



EUROPEAN SOUTHERN OBSERVATORY

DRAFT COLLECTIVE CONTRACT

20 October 2014

The Director General of ESO,

represented by

Mr. Patrick Geeraert, Ms. Maria Angelica Moya and Mr. Mauricio Quintana

and

1. the Union of Technicians and Professionals of Local Staff at the ESO Paranal Observatory,

represented by Mr. Nicolas Slusarenko, President; Mr. Fernando Salgado, Secretary; and Mr. Alex Correa, Treasurer; and

2. the Union of the Local Staff of the La Silla Observatory,

represented by Ms. Karla Aubel, President; Mr. Leonardo Gonzalez, Secretary; and Ms. Blanca Camucet, Treasurer

representing its members for the establishments: APEX, La Silla, Paranal and Vitacura/Santiago,

have negotiated the following Collective Contract to be applied according to the Regulations for Local Staff in Chile (RPL) in their version of 13th April 2002, and, in particular to Chapter VII, Section 1, of these Regulations.

CHAPTER I: Languages, Parties, Definitions, and Validity

I 1.01 Languages

The Collective Contract is drawn up in a single original in the Spanish and English language, both texts being equally authentic. In case of differences among the texts the Spanish version will prevail as established in the Regulations for Local Staff in Chile (RPL).

I 1.02 Validity

The present Collective Contract shall be effective **1st December 2014 until 30th November 2017** and replaces the pertinent rules, stipulations and administrative circulars previously in force.

CHAPTER II: Remuneration and financial benefits

Section 1: Basic salaries

II 1.01 Table of basic salaries

Local Staff Members shall receive a monthly basic salary in Chilean Pesos according to the Grades and Steps indicated in the table of Basic Salaries:

| GRADES | | | | | | | | | | | | |
|--------|---------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-------|
| STEPS | A1 | A2 | A3 | A4 | A5 | B1 | B2 | B3 | C1 | C2 | C3 | STEPS |
| 0 | 417.157 | 549.971 | 711.102 | 901.232 | 1.143.579 | 1.490.593 | 1.907.392 | 2.397.831 | 2.940.550 | 3.714.244 | 4.691.506 | 0 |
| 1 | 433.396 | 570.376 | 736.137 | 930.444 | 1.183.089 | 1.543.158 | 1.972.217 | 2.473.217 | 3.033.411 | 3.820.018 | 4.839.657 | 1 |
| 2 | 449.637 | 590.783 | 761.173 | 959.642 | 1.222.600 | 1.595.727 | 2.037.041 | 2.548.617 | 3.126.275 | 3.925.797 | 4.987.813 | 2 |
| 3 | 465.878 | 611.193 | 786.206 | 988.847 | 1.262.116 | 1.648.291 | 2.101.869 | 2.624.009 | 3.219.135 | 4.031.574 | 5.135.965 | 3 |
| 4 | 482.114 | 631.598 | 811.240 | 1.018.055 | 1.301.628 | 1.700.863 | 2.166.695 | 2.699.402 | 3.311.996 | 4.137.351 | 5.284.124 | 4 |
| 5 | 498.355 | 652.004 | 836.280 | 1.047.257 | 1.341.145 | 1.753.431 | 2.231.519 | 2.774.800 | 3.404.853 | 4.243.122 | 5.432.278 | 5 |
| 6 | 514.594 | 672.405 | 861.310 | 1.076.471 | 1.380.660 | 1.806.000 | 2.296.343 | 2.850.192 | 3.497.719 | 4.348.897 | 5.580.434 | 6 |
| 7 | 530.829 | 692.810 | 886.344 | 1.105.673 | 1.420.169 | 1.858.571 | 2.361.164 | 2.925.587 | 3.590.575 | 4.454.676 | 5.728.587 | 7 |
| 8 | 547.073 | 713.217 | 911.379 | 1.134.877 | 1.459.684 | 1.911.140 | 2.425.996 | 3.000.975 | 3.683.440 | 4.560.450 | 5.876.745 | 8 |
| 9 | 563.309 | 733.620 | 936.412 | 1.164.083 | 1.499.198 | 1.963.709 | 2.490.816 | 3.076.373 | 3.776.301 | 4.666.224 | 6.024.892 | 9 |
| 10 | 579.549 | 754.028 | 961.444 | 1.193.285 | 1.538.712 | 2.016.278 | 2.555.640 | 3.151.765 | 3.869.160 | 4.772.009 | 6.173.056 | 10 |
| 11 | 595.786 | 774.434 | 986.477 | 1.222.492 | 1.578.220 | 2.068.844 | 2.620.470 | 3.227.160 | 3.962.022 | 4.877.781 | 6.321.207 | 11 |
| 12 | 612.026 | 794.838 | 1.011.513 | 1.251.696 | 1.617.736 | 2.121.414 | 2.685.290 | 3.302.552 | 4.054.886 | 4.983.556 | 6.469.369 | 12 |
| 13 | 628.263 | 815.243 | 1.036.545 | 1.280.901 | 1.657.250 | 2.173.985 | 2.750.117 | 3.377.950 | 4.147.745 | 5.089.334 | 6.617.520 | 13 |
| 14 | 644.507 | 835.646 | 1.061.580 | 1.310.109 | 1.696.763 | 2.226.555 | 2.814.943 | 3.453.340 | 4.240.605 | 5.195.110 | 6.765.671 | 14 |
| 15 | 660.745 | 856.052 | 1.086.618 | 1.339.309 | 1.736.274 | 2.279.121 | 2.879.769 | 3.528.739 | 4.333.467 | 5.300.887 | 6.913.827 | 15 |
| 16 | 676.984 | 876.458 | 1.111.645 | 1.368.514 | 1.775.795 | 2.331.689 | 2.944.594 | 3.604.129 | 4.426.328 | 5.406.665 | 7.061.982 | 16 |
| 17 | 693.221 | 896.867 | 1.136.683 | 1.397.722 | 1.815.301 | 2.384.259 | 3.009.415 | 3.679.524 | 4.519.189 | 5.512.440 | 7.210.138 | 17 |
| 18 | 709.463 | 917.272 | 1.161.719 | 1.426.930 | 1.854.815 | 2.436.828 | 3.074.240 | 3.754.918 | 4.612.050 | 5.618.212 | 7.358.295 | 18 |
| 19 | 725.699 | 937.677 | 1.186.754 | 1.456.132 | 1.894.326 | 2.489.398 | 3.139.069 | 3.830.308 | 4.704.909 | 5.723.993 | 7.506.453 | 19 |
| 20 | 741.938 | 958.085 | 1.211.788 | 1.485.341 | 1.933.843 | 2.541.966 | 3.203.893 | 3.905.708 | 4.797.767 | 5.829.766 | 7.654.607 | 20 |
| 21 | 758.175 | 978.486 | 1.236.819 | 1.514.543 | 1.973.357 | 2.594.535 | 3.268.715 | 3.981.099 | | | | 21 |
| 22 | 774.421 | 998.896 | 1.261.856 | 1.543.751 | 2.012.865 | 2.647.104 | 3.333.539 | 4.056.495 | | | | 22 |
| 23 | 790.655 | 1.019.296 | 1.286.889 | 1.572.955 | 2.052.385 | 2.699.673 | 3.398.362 | 4.131.888 | | | | 23 |
| 24 | 806.894 | 1.039.703 | 1.311.920 | 1.602.158 | 2.091.895 | 2.752.242 | 3.463.187 | 4.207.281 | | | | 24 |
| 25 | 823.133 | 1.060.111 | 1.336.957 | 1.631.362 | 2.131.408 | 2.804.808 | 3.528.011 | 4.282.676 | | | | 25 |
| STEPS | A 1 | A 2 | A 3 | A 4 | A 5 | B 1 | B 2 | B 3 | C 1 | C 2 | C 3 | STEPS |

II 1.02 Adjustment of basic salaries by the CPI

To compensate for variations in the cost of living, the Organisation shall adjust the table of the basic salaries (Article II 1.01) with effect from the month following the one in which the accumulated percentage variation of the official Consumer Price Index (CPI) published by Statistics National Institute (INE) is equal or exceeds by 1,5% the last modification.

On January 1st of each year the salary table shall be adjusted according to the accumulated percentage variation of the CPI from the month of the last adjustment of the CPI until 31st December of the preceding year. No adjustment of the table of the basic salaries and no carry-over of the index shall be applied if the accumulated index is negative.

II 1.03 Payment of monthly salaries

The payment of the monthly remuneration shall take place on the 25th of each month or on the previous working day if the above defined day is a Saturday, Sunday or an official holiday.

Section 2: Working time, overtime, work on Sundays and official holidays

II 2.01 Working timetable

Following Article RPL – III 1.01, the Basic working week comprises 40 hours. If required by the nature of duties, Local Staff Members may have to work under one of the following schemes or a combination thereof:

Working Week 5/2:

The working week runs from Monday to Friday inclusive.

8 Days' Working Period (8/6 turno):

The working period comprises 8 consecutive days of work, including Sundays, and 6 days of rest.

Biweekly Night Shift:

The working period comprises 7 consecutive nights, including Sundays, and 7 nights off.

Flexible Weekly Shift 5/2:

The basic regular working time of 160 hours per 4 weeks’ accounting period shall include any hours worked per request of the **Director or a person holding the delegated authority**. In order to take account of days off, the basic working week shall run from Monday to Friday inclusive, and comprise on average 40 hours per week, eight hours per working day. In case of a positive working time balance, the staff member has the possibility of compensating up to a maximum of four working days (Monday to Friday, 8 hours per day) per four weeks’ period. If for organisational needs, hours above the 160 hours in the relevant four weeks’ period cannot be compensated, accrued time may be carried over to the next four weeks’ period and has to be compensated with high priority. A further transfer is not possible.

The above mentioned shifts or a combination of them (e.g. for TIO) shall be set out in the individual contract of each Local Staff Member.

Following Article RPL – III 1.02, due to operational requirements and after consultation of the Local Staff Member concerned a modification in the timetable may be made provided that:

- the number of working hours per day does not exceed 11 hours,
- there are 10 consecutive rest hours after the end of the regular workday and the beginning of the next one.

II 2.02 Flexible working time and overtime

Overtime shall include any hours worked as requested in advance and approved by the **Director or a person holding the delegated authority** over and above 160 hours per 4 weeks. Overtime work shall be limited to a maximum of two hours per working day. It shall be performed either within **five hours** after the end or two hours before the start of the regular working time.

Overtime shall be calculated to the nearest half-hour; half-hours which are not completed shall not be counted.

Compensation for overtime and supplements for official holidays or Sunday shall be applied as follows:

| | Overtime | Sunday or Official Holiday |
|----------|--|--|
| GRADES | Hours performed after the regular working time | Overtime hours performed on a Sunday or Official Holiday (from 00:00 to 24:00 hrs) |
| A1 to B3 | 150% | 75% |

II 2.03 Compensation of overtime

Overtime shall be paid or compensated, at the Local Staff request. Claims related to the payment/compensation of overtime cannot be presented after six months from the date in which such overtime was done.

Within a period of three months the Local Staff Member may choose between compensatory leave or payment of overtime. After the expiration of the three months' period, and if the compensatory time has not been taken, the remaining part shall be paid with the next payroll run.

II 2.04 Work in case of emergency

In an emergency (RPL-III 1.01) the working hours may be extended. Emergency work shall include any hours worked as requested by the **Director or a person holding the delegated authority**. Emergency work performed outside of the regular working hours shall be compensated as follows:

Work performed between the end of the regular daily working time until 24:00 hrs and work performed two hours before the start of regular daily working time shall be compensated as overtime (Article II 2.02).

Work performed between 0:00 and two hours before the start of the regular daily working time shall be paid at 200% of the basic hourly rate (Article II 2.08). If the work performed exceeds two hours, an additional compensation at the rate of 1:1 of the working hours actual performed shall apply, either in form of a delayed start or in an earlier end of the daily regular working time on the same day. In case the compensation cannot be taken due to nature of the emergency or because of the end of the working shift the working hours performed shall be paid or compensated in leave at 100%.

Emergency work shall be calculated to the nearest half-hour; half-hours which are not completed shall not be counted.

II 2.05 Sunday work

Time worked on request of the **Director or a person holding the delegated authority** between 00:00 hrs and 24:00 hrs on a Sunday outside the regular working schedule shall be deemed to be Sunday work.

Sunday work shall be paid at 175% of the basic hourly rate (Article II 2.08) for members of the personnel in Grades A to C inclusive. It shall not be cumulative with compensation for night work and work in case of emergency (Article II 2.04).

II 2.06 Official holiday work

Time worked on request of the Director or a person holding the delegated authority between 00:00 hrs and 24:00 hrs on an official holiday, shall be deemed to be official holiday work.

Official holiday work shall be paid at 175% of the basic hourly rate (Article II 2.08) for members of the personnel in Grades A to C inclusive. It shall not be cumulative with compensation for night work, Sunday work, and work in case of emergency (Article II 2.04). By definition, if the official holiday falls on Sunday, Sunday work prevail.

II 2.07 Night work

Time worked between 20:00 hrs and 07:00 hrs of the following day shall be considered night work for Local Staff Members working on 5/2 and 8/6 turnos.

Night work shall be paid at 10% of the basic hourly rate (Article II 2.08) for members of the personnel in Grades A and B. This compensation shall be paid proportionally to the number of nights only if more than 33% of the regular working timetable of the staff member is executed as night work.

II 2.08 Basic hourly rate

Basic hourly rate shall be equal to $1/173^*$ of the monthly basic salary (Article II 1.01).

* (52 weeks x 40 hours/12 months)

II 2.09 Compensation for official holidays during rest periods

If the rest period of a biweekly night shift (7/7) or 8/6 turno includes an official holiday this day shall be paid by 8 hours with the remuneration of the following month. Only official holidays falling between Monday and Friday are counted.

II 2.10 Stand-by duty

Stand-by duty shall be any service organised by the Director or a person holding the delegated authority in which one (or more) person(s) is(are) available in shifts, to exceptionally work outside his basic working hours, being inside or outside the duty station. The Local Staff Member concerned should be informed in writing in due time and equipped correspondingly (e.g. beeper or radio).

The work effectively performed, after receiving a stand-by duty call, shall be considered as overtime and payment shall apply according to Article II 2.02.

The minimum overtime to be considered once the stand-by duty call is received shall be half (½) an hour.

When the stand-by duty is required to be performed outside the duty station, the Organisation will provide the adequate transportation and communication means.

Transportation time shall be considered as time effectively worked.

II 2.11 Compensation for stand-by duty outside an Observatory

For each stand-by duty hour between 00:00 hrs on Mondays to 24:00 hrs on Saturdays the Local Staff Member shall receive an hourly compensation equivalent to 12.5% of the basic hourly rate.

For each stand-by duty hour on Sundays or any official holiday between 00:00 hrs and 24:00 hrs the Local Staff Member shall receive an hourly compensation equivalent to 20.0% of the basic hourly rate.

II 2.12 Compensation for stand-by duty performed at an Observatory

When the stand-by duty call is carried out at an Observation Centre outside the Local Staff Member's regular working timetable, on any day or time, the compensation shall be 6.25% of the basic hourly rate.

II 2.13 Compensation for VLTI Manager, Telescope Coordinator, Telescope and Instrument Start-up or Software Start-up*

Local Staff Members performing the functions of a VLTI Manager, Telescope Coordinator, Telescope and Instrument Start-up or Software Start-up within their work shift shall be paid a compensation for extra workload for each night such function is performed. Previous Articles II 2.10 - II 2.12 as above shall not be applicable.

VLTI Manager and Telescope Coordinator = CLP 37.200

Telescope and Instrument Start-up and Software Start-up = CLP 18.600

The compensation shall be adjusted according to the CPI variation (Article II 1.02).

[VLTI Manager and Telescope Coordinator Handbook V4.0](#) Doc. No.: LPO-PRO-ESO-22300-0004 Issue: 4.0 Date: 02.04.2014
[Telescope and Instrument Start-up Procedure V4.0](#) Doc. No.: LPO-PRO-ESO-22300-0005 Issue: 4.0 Date: 02.04.2014

II 2.14 Allowance for Fire Fighters/Rescue Group

Local Staff Members nominated by the Director or a person holding the delegated authority and performing the functions of fire fighters at an Observatory within their work shift shall be paid an annual CLP 274.100 actual amount compensation for the responsibility and additional time spent to train and update specific qualifications and physical fitness. The

payment shall be made in December of each year pro rata according to the months of service performed during the calendar year.

The compensation shall be adjusted according to the CPI variation (Article II 1.03).

The fire-fighters are covered by an additional accident/ death insurance policy for UF 1000.

II 2.15 Emergency coordinator allowance

A Local Staff Member nominated by the **Director or a person holding the delegated authority** who acts as emergency coordinator in the absence of the Safety Engineer of the respective Observatory during weekends or leave shall be compensated in accordance with Articles II 2.10 and 2.12 (Stand-by duty).

The compensation shall be based on full 24 hours per working day. The work effectively performed outside the basic working hours, after receiving a stand-by duty call, shall be considered as overtime. Compensation and payment shall apply according to Article II 2.02.

II 2.16 Official holidays

The following days are defined as official holidays:

- 1st January, New Year's
- Good Friday and Easter Saturday
- 1st May, Labour Day
- 21st May, the Battle of Iquique
- 16th July Day of the Virgin of Carmen
- Saint Peter and Saint Paul's Day
- 15th August, the Day of Ascension of the Virgin Mary
- 18th and 19th September, National Independence Days
- Columbus Day*
- National day of Evangelical and Protestant Churches (31 October)
- 1st November, All Saints' Day
- 8th December, the Day of the Immaculate Conception
- 25th December, Christmas Day
- 26th December.

* in case the Chilean Government decides to interchange the Columbus Day with the National day of Evangelical and Protestant Churches the Columbus Day will be abolished with immediate effect.

Section 3: Compensation in case of early termination of a contract

II 3.01 Termination of a contract

If a contract terminates due to reasons given in RPL – II 5.01 No. 2 to 6:

- Resignation of the Local Staff Member who shall inform the Director General in writing, indicating the last day of work taking into account a notice period of at least thirty days;
- Death of the Local Staff Member;
- Expiry of a fixed-term contract;
- Termination of the work or service which gave origin to the contract;
- Fortuitous cases or force majeure.

For the first two years of service the Organisation shall pay the Local Staff Member a compensation of half (1/2) monthly basic salary per completed year.

For service longer than two years one (1) monthly basic salary accrued for every year of service, and a fraction for service above six (6) months continuously rendered to the Organisation, with a maximum of 18 months.

II 3.02 Probation period

Thirty days of notice for resignation and dismissal shall apply to the probation period. In case of dismissal the Organisation shall pay the staff member a compensation equivalent to 25% of the monthly basic salary.

II 3.03 Advance payments on termination indemnity

A Local Staff Member holding an indefinite contract with the Organisation may be granted an advance payment of up to 50% of his accrued indemnities according to RPL - II 5.07 based on his years of service. Such an advance payment may be requested only for the following reasons:

1. A catastrophic disease of a member of the family of a Local Staff Member as defined in RPL – IV 1.05.
2. The purchase or enlargement or a major repair of a home (where the Local Staff Member lives), which will be evidenced by the submission of a quotation describing the works to be performed and the value of the house.
3. Payment or pre-payment of a mortgage loan of a home upon submission of the relevant certificate of a financial institution.

In all cases a corresponding proof has to be given.

The advance shall be expressed in Unidad de Fomento (UF) valid on the date it is actually paid to the Local Staff Members. The advance shall be deducted from the indemnity payment at the end of the contract on the basis of the validity of the UF on the date the termination indemnity is actually paid.

In case of dismissal without indemnities RPL - II 5.02 the Organisation is entitled to deduct all outstanding payments immediately and the Local Staff Member is obliged to reimburse the remaining amount before the end of his contract, unless the dismissal has been declared unfair.

II 3.04 Special indemnity

A Local Staff Member shall be entitled to a special indemnity for each year of service to the Organisation. The special indemnity is a percentage of one basic salary for each full year of service.

This indemnity is intended to compensate for any additional indemnities the Staff Member may request at the end of his duties, and will be paid in addition to the indemnities foreseen in this Collective Contract and Regulations - Local Staff Members in Chile.

The yearly entitlement of the special indemnity shall be compensated in advance within the respective year. Due to this yearly advanced payment accumulation of years is excluded and the special indemnity is not subject of any re-calculation at the end of the contract.

The special indemnity per full year of service for Local Staff Members shall be 55% of one monthly basic salary.

The indemnity will be paid with the salary for the month of December of each year:

- based on the basic salary table applicable in December of each year.
- The payment will be made pro rata according to the full months of service between 1st January and 31st December of each year and will also take into account the number of months of service in the above mentioned scale. If the contract stipulates a working week less than 40 hours the indemnity shall be reduced accordingly.

II 3.05 Special indemnity in case of resignation and dismissal

The indemnity shall not be paid if a Local Staff Member resigns before 1st December of the respective year nor in cases covered by Article RPL II – 5.02 of the Regulations – Local Staff Members, dismissal without indemnity, unless it has been declared unfair.

II 3.06 Salary advances

In exceptional duly justified circumstances, the Local Staff Member may receive an advance not exceeding two monthly basic salaries, reimbursable in maximum 12 monthly instalments. In case of an advance due to medical reasons the reimbursement may be extended up to 24 monthly instalments.

The Local Staff Members may receive an advance for the purchase, repair, enlargement or renovation of home (where the Local Staff Member lives). The advance shall not exceed CLP 3.600.000 and shall be reimbursable in up to 18 instalments. A corresponding proof of the requested amount has to be provided.

All instalments shall be adjusted in the same manner as the table of the Basic Salaries.

It shall be assured that the total amount of instalments to reimburse advances shall in total not exceed 25% of the monthly remuneration.

CHAPTER III: Leave

Section 1: Annual leave

III 1.01 Annual leave period

A Local Staff Member shall be entitled during any leave year to annual leave of two and a half working days per month of service. One day of annual leave corresponds to eight working hours (e.g. a regular working day of 10 hours corresponds therefore to 1,25 leave days.).

A Local Staff Member, who currently has the right given by the system of progressive annual leave to more than thirty days leave, will have this number of leave days frozen.

Annual leave shall not accrue during periods of leave without pay.

III 1.02 Annual leave during the first and last month of employment

The annual leave entitlement for the first and last month of service shall be proportional to the number of days of service accomplished during the months concerned, rounded to the nearest half day.

III 1.03 Vacation bonus

The vacation bonus shall be replaced by a fixed amount of CLP 824.000 per each annual leave year worked, which will be included and paid jointly with the special indemnity ruled under article II 3.04, in advance in December of each year.

If the contract stipulates a working week of less than 40 hours the fixed amount shall be reduced proportionally.

The fixed amount shall be adjusted according to the CPI variation (Article I 1.02).

In the event that the Local Staff Member leaves the Organisation for any reason during the respective leave year, the proportion of the advance paid shall be deducted from termination indemnities.

III 1.04 Carry-over of annual leave

A Local Staff Member shall not carry over more than 20 days of leave to the following leave year.

Section 2: Special leave

III 2.01 Special leave in the event of serious illness

Special leave with pay (one working day of special leave corresponds to eight working hours) may be granted to a Local Staff Member in the following events:

1. Up to four (4) working days per leave year in the event of serious illness of -: dependent child(ren), spouse, parents and siblings when the need of the presence of the Local Staff is substantiated by a medical recommendation.
2. A single Local Staff Member (including de facto separated) bringing up his/her child(ren) on his/her own shall be granted in addition three (3) working days in case of a serious illness of his/her child(ren) substantiated by a medical recommendation.

III 2.02 Special leave due to family

Local Staff Members shall be granted special leave with pay for the following family events (8 working hours each one):

| | |
|---|-----------------|
| - Marriage of the Local Staff Member | 5 working days |
| - Birth/adoption of a child of a Local Staff Member | 10 working days |
| - Death of spouse or child | 7 working days |
| - Death of parents or siblings or a miscarriage | 3 working days |

The above leave shall be taken as a single period within 30 calendar days before or after the event and have to be duly justified.

A male Local Staff Member may use the leave or remaining leave as established in RPL - II 3.13 and 3.15 should the mother of the child of the Local Staff Member die during birth or during the subsequent maternity leave, for the purpose of caring for his child. He shall have the right to the protection stipulated in RPL - II 3.13.

III 2.03 Special leave for a female Local Staff Member

Following RPL - II 3.17 a female Local Staff Member assigned to an Observatory shall have the possibility to take within each actually worked 8/6 turno or biweekly shift 8 hours or within a 5/2 working schedule 5 hours special paid leave in order to take care of her child(ren). This entitlement ceases when the child(ren) reach(es) the age of two years. In case of a positive working time balance, the female Local Staff Member has the possibility to compensate up to one turno (5/2 or 8/6). Alternatively, the female Local Staff Member can choose to compensate a total entitlement of two (2) months paid leave within this period of two (2) years. This leave has to be taken immediately after maternity/parental leave.

III 2.04 Pregnancy

During pregnancy a female Local Staff Member, usually performing tasks which are considered as harmful for her health, shall be temporarily assigned to tasks compatible with her condition without the reduction of her remuneration. The following tasks are considered as harmful for the health during pregnancy, which:

- a) force to lift, drag or push heavy weights;
- b) require a physical effort, including the fact to remain standing long time;
- c) are performed at night;
- d) are performed on overtime or
- e) tasks which are declared as harmful to the health by the medical advisor of the Local Staff Member in agreement with ESO's medical advisor.

In any case, ESO may request an evaluation of the working conditions by ESO's medical advisor. The cost shall be borne by ESO.

III 2.05 Maternity leave/Parental leave

1. Female Local Staff Members shall be entitled to parental leave of 12 full time weeks after the maternity leave during which they will receive a subsidy (incl. social security contributions) by the Chilean Government and ESO will bear no cost.

Female Local Staff Members assigned to the Vitacura office in Santiago and considering the operational requirements may choose to take the 12 full time leave weeks mentioned above or 18 weeks of part time leave after the maternity leave during which they will receive 50% of the subsidy by the Chilean Government and 50% of the remuneration stipulated in the employment contract with ESO.

2. Female Local Staff Members adopting a child aged less than 6 months shall be entitled to maternity leave of 12 weeks and parental leave of 12 full time leave weeks and female Local Staff Members adopting a child aged over 6 months and under 18 years

of age shall be entitled to parental leave of 12 full time leave weeks during which they receive a subsidy by the Chilean Government and ESO will bear no cost.

Female Local Staff Members adopting a child under 18 years of age and assigned to the Vitacura office in Santiago and considering the operational requirements may choose between the 12 weeks mention above or 18 weeks of part time leave of parental leave during which they will receive 50% of the subsidy by the Chilean Government and 50% of the remuneration stipulated in the employment contract with ESO.

3. If the female Local Staff Member wishes to pass part of the benefit to the natural father, and if she has opted to take 12 weeks of full-time leave, she can pass up to 6 weeks of leave to the natural father, or, if she has opted to take 18 weeks of part-time leave, the natural father can receive up to 12 weeks of leave, also on a part-time basis. In both cases the amount of the subsidy is based and has to be calculated from the natural father's salary.
4. If the natural father is a Local Staff Member of ESO the options as outlined in N° 1 will be applied. The natural father has the right to protection from dismissal for a period equivalent to twice the duration of his parental leave taken, starting from the 10 days before use thereof begins.
5. 30 days before the start of the parental leave, the female Local Staff Member shall notify Human Resources in writing of her decision that she will make use of her parental leave for 12 full weeks or 18 weeks of part time leave and if she wishes to pass part of the parental leave to the natural father.

Weeks must be understood as 7 consecutive days starting the day after the termination of maternity leave.

During the parental leave, the contribution to the Welfare Fund shall be paid in full, independently of the leave option chosen by the female Local Staff Member.

III 2.06 Possible reassignment to Vitacura office

A female Local Staff Member with duty station at one of the Observatory sites may be granted a temporary reassignment to the Vitacura office after maternity leave/parental leave/adoption if the reassignment is compatible with the operational requirements and her assignment. It shall cease latest at the end of the month in which the child(ren) reach(es) the age of two (2) years.

III 2.07 Special leave after maternity leave/adoption

Special unpaid leave may be granted to a Local Staff Member in order to take care of her newborn/adopted child(ren) up to the age of two year. It shall be granted only after the maternity/parental leave and annual leave entitlements have been exhausted. It shall be requested in due time.

III 2.08 Part-time work

Considering the operational requirements a Local Staff Member may be granted part-time work (e.g. 50% or 75%). According to the contractually agreed part-time the salary, the bonuses, grants and indemnities shall be adjusted correspondingly.

III 2.09 Judicial duties

A Local Staff Member required to discharge judicial duties may obtain special leave with or without pay. A corresponding proof has to be provided.

III 2.10 Mandatory civic duties

The Organisation shall grant special leave with pay and shall provide the necessary transportation and logistics for Local Staff Members to carry out mandatory civic duties.

III 2.11 Administrative purposes

Two (2) working days per leave year may be granted to a Local Staff Member assigned to an Observation Centre on a 5/2 shift for administrative purposes. The reason of the special leave has to be indicated on the leave request.

III 2.12 Participation at ESO committees

If a Local Staff Member has been requested by the Organisation to participate at ESO committees or is elected by his/her peers to represent them in said committees and has been duly authorised by his/her **Director or a person holding the delegated authority**, the time worked outside the regular working schedule shall be credited at the rate of 1:1.

CHAPTER IV: Special conditions regarding to specific functions and duties

Section 1: Compensation for mountain work

IV 1.01 Mountain allowance

A Local Staff Member with duty station at an Observatory shall receive a mountain allowance calculated according to his working schedule (Article II 2.01) as proportion of his monthly basic salary (Article II 1.01):

| | |
|------------------------------|-------|
| Bi-weekly shifts 8/6 and 7/7 | 14.5% |
| 5/2 shifts | 19.5% |

or combinations of them.

IV 1.02 Part-time assignment to Observatories

A Local Staff Member contractually assigned to and performing a minimum of two calendar days of his/her working time per month on an Observatory or on Observatories shall receive a mountain allowance of 1% of his basic salary (Article II 1.01) per calendar day, up to a maximum of 20% of the monthly basic salary.

IV 1.03 Full-time assignment to Observatories

A Local Staff Member who is assigned full-time to an Observatory shall receive the full mountain allowance.

IV 1.04 Duties on High altitude (Chajnantor)

A Local Staff Member with duty station at Sequitor/APEX shall receive due to duties on high altitude an allowance of 12% of his/her monthly basic salary. The allowance shall be paid each month with the monthly salary payment.

IV 1.05 Part-time assignment of duties on high altitude (Chajnantor)

For the time actually worked on high altitude on Chajnantor per request of the **Director or a person holding the delegated authority** the Local Staff Member shall be paid at 12% of the basic hourly rate (Article II 2.08) per hour worked. Actually worked time includes the time of transport to and from Chajnantor to Sequitor. This does not apply to Local Staff Members as defined in Article IV 1.04.

IV 1.06 Suspension of the mountain allowance and the allowance for duties on high altitude

The payment of the mountain allowance shall be discontinued starting after 60 continued days of absence from the Observatory and until the Local Staff Member returns. For duties on high altitude the allowance shall be discontinued starting after 30 continued days of absence from the Observatory and until the Local Staff Member returns. This is applicable for absences justified by medical certificates and special leave.

It does not apply:

- if the absence justified by a medical certificate is caused by a work accident or occupational illness,
- during pregnancy and maternity leave,
- for trainings and missions abroad originally planned for less than three months.

IV 1.07 Invitation of members of the family

A Local Staff Member may invite members of the family (spouse and/or dependent children) for up to two nights during Christmas or New Year at an Observation Center, provided the Local Staff Member has to stay on the mountain for duty reasons.

The costs of transportation (bus ticket) between the pick-up points to the respective Observatory Centre as well as lodging and meals shall be borne by the Organisation. In case of air travel and upon presentation of the corresponding receipts, the Organisation reimburses the travel expenses up to the value of the bus transfer (Premium/Salon Cama).

The Local Staff Member has to assure that the members of the family comply with the applicable rules and regulations, in particular concerning transportation and safety, during their stay on the mountain. For organisational and in particular safety reasons, the Organisation may cancel the authorisation at any time. The visit application should be submitted 14 days in advance to the Director of the Observatory.

Claims related to the reimbursement of the above cost cannot be presented after three months from the date on which the visit took place.

IV 1.08 Working clothes

Local Staff Members assigned to an Observatory shall receive adequate working clothes and shoes, as recommended by the Safety Commission. Upon receipt of the new clothes and shoes, the Local Staff Member shall return the ones being replaced.

Section 2: Transportation and meal allowance for Staff Members working at an Observatory

IV 2.01 Board and lodging at Observatories

Local Staff Members with duty station at an Observatory shall receive, while on duty, meals and lodging from the Organisation.

IV 2.02 Transportation to Observatories (Commuting)

A Local Staff Member assigned to an Observatory whose contractual pick-up point is outside the Region in which the Observatory is located

1. shall be entitled to transportation by air travel between the pick-up point Santiago Airport and La Serena or Antofagasta or Calama,
2. shall be entitled to air transportation between the pick-up point La Serena and Antofagasta or Calama only if the flight itinerary is compatible with the ESO's official transport schedule and its arrival and departure time. Alternatively, if the staff decide to travel the day before/after in order to comply with such schedule, the overnight will not be covered by ESO.
3. shall be entitled
 - a. to air transportation between the pick-up point La Serena and Santiago airport and then to Antofagasta airport or Calama airport, as long as the flight itinerary be compatible with the ESO's official transport schedule and its arrival and departure time.
 - b. Alternatively, and in order to comply with such schedule, the travel between La Serena and Santiago could be done by air the previous day but in this case ESO will not cover the overnight.
 - c. Local Staff Member shall further be entitled to the option of ground transportation (premium /salon cama) from La Serena to Santiago airport (pick-up point) plus air travel between Santiago airport and Antofagasta or Calama.
4. Shall be entitled to the option of ground transportation between pick up point La Serena and Antofagasta or Calama (premium/salon cama)
5. The Organisation shall provide ground transportation from the place of residence to the La Serena airport and return by taxi when traveling to Santiago or Antofagasta or Calama.

6. The ground transportation between La Serena and Santiago as well as the taxi system has to be organised by the Local Staff Member concerned. The Organisation will reimburse the corresponding bus tickets/taxi receipts. The flights will be organized by ESO.

IV 2.03 Ground transportation (Commuting)

The Organisation shall provide ground transportation for Local Staff Members residing within the Santiago area (defined in Attachment 1), from the place of residence¹ to the Santiago airport (pick-up point) and return by taxi when traveling to La Serena or Antofagasta or Calama.

The Organisation shall provide ground transportation between pick-up points La Serena/Coquimbo and La Silla Observatory, pick-up points Antofagasta and Paranal Observatory, and pick-up points Calama and APEX/Sequiton at the beginning and the end of regular work shifts for Local Staff Members residing in the Regions of the Observatories they are related to.

If a taxi is used for the above defined transportation it has to be shared by up to three Staff Members. The taxi shall go the most possible direct route.

Transportation at the end of regular work shifts shall not be scheduled later than two (2) hours after the end of the respective shift. The Organisation shall have due consideration of flight connections when deciding the departure time of vehicles from the Observatories.

IV 2.04 Delayed transport

In the event of a delay in the transportation organised by the Organisation the lost working time due to such delay shall be considered as time effectively worked.

In the event of a delay in the transportation from the Observatory to the pick-up point of more than five hours the exceeding time shall be considered as working time and added to the compensatory leave account. The compensation has to take place within three months. A maximal compensation is limited to one working day. Compensation in money is not possible at all.

IV 2.05 Lunch and Transport Allowance for duty stations: Santiago, La Serena or Antofagasta

Local Staff Members with duty station Santiago, La Serena, Antofagasta shall receive a lunch and transport allowance of CLP 181.000 per month. The allowance shall be adjusted according to the CPI variation (Article II 1.02).

Local Staff Members assigned for a minimum of 25% of their monthly working time to the duty stations Santiago, La Serena or Antofagasta shall receive the equivalent proportion of the allowance.

¹ Same application from central bus station Santiago

The payment of the allowance shall be discontinued after 30 continued days of absence from the duty station and until the Local Staff Member returns. This is applicable for absences justified by a medical certificate and special leave.

It does not apply:

- if the absence justified by a medical certificate is caused by a work accident or occupational illness,
- during pregnancy, maternity leave,
- for trainings and missions abroad originally planned for less than three months.

Section 3: Removal expenses, installation grant

IV 3.01 Removal expenses

Local Staff Members not residing in the Region of their work sites shall be granted a removal allowance in accordance with RPL - IV 1.09 or in case of a contractual change of his pick-up point shall be reimbursed per family a single removal of furniture and personal effects from a single place to another single place, within the following limits:

| | |
|--------------------------------|------------------|
| Head of family (RPL - IV 1.04) | 40m ³ |
| Single | 25m ³ |

The above ceilings shall be increased by 2m³ for each dependent child.

The Local Staff Member shall submit three removal estimates. The reimbursement of expenses shall not exceed the amount approved by the Organisation, less any other assistance with removal expenses.

The Organisation shall insure the furniture and personal effects of the Local Staff Member or shall reimburse the costs for the necessary insurance but shall accept no other liability.

Removal expenses shall be paid to Local Staff Members whose contracts are not extended or are terminated by the Organisation for reasons other than disciplinary. The reimbursement shall not exceed the expenses of the removal to the former place of residence.

IV 3.02 Installation grant

After the successful completion of the probation period (RPL - II 1.15) or on transfer to another duty station, a Local Staff Member who is entitled to the reimbursement of removal expenses shall receive an installation grant. In case a Local Staff Member does not do a removal he/she shall declare it in writing and receive the corresponding installation grant. Only one such grant shall be payable per family.

A Local Staff Member who resigns during his first year shall repay this grant. The same applies to a Local Staff Member in case no removal was done within the period mentioned below.

IV 3.03 Ceilings of the installation grant

Decisive is the family situation on taking up duty or being transferred. Only those members of the family who take up residence with the Local Staff Member within 18 months of the commencement of his duties shall be taken into account:

| | <u>Number of monthly basic salaries:</u> |
|---------------------------------------|--|
| Non-Head of Family | 1 |
| Head of Family | |
| - without dependent children | 2 |
| - with one dependent child | 2 1/2 |
| - with two or more dependent children | 3 |

IV 3.04 Installation grant - taking up duty

Half of the installation grant shall be paid when the Local Staff Member takes up duty or is transferred. The remainder shall be paid at the time of the removal, but not later than 18 months after having taken up duty or being transferred.

IV 3.05 Definition of family members

Following the definition of RPL - IV 1.05 the members of the family are the spouse, the dependent children up to the age of 25 years and dependent children, who are permanently unable to support themselves for reasons of health, without age limit.

IV 3.06 Re-installation grant

Upon departure a Local Staff Member shall be entitled to a re-installation grant at the same amount as indicated in Article IV 3.03, provided that:

1. a removal was carried out at the time of taking up duty with the Organisation , in accordance with Article IV 3.01 or in case a Local Staff Member did not make use of the removal entitlement he/she has declared it in writing and receive the corresponding re-installation grant,
2. the Local Staff Member has not been dismissed for one of the reasons set out in RPL - II 5.02, provided the dismissal has not been declared unfair,
3. the Local Staff Member has not resigned, and
4. the Local Staff Member returns
 - to the former place of residence before taking up duty with the Organisation, or
 - to a place not less than 50 km (measured in a straight line) from the place of residence at the time of departure from the Organisation.

IV 3.07 Reimbursement of expenses on duty travel within Chile

In the event a Local Staff Member needs to perform a duty travel within Chile the necessary expenses for meals, lodging and transport shall be reimbursed by the Organisation upon presentation of the receipts. All further expenses are covered by a subsistence rate of 10% for Chile elsewhere (table of subsistence allowance currently applicable for ESO) for each full period of 24 hours. The subsistence allowance shall be paid only if the place of duty is more than 100 km away from both the place of residence and the duty station. It does not apply to travels to and from the Observatories from whatever place.

IV 3.08 Duty travel abroad

In the event a Local Staff Member has to perform a duty travel outside Chile a daily subsistence allowance shall be paid in line with the applicable Regulations by the Organisation.

On request of a Local Staff Member a travel advance shall be granted up to 90% of the expected subsistence allowance.

The Organisation provides travel insurance for a Local Staff Member travelling abroad for duty reasons. The detailed coverage is defined in Attachment 2 of the present Collective Contract. This does not apply to a Local Staff Member on mission in case he is already covered by ESO's health insurance "Vanbreda".

Section 4: Zone allowance for the II Region

IV 4.01 Zone allowance for the II Region

Local Staff Members whose duty station are Paranal or Antofagasta and with contractual and actual residence in the II Region of Chile shall receive a monthly zone allowance of 22% of the monthly basic salary. A corresponding proof of taking up residence in the II Region has to be given to the Organisation. If two spouses are both members of the personnel, they shall receive one zone allowance only to be paid to the one receiving the higher basic salary.

Section 5: Telescope and Instrument Operators (TIO)

IV 5.01 Working schedule

The Telescope and Instrument Operators may work on Biweekly Shifts (8/6) or Biweekly Night Shifts (7/7).

When working on Biweekly Night Shifts, the daily working timetable shall be from sunset to sunrise.

During the regular working hours in Biweekly Night Shifts, the Local Staff Member shall dispose, subject to the Observation's programme requirements, of 60 minutes of time during which he may leave his workplace. This break will be taken preferably between 00:00 hrs and 02:00 hrs.

IV 5.02 TIO allowance

A Telescope and Instrument Operator (TIO) with full time assignment to biweekly night shifts shall receive monthly 30% of his basic salary as a TIO allowance.

A Local Staff Member assigned to less time shall receive the equivalent proportion of the allowance corresponding to the number of night shifts performed as mentioned in Article IV 5.01.

In accordance with the current working schedule a percentage rate per Observatory shall be applied as defined in Attachment 3.

The calculated percentage takes into consideration the average presence time, including annual leave and the average for short-term absence.

The payment of the allowance shall be discontinued after 30 continued days of absence from the duty station and until the Local Staff Member returns. This is applicable for absences justified by a medical certificate and special leave.

It does not apply:

- if the absence justified by a medical certificate is caused by a work accident or occupational illness,
- during pregnancy and maternity leave,
- for trainings and missions abroad originally planned for less than three months.

Section 6: Recreational, cultural and social activities

IV 6.01 Recreational, cultural and social activities

The Organisation shall promote and establish an adequate budget for recreational, sport and cultural activities at each different establishment.

The Director of the Observatory shall designate a commission whose mission shall be to coordinate and schedule these activities on the Observatories. At the same time, the Deputy Head of Administration shall make this designation in Vitacura.

IV 6.02 Christmas gifts bonus

During the month of December of each year the Organisation shall grant a Christmas gifts bonus allowance of CLP 76.000 to a Local Staff Member for each child up to 14 years of age. The bonus shall be adjusted according to the CPI variation as defined in Article II 1.02.

CHAPTER V: Social benefits

Section 1: Medical examination

V 1.01 Medical examination

Every calendar year a Local Staff Member shall undergo an annual medical check-up. The Local Staff Member shall be provided with the result of the medical examination.

The cost of this medical check-up shall be borne by the Organisation.

The Organisation shall grant special leave to undergo this check-up, when requested.

In addition and until 30th November 2017, the Local Staff Member may voluntarily undergo a medical check-up.

These examinations shall include the following tests:

- Complete Urine Test
- Prostate Antigen
- Mammography
- Chest X-Ray (optional)
- Stress Test
- Medical check-up
- Questionnaire on altitude experience
- Blood test
- Low creatinine levels
- Glycemia
- Lipid profile
- Chagas

In case the medical examination is taking place in Santiago it shall be done in Clinica Alemana only in coordination with Human Resources Department.

The cost of this medical check-up shall be supported by the respective applicable Health Insurance scheme (Isapre/Fonasa) of the Local Staff Member. Costs not reimbursed shall be borne by the Organisation.

If the voluntary examination is used by the Local Staff Member it may replace the obligatory annual medical check-up in the respective year. Thus, it should be planned in due time. A certificate justifying the fitness for work shall be provided.

V 1.02 Insurances

The Organisation shall contract the following Insurances for each Local Staff Member to cover:

| | |
|--------------------------|--------------|
| 1. Natural Death | 1.000 UF |
| 2. Accidental Death | 38.000 Euros |
| 3. Accidental Invalidity | 38.000 Euros |

Section 2: Subsidies for sick leave

V 2.01 Sick leave

Local Staff Members shall be put on sick leave when they are unable to perform their duties by reason of sickness or injury, or when undergoing medical examinations or treatment, or when Public Health restrictions prevent their attendance. Local Staff Members registered with a Chilean health insurance scheme have, in addition, to observe the Rules and Regulations of this institution, in particular with respect to the duration and the general medical supervision of the sick leave.

A Local Staff Member who is absent because of illness shall immediately inform his supervisor or person with equivalent authority. For any absence because of illness of more than two consecutive calendar days a Local Staff Member shall submit a medical certificate.

During annual leave or compensatory leave, sick leave shall be granted only on presentation of a medical certificate.

If a Local Staff Member has taken sick leave for up to two (2) days as mentioned above but totaling seven (7) calendar days within the annual leave period, any further absence because of illness during that same period shall be supported by a medical certificate. Non-compliance with this requirement will be considered as annual leave or charged as special leave without pay if the annual leave is exhausted.

Subject to provisions as previously set out, Local Staff Members shall be entitled during any period of 24 months to 180 days of cumulative sick leave on full pay followed by 180 days of cumulative sick leave on two thirds pay (2/3), then followed by direct payments of the respective individual health insurance scheme.

The Organisation shall receive the corresponding benefits from any Chilean Social Security Scheme to which the Local Staff Members are entitled.

Section 3 Financial support in case of death

V 3.01 Financial support in case of death

In the event of the death of a Local Staff Member, the Organisation shall pay to the beneficiary(ies) designated by the Local Staff Member a lump sum equal to three monthly basic salaries of the deceased Local Staff Member.

In case of death of a member of the family (RPL – IV 1.05) or a child up to the age of 35 or a parent of the Local Staff Member the Organisation shall grant CLP 385.000 to the Local Staff Member to contribute to the funeral costs. Concerning the latter, if two or more Local Staff Members are entitled to this allowance, the allowance shall be paid to the one receiving the lower basic salary.

Section 4: Welfare Fund

V 4.01 Welfare Fund

An ESO Welfare Fund (WF) is established for the Local Staff Members who voluntarily subscribe to it.

Its purpose is to provide help to its members to facilitate the financing of medical expenses as specified in the WF regulations.

V 4.02 Financing of the Welfare Fund

The WF shall be financed by contributions from the WF members and the Organisation, according to its Regulations.

V 4.03 Welfare Fund Regulations

The WF Regulations shall specify the financial contribution of the Organisation and WF members, the conditions under which the Local Staff Members may join the WF, the benefits they may be entitled to, and the provisions, compositions and tasks related to the management of the Fund.

Section 5: Education Grant

V 5.01 Entitlement

Local Staff Members with a contract of not less than one year shall receive an education grant for each dependent child attending full time an educational establishment recognised by the Ministry of Education of the Republic of Chile or, in the case of studies abroad, by the competent organisation.

The grant shall be payable from the first day of the month in which the child reaches the age of three (3) and, except in the case of a disabled child, it shall cease at the end of the academic year in which the child reaches the age of 25.

V 5.02 Reimbursement and ceilings

The amount shall be determined as follows:

1. For each child attending a pre-school educational establishment during the academic year:

75% of the school enrolment, tuition fees, transport costs and half board up to a maximum of CLP 1.810.000 per annum.

If the Ministry of Education of the Republic of Chile shall recognise the education of pre-school/kindergarten as obligatory and/or part of the primary school, the ceiling of No. 2 of this article shall be applied with the starting of the defined age.

2. For each child attending a primary or secondary school or university or higher technical establishment, during the academic year:

75% of the school enrolment fee, tuition fees, boarding, transportation (only applicable for primary and secondary school), and lodging costs* up to a maximum of CLP 4.250.000 per annum.

3. For each child of a female Local Staff Member with a full time assignment attending a Jardín Infantil or a Sala Cuna regulated by Junta Nacional de Jardines Infantiles (JUNJI), a grant of 100% of the monthly fees shall be reimbursed. The grant shall be payable from the first day of the month in which the Local Staff Member takes up duty after maternity leave. It shall cease at the end of the month in which the child reaches the age of three (3) years. No further costs shall be reimbursed.

If due to the death of the wife a male Local Staff Member has to take care of his child he shall receive the same support and entitlement.

The ceilings shall be adjusted according to the CPI variation (Article II 1.02).

*Lodging means the monthly rent cost only. Corresponding receipts have to be provided.

V 5.03 Requests for reimbursement

The corresponding receipts shall be grouped in such a way that no more than three (3) requests for reimbursement per Local Staff Member shall be presented per year.

V 5.04 Reduction of ceilings

The maximum ceilings shall be reduced pro rata temporis if:

1. the child does not attend the educational establishment for the whole of the academic year;
2. the contract of the Local Staff Member does not cover the entire academic year due to reasons other than death.

In the event of death of the Local Staff Member the right to an education grant shall continue until the end of the academic year.

If this death prevents the child from attending the establishment, any forfeit payable shall be regarded as school tuition fees.

V 5.05 Disabled children

Notwithstanding any provision to the contrary, expenses connected with the training of disabled children – declared as such by a competent authority recognised by the Republic of Chile – in an establishment in Chile shall be reimbursed as follows, after the deduction of any assistance obtained from any national social security scheme:

- a) 100% reimbursement, without any ceiling, of the expenses incurred in training or apprenticing of the child or its permanent or temporal lodging in a specialised institution (including holiday homes, day nurseries and recreational facilities organised specifically for disabled children).
- b) 100% reimbursement, without any ceiling, of the cost of full or half board, in one of the establishments mentioned above, without any restriction on the distance from the parents' residence.
- c) If the establishment concerned is located at a distance of more than 40km from the parents' residence, reimbursement of travelling expenses for the child and one companion, four times per year.
- d) 100% reimbursement, without any ceiling, of daily travelling expenses for the purpose of training, occupation or treatment as an outpatient, within a radius of 40 km.

Section 6: Voluntary contribution to the Chilean Pension Scheme (AFP)

V 6.01 Entitlement

Local Staff Members holding an indefinite contract shall receive a monthly voluntary contribution to the Chilean Pension Scheme (AFP) only if the Local Staff Member agrees to contribute or already contributes her/himself monthly to the latter scheme by a minimum of 50% of one (1) Unidad de Fomento (UF). For future Local Staff Members who are granted an indefinite appointment the contribution, based on the condition as mentioned above, shall be payable from the first day of the month of their indefinite appointment.

V 6.02 Voluntary contribution

The amount shall be determined as follows:

1. Each Local Staff Member shall receive a monthly contribution paid by ESO of one (1) UF. The corresponding amount shall directly be transferred together with the Local Staff Members contribution to the Chilean Pension Scheme (AFP).
2. If the Chilean Government in the future shall oblige ESO to contribute to the AFP scheme, the corresponding contribution shall be deducted from the above mentioned amount.

Director General of ESO

Tim de Zeeuw

Santiago, 20 October 2014