance of work.

Article 66: Reemployment Rights to Position

The employee in a leave without pay status pursuant to the previous article has the right, to return to his position. If the employee has been granted an extension, return rights will also be extended for a like period.

Article 67: Interruption Due to Forced Absence on the Part of the Employee

1. When it becomes known that an employee will be absent for more than thirty (30) calendar days due to reasons beyond his control, such as illness or accidents, the work contract is suspended and the rights, responsibilities, and guarantees of the parties are terminated since they presuppose the actual performance of work. An employee under a permanent appointment must be notified in writing of the following prior to suspension of the work contract:

a. Upon suspension of the work contract, the position will become obligated for the employee until such time as the employee is able to return to the position.

b. If the employee recovers, he may return to his position upon medical certification from Social Security that he is capable of performing the specific duties of his position.

c. Whenever it becomes certain that the employee will be unable to return to work, the obligation will cease.

2. When it becomes known that an employee will be required to perform mandatory Portuguese military or civic service or elected or appointed to political office, the work contract is suspended and the rights, responsibilities, and guarantees of the parties are terminated, since they presuppose the actual performance of work. The employee who is under a permanent appointment will be informed in writing that his position will become obligated for a term equal to his term of obligated military service, civic service, or office described above, and that he will have return rights to the position or to an equivalent position at the same grade level.

3. If the appointment is of a temporary nature the interruption does not preclude its termination at the end of the appointment period.

4. The provisions guaranteeing return rights do not apply to hourly rate workers or employees terminated within the probationary period.

Article 68: Return of Employee

1. When the ill employee, under the previous Article, returns to duty, he will be placed in his former position or another position having the same grade and classification.

The return to duty must be effected within fifteen (15) days from the date USFORAZORES receives notice of the employee's availability.

2. When the employee is discharged from the military or civic service or political office and desires to return to the position to which he has return rights according to the previous Article, he must notify the CRT in writing not later than fifteen (15) calendar days following discharge. Failure to comply within this time limit will negate his entitlement to return to the position, and the obligation to the position will be rescinded. After notification by the employee. the employer has fifteen (15) days to restore the employee to duty.

3. The periods of absence noted in paragraph 1 and 2 above will be creditable service for length of service purposes.

Article 69: Rights of Female Employees

1. Female employees are entitled to the following without loss of pay:

a. To be relieved from duties considered medically unfavorable to her pregnancy, during pregnancy and up to three months after delivery.

b. To be absent from work for ninety (90) days during her maternity period without reduction in her vacation or time in service. Sixty (60) of those days must be taken immediately after delivery and the remaining thirty (30) days must be taken in their entirety or in part before or after the delivery.

2. If the newborn is hospitalized after delivery, maternity leave may be interrupted while the child is in the hospital and resume from the time the hospitalization terminates until the end of the maternity leave period.

3. In an event of a miscarriage or still-born delivery, the maternity leave period will be a maximum of thirty (30) days.

4. Entitlement to maternity leave terminates in case of death of the newborn, but a thirty-day (30) rest period will always be assured.

i. If the employee cannot return to work at the end of the period referred to in paragraph 1b above, the period may be extended under the provisions of Article 67.

6. Upon request, and after producing medical evidence, a female employee will be allowed two (2) periods per day not to exceed one (1) hour each for the breast

feeding of her newborn infant. This allowance shall not exceed one (1) year from the birth of the child.

Article 70: Termination of Employment

Termination of employment (work contract) will be in accordance with Article 13 of the Labor Agreement.

Article 71: Termination by Expiration

The employment (work contract) of any USFORAZORES employee will expire under the following circumstances:

- a. The expiration of the period for which the employment (work contract) was established.
- b. The retirement of the employee due to old age or disability.
- c. Upon verification of supervenient, absolute and definite impossibility of the employee to perform his duties.

Article 72: Retirement Termination Due to Old Age or Disability

1. The Portuguese Social Security system will provide to the CPF the names of USFORAZORES employees who are receiving retirement benefits.
2. An employee's appointment (work contract) is terminated when:
 - a. Upon learning from Social Security that the employee is receiving Social Security benefits, USFORAZORES has thirty (30) calendar days to notify the employee that his appointment will be terminated. If not, the employee will be placed on a six (6) month temporary appointment. The aforementioned contract can be subsequently renewed in a like manner. Whenever USFORAZORES desires to terminate the appointment, the employee must be provided at least sixty (60) calendar days notice prior to the expiration of the appointment. If the employee desires to terminate employment, he must provide the employer fifteen (15) days notice.
 - b. Upon mutual agreement, an employee who receives Social Security pension may be placed on a temporary appointment for a six (6) month period. Termination of said appointment will be accomplished in accordance with

subparagraph 2a above. Upon reaching age seventy (70), the employee may be terminated. However, a temporary appointment may be provided in accordance with the terms of subparagraph 2a above.

c. The employee is determined to be permanently disabled for continued employment by the CPPSS.

Article 73: Revocation by Mutual Agreement

1. USFORAZORES and the employee may agree to terminate employment (work contract) under the terms of the following paragraphs:

a. The agreement to terminate employment (work contract) must consist of a document signed by both parties. Each party will maintain their own copy.

b. The document should expressly mention the date the agreement was signed and its effective date.

c. In the same document, the parties may agree to provide other terms, as long as they do not violate Portuguese Law.

Article 74: Termination by Just Cause Promoted by USFORAZORES

1. The serious behavior of the employee and its consequences makes it immediately and practically impossible to maintain him at work and constitutes just cause for removal.

2. The following list of behaviors is intended as an example and is not all inclusive. These behaviors constitute reason for removal with just cause:

a. Insubordinate disobedience to orders given by responsible supervisors.

b. Violation of USFORAZORES employee's rights and guarantees.

c. Repeated conflicts with other USFORAZORES employees.

d. Repeated lack of intent to diligently comply with the obligations inherent to performing an assigned job.

e. Negligent behavior which causes serious financial loss to USFORAZORES.

f. Unjustified absences from work that will result in direct losses or serious risks to USFORAZORES or, regardless of any loss or risk, when the number of unjustified absences reaches five (5) consecutive or ten (10) interpolated absences per year.

g. Failure to follow sanitary and safety rules at work.

h. The exercise of physical violence, injuries or other offenses punishable by law, within the scope of his professional activity.

i. Crimes against the freedom of others referred to in the previous paragraph.

j. Non-compliance with judicial decisions or executory administrative actions.

k. Employee's abnormal reduction in productivity.

l. False statements to the employer, including false statements in the justification of absences.

m. Loss of confidence in the employee.

Article 75: Termination of the Work Agreement During Probationary Period

During the probationary period referred to in Article 32, either party can terminate the work agreement without advance notice and without having to justify the reason for the just cause and without the right to pay indemnity.

Article 76: Reduction in Force and Termination by Collective Dismissal

1. Whenever USFORAZORES intends to release employees by either separation from the rolls, reassignment involving displacement or change to lower grade as a result of lack of funds, lack of work, organizational realignment or other mission changes, a formal notice of intention will be delivered to the CBA4.

2. The formal notice will describe the basis for the reduction in force and a listing of affected positions by various sections. The CBA4 will consult with DST, and has thirty (30) calendar days to provide any comments to COMUSFORAZORES.

On the same date as the formal notice to CBA4, a copy of the notice will also be sent to CRT for their comments.

3. The following criteria will be used by the CPF to identify affected employees.

a. Competitive Area: All employees within USFORAZORES will compete for the remaining positions.

b. Competitive Levels: Names of employees are grouped according to competitive levels defined as all positions in the competitive areas which are similar in kind and grade and between which employees could be readily interchanged without undue interruption to the work program.

c. Minimum Service Time: Employees will be ranked within competitive levels by service computation date. Any employee identified is entitled to be reassigned to any vacant position for which they qualify. If no vacancy exists, the identified employee is entitled to return to his former position or other position within the same competitive level unless the employee holding the former position has a later service computation date.

4. Subsequently, a notice will be issued to each affected employee at least 30 days in advance of the separation date. The notice will contain information specified in the Portuguese Civilian Personnel Regulation, Lajes Field Regulation 40-1. If USFORAZORES fails to comply with this period, they will pay the employee the wages corresponding to the advance notice period unless the parties mutually agree to an earlier release date.

5. During the advance notice period, the worker is entitled to sixty-four (64) hours without prejudice to his pay to look for alternative employment. The credit of hours can be divided up by some or all the days of the week, as per the worker's choice, subject to supervisory approval based on mission requirements.

6. Employees who wish to appeal the separation use the procedures of Article 86 of this regulation and Article 15 of the Labor Agreement.

7. The potential remedies of an invalid removal are as stated in Article 85.

8. Employees who are changed to lower grade will be granted pay retention under Article 9 of this regulation.

Article 77: Employment Termination Effects

1. Upon termination of employment (work contract), USFORAZORES will pay the employee the remuneration equivalent to a proportional vacation period of the time in service during the year of termination. The same procedure shall be applied with respect to the remuneration owed for vacation subsidy.
2. If employment (work contract) is terminated before the vacation period earned at the beginning of that year is taken, the employee will be entitled to receive the remuneration equivalent to that period. The same procedure shall be applied with respect to the remuneration owed for vacation subsidy.
3. The vacation period referred to in paragraph 1 and 2 shall count as time in service if not taken.

Article 78: Employment Interruption Effects (Due to Prolonged Absence)

1. If the employee is unable to take all or part of his earned vacation during the year in which the work contract is interrupted due to prolonged forced absence under Article 57, he shall be entitled to a remuneration equivalent to the unused vacation period and the corresponding subsidy.
2. Upon termination of the forced absence, the employee is entitled, after three months of effective service, to a vacation period and corresponding subsidy that he would have earned on January 1 of that year, as if he had been working.
3. The vacation days in excess of the number of days occurring between the time the employee reports for work at the end of his forced absence and the end of the calendar year in which the forced absence took place shall be used during the first three months of the following year.

Article 79: Disciplinary Authority

USFORAZORES has disciplinary authority over its Portuguese civilian employees.

Article 80: Disciplinary Actions

1. USFORAZORES may take the following administrative disciplinary actions without prejudice to the employee's rights and guarantees:
 - a. Admonishment.

- b. Official reprimand.
- c. Suspension in non-pay status.
- d. Removal.

2. An administrative disciplinary action should be proportionate to the degree of seriousness of the offense and degree of guilt of the violator. An administrative disciplinary action cannot be applied more than once for the same infraction.

3. The disciplinary action must be taken during sixty (60) days subsequent to the date USFORAZORES or the immediate supervisor with disciplinary authority learned of the offense. However, when formal investigations are necessary, the time period is extended an additional forty five (45) days after completion of the final investigation.

4. The provisions of the previous paragraph do not preclude USFORAZORES from seeking compensation for losses or from taking other appropriate legal action.

5. The loss in pay as a result of the disciplinary action specified in paragraph 1c will not go to the Financial Management Institute of the Social Security System (FMISS). However, both USFORAZORES and the worker will make their respective payments to Social Security based upon the corresponding pay for the suspension period.

Article 81: Limits of Penalties

Suspension from duty with loss of pay will not ordinarily exceed twelve (12) days for each infraction and, in each calendar year, a total of thirty (30) days. Those limits, however, may be doubled when justified by the special circumstances of the employment.

Article 82: Serious Disciplinary Violations

1. The following constitute serious disciplinary violations:

- a. Unjustified absence during three consecutive days or six interpolated days during a one-year period.

b. Unjustified absence with the alleged justification proven false.

Article 83: Procedures for Administering Discipline

1. Application of disciplinary actions specified in Article 80 paragraphs 1b and c shall observe the following procedural requirements.

a. A disciplinary action is initiated when a letter of proposed disciplinary action is presented to the employee. This letter shall explain what he is accused of, its basis and the proposed disciplinary action.

b. The employee may answer the charges in writing within five (5) work days.

c. In the reply, the employee may indicate witnesses for each charge made in the letter.

d. Upon the employee's request, a copy of the letter will be forwarded to the CRT. They shall have two (2) days in which to respond.

e. Final disciplinary action cannot be taken until the time limit for the CRT and the employee's responses has elapsed.

2. The disciplinary actions specified in Article 80, paragraph 1d, shall observe the following procedural requirements:

a. USFORAZORES will notify, in writing, the offending employee of its intention to remove him, including the detailed circumstances of the charges made against him.

b. A copy of the above-mentioned communication shall be forwarded to the CRT on the same date.

c. The employee has five (5) work days to study the case file and submit a reply. In the reply, the employee must mention any elements that he considers will clarify the incident and his participation. Furthermore, the employee may attach documentation and request evidence that may be pertinent to clarify the truth.

d. USFORAZORES will provide information requested by the employee in his behalf, unless it is otherwise considered burdensome or not relevant. In such case, this decision must be substantiated in writing.

e. USFORAZORES is not obligated to hear more than three (3) witnesses for each charge made in the communication, nor more than a total of (10) ten. It is the accused's responsibility to ensure these witnesses will appear.

f. Once the relevant information is incorporated, a complete copy of the case file should be presented to the CRT who may within the next five (5) work days attach their opinion to the case file.

g. The deciding official will consider the circumstances of the case, the appropriateness of removal in light of the guilt of the employee, as well as opinions attached to the written defense of the worker when rendering a decision. The deciding official will also consider any mitigating or aggravating factors affecting the case.

h. Upon expiration of the time limits referenced in the previous subparagraphs, USFORAZORES has thirty (30) days to render a written decision with the rationale.

i. A copy or transcription of the written decision shall be forwarded to the employee and CRT.

j. Notifying the employee of the communication referred to in subparagraph (a) above suspends continuation of the period established in Article 80, para 3.

3. The employee may be suspended for up to ten (10) days with pay if the employer:

a. Has lost confidence in the employee or

b. The employee poses a physical menace.

4. Upon notification of the communication referred to in paragraph 2a, USFORAZORES may effect a preventive suspension without loss of pay.

5. Suspension of an employee who is also a CRT member does not prevent him from having access to areas and activities where his CRT duties are normally performed, unless suspended under paragraph 3b.

Article 84: Determination of Validity of Disciplinary Removal

1. Disciplinary removal of an employee is considered invalid:
 - a. When appropriate administrative procedures as contained in Article 83 are not followed.
 - b. When based on political, ideological or religious reasons.
 - c. If the invoked just cause is found groundless.
2. Judicial review is available after exhaustion of administrative appeal procedures in the Labor Agreement.
3. It is the employer's responsibility to provide and prove only the facts related to the case.
4. For appreciation of the removal with just cause, the degree of prejudice to USFORAZORES interest, the relations between both parties or the employee and his coworkers and other circumstances that may seem relevant to the case, should be considered.
5. Determination of the validity of removal of a CRT member should be given priority.

Article 85: Potential Remedies of an Invalid Removal

1. If a competent jurisdiction of the dispute resolution process prescribed in Article 15 of the Labor Agreement finds an employee's removal invalid, the following are potential remedies:
 - a. If an indemnity is awarded, the indemnity shall be computed as set out in Article 13, paragraph 4 of the Labor Agreement.
 - b. If retroactive pay is awarded, the amount cannot exceed the pay the employee would have earned as of the date of removal less the amount of money earned by the employee in activities initiated after the removal.
2. If a competent jurisdiction of the dispute resolution process prescribed in Article 15 of the Labor Agreement finds a temporary employee's removal invalid, the following are potential remedies:
 - a. For temporary employment with a "not to exceed" date, the amount cannot exceed the pay the employee would have earned from the date the employment was terminated until the "not to exceed" date of the temporary work

contract, or

b. For temporary employees with an indefinite term, the amount cannot exceed the pay the employee would have earned from the date the employment was terminated until the end of the project, the date the replaced worker returns, or the date of the final decision, whichever occurs first.

c. The total pay the employee earned from job(s) initiated after the contract was terminated above in either 2a or 2b, will be deducted from the amount that can be awarded above.

3. The potential remedies listed above are not exclusive. Other remedies can be awarded by any competent jurisdiction of the dispute resolution process.

Article 86: Processing Complaints

1. Employees have the right to submit a verbal or written complaint to his organizational supervisor within thirty (30) days of the event or occurrence, or at any time in the case of a continuing occurrence.

2. The organizational supervisor has seven (7) calendar days in which to respond to the employee's complaint. If the complaint is not resolved to the employee's satisfaction, he has seven (7) calendar days from the receipt of the organizational supervisor's response in which to present a formal written complaint to his organizational commander or the next higher level in the chain of command when the initial decision was made by the organizational commander.

3. Written complaints to the organizational commander must state the reason(s) which give rise to the complaint, indicate the remedial action sought, and may contain any other facts or information pertinent to the complaint.

4. Upon receipt of an employee's written complaint, the organizational commander will review it and render a written decision within fourteen calendar days. At the organizational commander's option, a designated official may be appointed to conduct a procedural/substantive review. In this case, the time period for rendering a decision is extended by seven calendar days.

5. If the employee is not satisfied with the decision of the organizational commander, he may submit a written complaint to the first level of dispute resolution within seven (7) calendar days of receipt of the organizational commander's determination. If the employee submits a written complaint, he must submit it to the Commander, USFORAZORES and the Commander Air Base 4 simultaneously.

6. The Commander, USFORAZORES, will consult with the Commander, Air Base 4, on the complaint. The first level will render a determination or opinion of both parties within twenty-one (21) calendar days, unless a justified situation requires a delay.

7. If the employee is not satisfied with the first level determination, he may submit the complaint to the Labor Committee within fourteen (14) calendar days of receipt of the notification by Commander, USFORAZORES.

8. If the employee is not satisfied with the Labor Committee determination, he may submit the complaint to the Standing Bilateral Commission within fourteen (14) calendar days of receipt of the notification by the Labor Committee.

9. If the employee is not satisfied with the Standing Bilateral Commission determination, he may submit the complaint to the competent court (as defined in Article 17 of the Labor Agreement) within sixty (60) calendar days of receipt of the notification by the Standing Bilateral Commission.

10. Due to the sensitivity of the matters involved, expedited interventions are expected at all levels of the multi-level process to permit a timely application of the decisions taken.

Article 87: Suspension of Judicial Terms

1. The submission of complaints in accordance with Article 15 of the Labor Agreement, suspends the judicial terms in the process of the employee against USFORAZORES.

2. The employee must exercise his right to judicial review within sixty (60) days of receiving a decision from the Standing Bilateral Commission.

Article 88: Safety Officer

USFORAZORES shall appoint an individual to be responsible for health and safety matters. Said individual shall be designated as "Safety Officer."

Article 89: Fatal Accident

Whenever a Portuguese USFORAZORES employee suffers a fatal accident at work, his body cannot be removed without the presence and approval of the appropriate Portuguese authorities.

Article 90: On-the-Job Accidents and Occupational Diseases

The standards contained within Portuguese law regarding on-the-job accidents and occupational diseases shall apply to Portuguese USFORAZORES employees.

Article 91: Validity

Modification of this regulation will be in accordance with Article 1 of the Labor Agreement. This regulation will remain in effect until it is superseded.

Done, in duplicate this twelfth day of February 1997 in the English and Portuguese languages, each text being equally authentic.

FOR THE UNITED STATES
OF AMERICA

FOR THE PORTUGUESE
REPUBLIC