LABOUR CODE

OF THE REPUBLIC OF ARMENIA

Adopted on 9 November 2004

SECTION 1

GENERAL PROVISIONS

CHAPTER 1

LABOUR LEGISLATION AND RELATIONS REGULATED THEREBY

Article 1. Relations regulated by the Labour Code of the Republic of Armenia

1. This Code regulates collective and individual employment relations, defines the grounds for origin, change and termination of such relations and the procedure for their implementation, rights and obligations of the parties to employment relations, their liability, as well as the conditions for ensuring the safety and health care of employees.

2. Peculiarities for regulating separate spheres of employment relations may be defined by law.

Article 2. Objective of the labour legislation

The objective of the labour legislation is to:

(1) define the state guarantees for employment rights and freedoms of natural persons, i.e. citizens of the Republic of Armenia, foreign nationals and stateless persons (hereinafter referred to as “the citizens”);

(2) contribute to the creation of favourable working conditions;

(3) protect the rights and interests of employees and employers.

Article 3. Principles of the labour legislation

1. The main principles of the labour legislation are the following:

(1) the freedom of work, including the right to work (which everyone freely chooses or freely agrees to), the right to dispose of his or her working skills, to choose profession and type of activity;

(2) prohibition of forced labour of any form (nature) and of violence against the employees;

(3) legal equality of parties to employment relations irrespective of their gender, race, national origin, language, origin, nationality, social status, religion, marital status, age, beliefs or views, affiliation to parties, trade unions or non-governmental organisations, other circumstances not associated with the professional skills of an employee;

(4) ensuring the right to fair working conditions for every employee (including conditions ensuring safety and meeting hygiene requirements, right to rest);

(5) equality of rights and opportunities of employees;

(6) ensuring the right of every employee to fair remuneration in a timely manner and fully and not less than the minimum salary rate laid down by law;

(7) ensuring the right to freedom of association of employers and employees with others for the protection of employment rights and interests (including the right to form or join trade unions and employers' associations);

(8) stability of employment relations;

(9) freedom to collective bargaining;

(10) liability of the parties to collective agreements and employment contracts based on their obligations.

2. The state shall ensure the exercise of employment rights in accordance with the provisions of this Code and other laws. Employment rights may be restricted only by law, where it is necessary for national and public security, public order, protection of the health and morals of the public, protection of the rights and freedoms, honour and good reputation of others.

Article 4. Labour legislation and other legal acts

1. The employment relations in the Republic of Armenia shall be regulated by the Constitution of the Republic of Armenia, this Code, laws, other legal acts and collective agreements.

The labour legislation defines:

(1) the scope, objective and principles of the labour legislation;

(2) legal grounds for the exercise of the right to work;

(3) procedure and conditions of conclusion and implementation of collective agreements and employment contracts, as well as the liability of the parties based on their obligations;

(4) procedure and conditions of remuneration for work;

(5) the maximum duration of working time and minimum rest time;

(6) minimum size (limit) of privileges, benefits and guarantees;

(7) basic rules and norms of the health care and assurance of safety of employees;

(8) the rights and obligations, liability of representatives of employees — trade unions, representatives (entity) selected by the meeting (assembly) of employees, as well as unions of employers, the representatives thereof;

(9) legal grounds for the assurance of labour discipline;

(10) conditions and amounts (limits) of material liability;

(11) basic provisions on exercising control and supervision over the observance of the labour legislation.

2. Acts of state agency and local self-government bodies containing norms of labour law may be published only in the cases and within the limits provided for by the labour legislation.

3. Employers, in the manner prescribed by the legislation and within the limits of their powers, may adopt internal (local) and individual legal acts.

(Article 4 amended by HO-66-N of 19 May 2008, edited by HO-117-N of 24 June 2010)

Article 5. Internal and individual legal acts of an employer

1. Internal and individual legal acts of an employer shall be adopted in the form of orders or executive orders and in cases prescribed by the legislation — in the form of other legal acts.

Where internal and individual legal acts contain provisions that are less favourable than the conditions prescribed for the employees by labour legislation and other regulatory legal acts containing norms of labour law, such acts or the relevant parts thereof shall have no legal effect.

2. Internal legal acts shall be adopted when the internal disciplinary rules, work (shift) and rest timetables (schedules) of an organisation are approved, employees are involved in overtime work and duty, as well as in cases provided for by this Code and other legal acts.

3. Employer shall adopt individual legal acts aimed at regulation of individual employment relations.

4. The internal and individual legal acts adopted by the employer shall enter into force upon duly informing the concerned persons about that act, unless another time limit is provided for by those legal acts. One copy of an individual legal act on accepting for employment shall be delivered to the employee within three days following the adoption thereof.

5. The internal and individual legal acts adopted by the employer shall be preserved and archived in the manner prescribed by the legislation of the Republic of Armenia.

(Article 5 edited by HO-117-N of 24 June 2010)

Article 6. Regulation of employment and other relations directly associated therewith on a contractual basis

1. In accordance with the labour legislation and other regulatory legal acts containing norms of labour law, employment and other relations directly associated therewith shall be regulated through collective agreements and employment contracts concluded between employees and employers.

Collective agreements and employment contracts may not contain such conditions that deteriorate the state of employees as compared with the workplace conditions laid down by the labour legislation and other regulatory legal acts containing norms of labour law. Where the conditions laid down by collective agreements or employment contracts contradict this Code, the laws and other regulatory legal acts, these conditions shall have no legal force.

2. Where the labour legislation and other regulatory legal acts containing norms of labour law do not directly prohibit the parties to employment relations to establish by themselves mutual rights and obligations on a contractual basis, the parties, while establishing such rights and obligations on a contractual basis, shall be guided by the principles of justice, reasonableness and fairness.

Article 7. Scope of the labour legislation

1. The labour legislation and other regulatory legal acts containing norms of labour law shall apply to employment relations having arisen in the territory of the Republic of Armenia, irrespective of the fact whether the work is performed in the Republic of Armenia or in another state upon the assignment of the employer.

2. Provisions of the labour legislation of the Republic of Armenia and of other regulatory legal acts containing norms of labour law shall be mandatory for adherence by all employers (citizens or organisations) regardless of their legal form and form of ownership.

3. Employment relations arising at the time of performing work in vessels or aircrafts (flying vessels) shall be regulated by the labour legislation of the Republic of Armenia and other regulatory legal acts containing norms of labour law, where these vessels sail or the aircrafts (flying vessels) fly under the flag of the Republic of Armenia or bear the image of coat of arms of the Republic of Armenia.

The labour legislation of the Republic of Armenia and other regulatory legal acts containing norms of labour law shall be applied at the time of performance of work in other means of transport, where such means of transport owned by the employer are under the jurisdiction of the Republic of Armenia.

4. Where the employer is a foreign state or its diplomatic representation, a foreign entity or a foreign person, the labour legislation of the Republic of Armenia and other regulatory legal acts containing norms of labour law shall cover the employment relations having arisen with the employers permanently residing in the Republic of Armenia to the extent that the diplomatic immunity is not violated.

5. The labour legislation of the Republic of Armenia and other regulatory legal acts containing norms of labour law shall not cover the employment relations having arisen between foreign employers and employees not residing permanently in the Republic of Armenia irrespective of the fact that the employees perform work upon the instruction of the employer in the Republic of Armenia.

6. Where it is approved through judicial procedure that employment relations are actually regulated by a civil law contract concluded between the employer and the employee, provisions of the labour legislation and of other regulatory legal acts containing norms of labour law shall apply to such relations.

7. Employment (service) relations of persons holding political, discretional or civil positions, as well as of civil servants, officers of other state (special) services and local self-government bodies prescribed by law, as well as employment (service) relations of the employees of the Central Bank of the Republic of Armenia shall be regulated by this Code, unless otherwise provided for by appropriate laws.

8. This Code does not regulate employment relations involving citizens serving their sentence in correctional institutions, except for the relations with respect to working time and rest-time regulations, remuneration for work, safety and health of employees;

(Article 7 supplemented by HO-117-N of 24 June 2010)

Article 8. Application of foreign law

Foreign law shall be applied to employment relations existing in the Republic of Armenia where it is provided for by the international treaties or by the law of the Republic of Armenia.

Article 9. International treaties

Where norms other than those envisaged by this Law are laid down by international treaties of the Republic of Armenia, the norms of treaties shall apply.

Article 10. Application of legal norms in the sphere of employment by analogy

1. Where employment relations are not directly regulated by law, the norms of the labour legislation regulating similar relations (law analogy) shall be applied to such relations unless it contradicts their essence.

2. Where it is impossible to apply law analogy, rights and obligations of the parties shall be determined on the basis of principles of labour legislation (right analogy).

3. The analogy may not be applied, if the rights, freedoms of citizens and legal persons are restricted, or new obligation or liability is envisaged for them, or coercive measures and the procedure for their application, the conditions and procedure for exercising control and supervision over the citizens and legal persons are made more stringent.

Article 11. Principles of interpretation of norms of the labour legislation

1. The norms of the labour legislation of the Republic of Armenia shall be interpreted by the direct meaning of the words and phrases used therein by taking into consideration the requirements of this Code.

The interpretation of the norm of the labour legislation of the Republic of Armenia shall not modify its meaning.

2. Where a legal act has been adopted for the implementation of, or in accordance with, a legal act of equal or higher legal effect, the act shall be interpreted primarily on the basis of the provisions and principles of the act of higher legal effect.

Article 12. Operation of the labour legislation in time

The labour legislation of the Republic of Armenia covers the relations arisen before its entry into force, i.e. it has retroactive effect only for cases provided for by this Code, other laws, as well as by the given regulatory legal act. The legal acts that restrict the rights and freedoms of employers or citizens, make more stringent the procedure for their implementation or establish liability or make the liability more stringent, or establish obligations, or establish or make more stringent the procedure for the fulfilment of obligations, lay down or make more stringent the procedure for exercise of control or supervision over the activities of employers or citizens, as well as worsen their legal status in other ways shall have no retroactive effect.

CHAPTER 2

EMPLOYMENT RELATIONS, GROUNDS FOR THE ORIGIN OF EMPLOYMENT RELATIONS, PARTIES TO EMPLOYMENT RELATIONS

Article 13. Employment relations

Employment relations are relations based on mutual agreement of employees and employers, under which employees shall personally perform official functions (work with certain profession, qualification or in a certain position) with certain remuneration adhering to internal disciplinary rules, and employers shall ensure conditions of employment provided for by the labour legislation, other regulatory legal acts containing norms of labour law, collective agreements and employment contracts.

Article 14. Grounds for the origin of employment relations

1. Employment relations between an employee and an employer shall arise on the basis of an employment contract concluded in writing in the manner prescribed by the labour legislation, or by an individual legal act on accepting for employment upon the consent of the parties.

2. The provisions of this Code on regulation of contractual relations shall also apply to the regulation of employment relations arising by an individual legal act on accepting for employment.

(Article 14 edited by HO-117-N of 24 June 2010, amended by HO-68-N of 1 March 2011)

Article 15. Labour passive capacity and active legal capacity of citizens

1. The capacity of having employment rights and bearing obligations (labour passive legal capacity) shall be recognised equally for all citizens of the Republic of Armenia. Foreign nationals, stateless persons shall have the same labour legal capacity in the Republic of Armenia as the citizens of the Republic of Armenia, unless otherwise provided for by law.

2. Labour passive legal capacity of citizens, their capacity to obtain and exercise employment rights through their activities, to create employment duties and to fulfil them (labour active legal capacity) shall arise in full scale from the moment of attainment of the age of 16, except for cases provided for by the Labour Code and other laws.

Article 16. Labour passive legal capacity and active legal capacity of employers

1. Labour passive legal capacity and active legal capacity of employer legal persons arise from the moment of their establishment.

2. Employers shall obtain employment rights and bear employment duties as well as perform them through their entities. These entities shall be formed and act on the basis of laws, other regulatory legal acts, the charter of the employer and the legal acts approved (adopted) thereby.

3. Passive legal capacity and active legal capacity of the citizen who is an employer are regulated by the Civil Code of the Republic of Armenia. Citizens who are employers may exercise employment rights and incur obligations by themselves.

Article 17. The employee

1. The employee is the capable citizen having attained the age defined by this Code who performs certain work for the benefit of the employer based on certain profession, qualification or in a certain position.

2. Persons at the age of fourteen to sixteen working under an employment contract by the consent of one of the parents or an adopter or a curator shall be considered employees.

2.1. Persons at the age of fourteen to sixteen may be involved only in temporary works not causing damage to health, safety, education and morality thereof in compliance with Article 101, Article 140 (1)(1), Article 155 of this Code.

3. Persons at the age of fourteen to sixteen may not be involved in work on days off, non-working days — holidays and commemoration days — except for the cases of participation in sport and cultural events.

4. A temporary employment contract shall be concluded with persons at the age of fourteen to sixteen.

(Article 17 edited, supplemented by HO-117-N of 24 June 2010)

Article 18. The employer

1. The employer is the participant of employment relations that uses the work of citizens on the basis of employment contract and/or in the manner prescribed by law.

2. An employer may be a legal person having labour passive legal capacity and active legal capacity regardless of the legal and organisational and ownership form, nature and type of activities, as well as a natural person.

In cases provided for by legislation, other entities (institution, state or local self-government body, etc.) having the right to conclude employment contracts may act as employers.

3. ***(part repealed by HO-117-N of 24 June 2010)***

(Article 18 supplemented, amended by HO-117-N of 24 June 2010)

Article 19. Team of employees, procedure for adopting decisions by team of employees

1. All employees being in employment relations with the employer shall make the team of employees.

The team of employees shall make the decisions thereof through staff meetings (assembly).

2. The staff meeting shall have quorum where more than fifty per cent of the employer's employees participate therein, and the assembly shall have quorum where more than two thirds of envoys selected by the employees participate.

3. Decisions of the staff meeting (assembly) shall be deemed to be made, where more than fifty per cent of the participants (envoys) of the meeting (assembly) have voted for it, except for the cases provided for by this Code.

4. By the decision taken by the majority of votes of the participants of the staff meeting (envoys of the assembly), decisions of the staff meeting (assembly) may be made by secret ballot.

5. The team of employees may also make its decisions by the sum-up of votes received in the meetings convened by structural and separated subdivisions of an organisation.

Article 20. Service record

1. Service record is considered to be the time period during which the citizen was in employment relations regulated by this Code, as well as other periods that may be counted in the service record in accordance with regulatory legal acts or collective agreements to which the labour legislation, other regulatory legal acts and collective agreements attach certain employment rights or additional employment guarantees and privileges. Service record may be:

(1) general service record counting the whole period of employment relations of the citizen, as well as other periods permitted to count in the service record;

(2) special or professional service record counting periods in the course of which work of specific profession was performed or specific position was held or work was performed

under particular working conditions, as well as other periods permitted to count in the service record of the given type;

(3) service record within a certain organisation or with the same employer, counting working period at the same position as well as periods permitted to count in the service record of the given type;

(4) uninterrupted service record counting period of work within the same organisation (with the same employer) or several organisations (employers) where shift from one workplace to the other has been made upon the mutual agreement of employers or upon other grounds not interrupting the service record or when intervals between the shift from one work to the other one have not exceeded one month;

(5) insurance service record counting total period of employment and other activities not proscribed by the legislation of the Republic of Armenia, during which the citizen has been subject to insurance, and mandatory social security contributions have been made for him or her and/or by him or her in the manner prescribed by law.

2. The procedure for counting the service record shall be defined by the Government of the Republic of Armenia.

(Article 20 amended by HO-238-N of 24 October 2007, supplemented by HO-117-N of 24 June 2010)

CHAPTER 3

REPRESENTATION IN COLLECTIVE EMPLOYMENT RELATIONS

Article 21. Voluntarism and freedom of representation

For the purpose of protection and representation of their rights and interests, employers and employees may freely and voluntarily join and establish trade unions and employers' associations in the manner prescribed by law.

Article 22. Basics of representation

1. Employers and employees may acquire employment rights and duties, alter or waive them and protect them through their representatives. Employers and employees may be represented both in collective and individual employment relations. Representation in collective employment relations shall be regulated by this Code and other laws, whereas representation in individual employment relations shall be regulated by the Civil Code of the Republic of Armenia.

2. Representation in collective employment relations shall occur, if the representative represents the will of over fifty per cent of the employees. Obligations of general nature assumed through such representation shall also be binding to all employees, who do not have the special powers endowed to the representative of the team, who fall within the scope of such obligations assumed.

Article 23. Representatives of employees

1. The representatives of employees — trade unions, representatives (entity) elected by the staff meeting (assembly) shall have the right to represent the rights and interests of employees and to protect those rights and interests in employment relations.

Where there is (are) no trade union(s) in the organisation or none of the existing trade unions unites more than half of the number of employees of the organisation, representatives (an entity) may be elected by the staff meeting (assembly).

The existence of representatives (an entity) elected by the staff meeting (assembly) in the organisation shall not impede the performance of functions of trade unions.

Where there are no representatives of employees in the organisation, the functions of the representation of employees and protection of interests may be delegated to the relevant branch or territorial trade union by the staff meeting (assembly). In that case, the staff meeting (assembly) shall elect a representative(s) to participate in the collective bargaining conducted with the given employer in the delegation of the branch or territorial trade union.

2. One and the same person may not simultaneously represent and protect the interests of both employees and employers.

(Article 23 edited by HO-117-N of 24 June 2010)

Article 24. Regulation of activities of entities representing the rights and interests of employees

While protecting the employment, professional, economic and social rights and interests of employees, the representatives of employees shall be governed by this Code, laws, other regulatory legal acts and the statutes thereof.

(Article 24 edited by HO-117-N of 24 June 2010)

Article 25. Rights of representatives of employees

1. Representatives of employees shall have the right to:

(1) draft their statutes and regulations, freely elect their representatives, arrange their administrative staff and their activities and draw up their programmes;

(2) acquire information from the employer in the manner prescribed by this Code;

(3) submit proposals to the employer on work organisation;

(4) conduct collective bargaining within the organisation, conclude collective agreements, exercise the supervision over their execution;

(5) exercise non-state supervision within an organisation over implementation of labour legislation and other regulatory legal acts containing rules of labour law;

(6) appeal through judicial procedure the decisions and activities of an employer and the authorised persons thereof contradicting the legislation of the Republic of Armenia, as well as collective agreements and employment contracts or violating rights of the representatives of employees within the organisation;

(7) participate in the development of production plans and their implementation within the organisation;

(8) submit proposals to the employer on improvement of working and leisure conditions of employees, introduction of new technical equipment, reduction of the amount of manual labour, revision of the production norms, as well as the amount of and procedure for the remuneration for work.

2. Trade unions, except for as prescribed by part 1 of this Article, shall have the right to:

(1) ensure the coordination of employees' and employers' interests in collective employment relations at different levels of social partnership;

(2) submit proposals to state and local self-government bodies;

(3) organise and lead strikes.

3. Representatives of the employees may, by collective agreement, be vested with additional powers not contradicting the legislation.

(Article 25 edited by HO-117-N of 24 June 2010)

Article 26. Employer’s obligations and rights relating to representatives of employees

1. The employer shall be obliged to:

(1) respect the rights of the representatives of employees and not impede their activities. Activities of the representative of employees may not be terminated by the employer’s will;

(2) when taking decisions that may affect the legal status of the employees, hold consultations with representatives of employees and, in cases provided for by this Code, receive their consent;

(3) ensure the conduct of collective bargaining within short time limits;

(4) within the time limits laid down by this Code and, where such time limits are not laid down, not later than within one month, consider the proposals of the representatives of employees and provide answers in writing;

(5) provide necessary information free of charge on issues related to the work to the representatives of employees;

(6) discharge other obligations laid down by collective agreements;

(7) ensure the exercise of the rights of the representative of employees as prescribed by the legislation.

2. When the representative of employees violates the employer's rights, requirements of the legislation or norms of contracts, the employer shall have the right to refer to the court in the manner prescribed by the legislation requesting termination of unlawful activities of the representative of employees.

Article 27. Representatives of employers

1. In collective and individual employment relations of the organisation the head (director, general director, chairperson, etc.) of the organisation acts as a representative of the employer. In cases provided for by law or the statute of the organisation or within the scope of their powers, employers may also be represented by other persons.

2. The employer shall have the right to assign his or her powers in the field of employment right or some part of them to citizens or legal persons.

3. In collective relations at national, branch and territorial levels, the relevant association of employers shall act as a representative of employers.

The association of employers is a legal person, regarded as a non commercial organisation that unites employer-organisations and employer-citizens. Employer-organisations, acting as members of the association, may be represented in the association through their representatives.

The activities of the association of employers shall be regulated by this Code, law and its statute.

CHAPTER 4

TIME LIMITS

Article 28. Determination of a time limit

1. The time limit laid down by the labour legislation, other regulatory legal acts containing norms of labour law, collective agreements and employment contracts or set by the court shall be determined upon the end of a certain time period counted by a calendar year, month, date or years, months, weeks, days or hours.

2. The time limit shall also be determined by mentioning the event that should inevitably take place.

Article 29. Calculation of time limits

1. The time limit determined by a time period shall start on the day following the calendar year, month, date or event signifying the beginning of the time limit.

2. The time limit calculated in years shall expire on the corresponding month and day of the last year of the time limit. Where it is impossible to determine exactly the starting month of the time limit calculated in years, the last day of the time limit shall be considered to be 30 June of the corresponding year.

The rules for time limit calculated in months shall be applied to the semi-annual time limit.

3. The rules for time limits calculated in months shall be applied to the time limit calculated by quarters of a year. Moreover, a quarter shall be considered equal to three months and the calculation of quarters shall start from the beginning of the year.

4. A time limit calculated in months shall expire on the corresponding day of the last month of the time limit.

Where the time limit calculated in months expires in a month not having a corresponding day, the time limit shall expire on the last day of that month.

Where it is impossible to determine exactly the starting day of the time limit calculated in months, the last day of the time limit shall be considered to be on the 15th of the corresponding month.

5. A time limit determined by half a month shall be considered as a time limit calculated by days and deemed equal to fifteen days.

6. A time limit calculated in weeks shall expire on the corresponding day of the last week of the time limit.

7. Rest days and non-working days, such as holidays and commemoration days, shall also be included in the time limits calculated in calendar days. Where the last day of the time limit coincides with a non-working day, the last day of the time limit shall be considered to be the following working day. The time limit calculated in days shall be calculated in calendar days, unless otherwise provided for by the labour legislation or other regulatory legal acts containing norms on labour law.

8. Where a time limit has been established for carrying out an action, that action may be carried out until 24:00 of the last day of the time limit. However, if the action should be performed within the organisation, the time limit shall expire at the hour when

corresponding operations in the organisation are stopped according to the established rules.

9. The written applications and notifications (documents) submitted to a communication organisation by 24:00 of the last day of the time limit shall be deemed to be timely submitted.

Article 30. Statute of limitations

1. Statute of limitations is the time period for protection of the right through the claim of the person whose right has been violated.

2. The general period of statute of limitations for relations regulated by this Code shall be three years, with the exception of the cases provided for by this Code. With regard to certain types of claims shorter or longer special statute of limitations, compared to the general statute of limitations, may be defined.

3. Statute of limitations shall not cover claims for protection of employee's honour and dignity, salary, compensation of damages caused to person's life or health.

4. Provisions concerning statute of limitations of Civil and Civil Procedure Codes of the Republic of Armenia may be applied to employment relations where the labour legislation does not provide for any provisions concerning the application of statute of limitations.

Article 31. Expiry dates

1. The labour legislation may set such time limits upon expiry whereof rights and obligations relating thereto shall abolish (expiry dates).

2. Expiry dates shall not be subject to suspension, extension or renewal, with the exception of the cases provided for by the labour legislation.

Article 32. Procedural time limits

Time limits established by the labour legislation for carrying out procedural actions shall be determined by the Civil Procedure Code of the Republic of Armenia based on the provisions pertaining to the calculation and application of such time limits, with the exception of the cases provided for by the labour legislation.

CHAPTER 5

CONTROL AND SUPERVISION OVER OBSERVANCE OF THE LABOUR LEGISLATION

Article 33. Authorities exercising control and supervision over the observance of the labour legislation

State control and supervision over the observance of the requirements of the labour legislation and other regulatory legal acts containing norms of labour law, as well as of collective agreements shall be exercised by appropriate state bodies, whereas non-state supervision shall be exercised by representatives of employees and by employers (representatives of employers).

(Article 33 amended by HO-117-N of 24 June 2010)

Article 34. State control and supervision over the implementation of the labour legislation and collective agreements

State control and supervision over the implementation by employers of the labour legislation, other regulatory legal acts containing norms of labour law and regulatory provisions of collective agreement shall be exercised by the State Labour Inspectorate, and in other cases provided for by law, by other state authorities.

Functions, rights and obligations of the State Labour Inspectorate are established by law.

Article 35. Non-state supervision over the implementation of the labour legislation and collective agreements

Non-state supervision over the implementation by employers of the labour legislation, other regulatory legal acts containing norms of labour law and of collective agreements shall be exercised by representatives of employees, and non-state supervision over the implementation by employees of the labour legislation, other regulatory legal acts containing norms of labour law and collective agreements shall be exercised by employers (representatives of employers).

(Article 35 amended by HO-117-N of 24 June 2010)

CHAPTER 6

EXERCISE AND PROTECTION OF EMPLOYMENT RIGHTS

Article 36. Grounds for accrual of employment rights and duties

Employment rights and duties may accrue, change and terminate:

(1) from the bases provided for by this Code, other laws, other regulatory legal acts containing norms of labour law, employment contracts and collective agreements, as well as from such actions of citizens and employers, which although not provided for by law or other legal acts, however, according to the principles of the labour legislation originate employment rights and duties;

(2) from the acts issued by state and local self-government bodies, that are stipulated by law as grounds for accrual of employment rights and duties;

(3) from a judicial act laying down employment rights and duties;

(4) due to caused damage;

(5) due to such events, to which the law or other legal act attributes accrual of employment legal consequences.

Article 37. Exercise of employment rights and fulfilment of obligations

1. Employers, employees and their representatives, upon exercising their rights and fulfilling their obligations, shall be obliged to adhere to the law, act in good faith and in a reasonable manner. Abuse of employment rights shall be prohibited.

2. Upon exercise of employment rights and fulfilment of obligations, other persons' rights and interests protected by law shall not be violated.

3. ***(part repealed by HO-117-N of 24 June 2010)***

(Article 37 amended by HO-117-N of 24 June 2010)

Article 38. Protection of employment rights

1. Protection of employment rights — in compliance with the jurisdiction over the cases prescribed by the Civil Procedure Code of the Republic of Armenia — shall be exercised by the court.

2. Protection of employment rights shall be carried out by the representatives of employees.

3. Protection of employment rights shall be carried out:

(1) by recognising the right;

(2) by reinstatement of the situation having existed before the violation of the right;

(3) by preventing or eliminating actions violating or creating a danger of violation of the right;

(4) by recognising the legal act of a state or local self-government body or the employer as invalid;

(5) through non-application by the court of a legal act of a state and local self-government body contradicting the employer's law;

(6) through self-protection of the right;

(7) by enforcing to discharge the obligations by in-kind;

(8) by receiving compensation for the damage;

(9) by levy of execution on penalty (fine);

(10) by termination or alteration of legal relationship;

(11) by other methods provided for by law.

(Article 38 edited, supplemented by HO-117-N of 24 June 2010)

SECTION 2

COLLECTIVE EMPLOYMENT RELATIONS

CHAPTER 7

SOCIAL PARTNERSHIP IN THE SPHERE OF EMPLOYMENT

Article 39. Concept and principles of social partnership

1. The social partnership is the system of relationships between the employees (their representatives), employers (their representatives), and in cases prescribed by this Code, the Government of the Republic of Armenia, which is called upon to ensure the consolidation of the interests of the employees and employers in collective employment relations.

2. The main principles of social partnership shall be the following:

(1) legal equality of the parties;

(2) freedom to collective bargaining;

(3) taking into consideration the interests of the parties and demonstrating respectful attitude;

(4) compliance by parties and their representatives with the requirements of labour legislation and other regulatory legal acts;

(5) authorisation of the representatives of the parties;

(6) freedom of choice of work-related issues offered for discussion;

(7) assuming obligations voluntarily;

(8) feasibility of the obligations assumed by the parties;

(9) mandatory nature of the collective agreement;

(10) control and supervision over the implementation of the collective agreement;

(11) liability for failure to implement the collective agreement by fault of the parties or their representatives.

Article 40. Parties of social partnership

The employees and employers shall be the parties of social partnership represented by their representatives. In case of trilateral social partnership, representatives of the Government of the Republic of Armenia shall participate, on equal bases, with the representatives of employees and employers.

Article 41. System of social partnership

The system of social partnership shall involve the following levels:

(1) national level, which establishes the basics for the regulation of employment relations in the Republic of Armenia. The parties of such partnership are the Government of the Republic of Armenia, the Republican Union of Trade Unions, the Republican Association of Employers;

(2) branch level, which establishes the basics for the regulation of employment relations in the appropriate branch (branches) of economy (production, service, profession). The parties of such partnership are the Republican Branch Trade Union Organisation, and the appropriate Branch Association of Employers;

(3) territorial level, which establishes the basics for the regulation of employment relations in a specific territory. Parties of such partnership are the relevant territorial trade union organisation and the relevant territorial association of employers;

(4) organisation level, which establishes certain mutual labour obligations between the employer and employees. The parties of such partnership are the employer and the representatives of employees.

(Article 41 amended by HO-117-N of 24 June 2010)

Article 42. Forms of social partnership

As a rule, social partnership shall be carried out in the following forms:

(1) conduct of collective bargaining in connection with drafting and concluding a collective agreement;

(2) holding of mutual consultations and exchange of information.

Article 43. Receipt of information

1. Employees shall have the right to receive any information on employment relations that is not prohibited by law.

2. The employer shall provide the information on employment relations to employees' representatives. The volume of the information being provided shall be conditioned by the social partnership level.

3. The information shall include:

(1) information on employer’s current and future activities;

(2) information on possible changes in employment;

(3) information on measures to be implemented in case of possible reduction in the number of employees;

(4) other information on employment relations, unless such information is deemed to be a state, official or commercial secret.

4. Procedure and conditions of provision of information shall be defined upon agreement of the parties.

Article 44. Peculiarities of the application of norms in Section 2 of this Code

1. The norms in Section 2 of this Code established by law for state and local self-government bodies, as well as employees of the Central Bank of the Republic of Armenia shall be applied in the manner prescribed by this Code.

2. The norms prescribed by Section 2 of this Code shall not apply to the employment relations between special officers and persons holding political, discretionary and civil positions.

(Article 44 edited by HO-117-N of 24 June 2010)

CHAPTER 8

GENERAL PROVISIONS ON COLLECTIVE AGREEMENTS

Article 45. Collective agreements

1. Collective agreement, which regulates employment relations between employees and employers and, in cases provided for by this Code, also the Government of the Republic of Armenia, is a voluntary agreement concluded in writing between employer (representative of employer) and representatives of employees or association of employers and trade union. Collective agreements are bilateral, except for the collective agreement being concluded with the participation of the Government of the Republic of Armenia, which is trilateral.

2. Parties to collective employment relations and their representatives shall coordinate their interests and settle disputes through collective bargaining. A party willing to enter into a collective bargaining relationship shall be obliged to notify the other party thereon in writing. The notification shall indicate the objective of the collective bargaining, as well as the proposals and claims.

3. The parties to the collective bargaining shall agree upon the day of starting collective bargaining and the procedure thereof.

4. Collective bargaining should be conducted in a reasonable manner and without any undue delay.

5. Parties to the collective bargaining and their representatives shall have the right to make mutual inquiries on issues relating to collective bargaining. The replies to the inquiries shall be submitted not later than within fifteen days after the day of inquiry.

This time limit may be changed upon additional arrangement of parties or the representatives thereof.

6. The party providing information shall have the right to demand the other party not to disclose the received information.

7. Collective bargaining is deemed to be completed after the moment of signing a collective agreement or drawing up a protocol on areas of disagreement or sending a written notification from one of the parties to another on withdrawal from collective bargaining.

8. Collective bargaining is deemed to have failed, if in accordance with part 2 of this Article, the notified party refuses to participate in collective bargaining.

(Article 45 supplemented by HO-117-N of 24 June 2010)

Article 46. Levels of collective agreements

Collective agreements may be of the following levels:

(1) collective agreement concluded on national level;

(2) collective agreement concluded on branch and territorial level;

(3) collective agreement concluded on the level of an organisation or a separated (structural) subdivision thereof.

CHAPTER 9

NATIONAL, BRANCH AND TERRITORIAL COLLECTIVE AGREEMENTS

Article 47. Scope of national, branch and territorial collective agreements

Provisions of national, branch and territorial collective agreements shall apply to employees of such organisations the employers whereof, within the validity period of the agreement, are members of the Association of Employers having concluded an agreement.

Article 48. Parties to national, branch and territorial collective agreements

1. Republican Trade Union Organisations, Republican Association of Employers and the Government of the Republic of Armenia shall be parties to the national collective agreement.

2. The Association of Employers of the appropriate branch of economy (manufacturing, service, profession) and the Republican Branch Trade Union Organisation shall be parties to branch collective agreement.

Where the employer is the Republic of Armenia or the community, the Republican Branch Trade Union Organisation and the relevant state administration body or a community leader shall be the parties to branch collective agreement.

3. Territorial Association of Employers engaged in activities in a specific territory and Territorial Trade Union Organisation shall be the parties to territorial collective agreements.

Article 49. Contents of national, branch and territorial collective agreements

1. The contents and structure of national, branch and territorial collective agreements shall be determined by parties to an agreement.

2. The following may be defined by the national collective agreement:

(1) additional measures ensuring safety and hygiene of work;

(2) additional guarantees for employment;

(3) additional social and employment guarantees deemed necessary by parties;

(4) procedure for receiving information on the implementation of the collective agreement and for exercising control over it.

3. The following may be defined by branch and territorial collective agreements:

(1) conditions of remuneration for work, regulation mechanisms of remuneration for work taking into consideration the level of inflation and increase in prices;

(2) conditions of employment;

(3) working and rest time (including provision of leaves and their duration);

(4) procedure and conditions of reduction in the number of employees, guarantees in case of reductions;

(5) safety and hygiene conditions of work;

(6) conditions for ecological safety of the production and health care of employees;

(7) conditions for acquiring profession, raising qualification and re-qualification of employees;

(8) guarantees and compensations deemed necessary by parties;

(9) procedure for receiving information on the implementation of collective agreement and for exercising control and supervision over it;

(10) liability for failure to implement the collective agreement;

(11) in case of collective labour disputes, the procedure and time limits for filing of claims by employees and employers;

(12) measures of social partnership aimed at avoiding collective disputes, strikes;

(13) other issues, upon agreement of the parties.

Article 50. Procedure for concluding national, branch and territorial collective agreements

1. Parties referred to in Article 48 of this Code shall initiate the conclusion of national, branch and territorial collective agreements.

2. The procedure and time limits for drafting national, branch and territorial collective agreements, as well as issues connected therewith shall be determined by parties to the agreement.

Article 51. Registration of national, branch and territorial collective agreements

1. National, branch and territorial collective agreements shall be registered by the state authorised body upon submission of an appropriate application and the collective agreement. The Association of Employers which is regarded as a party shall submit national, branch and territorial collective agreements for registration within ten days after signing. It is prohibited to reject with any justification the registration of a collective agreement signed by parties and submitted for registration.

2. Where the Association of Employers fails to submit the agreement for registration within the time limit specified in part 1 of this Article, national, branch or territorial collective agreement may be submitted for registration by a trade union which is regarded as a party to the agreement. The trade union shall submit national, branch or territorial collective agreement for registration within five days after the expiry of the time limit specified in part 1 of this Article.

Article 52. Scope and rescission of national, branch and territorial collective agreements

1. National, branch and territorial collective agreements shall enter into force upon signing, unless otherwise provided for by the collective agreement.

2. Validity period of national, branch and territorial collective agreements shall be defined by parties, but for a period of not more than three years. Parties shall have the right to extend the validity period of the agreement, but for a period of not more than three years.

3. During the last two months of the validity period of national, parties to branch and territorial collective agreements may initiate collective bargaining with regard to conclusion of a new collective agreement or extension of the validity period of the collective agreement in force.

4. National, branch and territorial collective agreements shall be effective till the end of the validity period specified therein and may be rescinded prematurely in cases and in the manner provided for by the collective agreement.

Article 53. Control and supervision over the implementation of national, branch and territorial collective agreements

Control over the implementation of national, branch and territorial collective agreements shall be exercised by parties or their representatives, authorised for that purpose. State authorised body may exercise control and supervision over the implementation of national, branch and territorial collective agreements, where parties to collective agreement are unable to exercise control on their own and have filed appropriate request to the state authorised body.

Article 54. Settlement of disputes arising with regard to implementation of provisions of national, branch and territorial collective agreements

Disputes arising with regard to conclusion of national, branch and territorial collective agreements and implementation of provisions thereof shall be settled in the manner prescribed by Chapter 11 of this Code.

CHAPTER 10

COLLECTIVE AGREEMENT OF AN ORGANISATION

Article 55. Collective agreement of an organisation and the scope thereof

1. Collective agreement of an organisation is a written agreement on the conditions prescribed by Article 49(3) of this Code concluded between the employer and the representatives of employees of the given organisation.

2. Collective agreement concluded in the organisation shall apply to all employees of that organisation. Collective agreements may be concluded in separated and structural subdivisions of the organisation in cases and in the manner provided for by the collective agreement of the organisation.

(Article 55 amended by HO-117-N of 24 June 2010)

Article 56. Parties to a collective agreement of the organisation

1. The parties to a collective agreement of the organisation are the group of employees of the organisation in the person of the representative of employees acting in the organisation and the employer, in the person of the head of the organisation or his/her authorised person.

2. Where there is more than one representative of employees in the organisation the collective agreement of the organisation shall be concluded between the unified representative body of employees and the employer.

3. The unified representative body of employees shall be established by the representatives of employees, through corresponding negotiations. If a unified representative body of employees is not established due to the lack of consent of the representatives of employees, a decision on the establishment of a unified representative body shall be made by the staff meeting (assembly).

4. In case the functions related to the protection of representations and interests of employees are transferred to the corresponding territorial or branch trade union because of the absence of representatives of employees within the organisation, the employer and the corresponding territorial or branch trade union shall be considered to be the parties to the collective agreement.

(Article 56 edited by HO-117-N of 24 June 2010)

Article 57. Contents of a collective agreement of the organisation

1. The parties to a collective agreement of the organisation shall lay down conditions not regulated by labour legislation, other regulatory legal acts or national, branch and territorial collective agreements, that do not contradict them and in comparison with the conditions provided for thereby do not worsen the state of employees.

2. The collective agreement of the organisation shall contain mutual obligations of the employees and employers with regard to issues or a part of them prescribed by Article 49(3) of this Code.

Article 58. Elaboration and consideration of a draft collective agreement of an organisation

1. In accordance with Article 45(2) and (3) of this Code, the parties having obtained the agreement to start negotiations on the conclusion of a collective agreement shall set up a commission on the basis of the principle of equal membership to elaborate the collective agreement of the organisation. The composition of the commission shall be set by protocol. The date of signing the protocol shall be considered to be the date of commencement of collective bargaining.

2. Upon commencing the collective bargaining, the parties shall agree on the contents of information to be provided thereby, the time limits for the provision of it, the procedure and time limits for elaboration of the collective agreement of the organisation, which shall be set by a protocol.

3. If no agreements are reached about the conditions prescribed by part 2 of this Article, a protocol on disagreements shall be drawn up. The protocol shall specify the recommendations of the parties for eliminating the disagreements and shall set the time limit for resuming the collective bargaining.

4. The draft collective agreement of the organisation elaborated as a result of collective bargaining shall be submitted to the staff meeting (assembly) for consideration. If the staff meeting (assembly) does not approve the draft collective agreement of the organisation, the staff meeting may decide to resume the collective bargaining or to initiate collective labour disputes. Collective labour disputes may also be initiated in case of failure to eliminate disagreements specified in part 3 of this Article. If the staff meeting (assembly) approves the draft collective agreement of the organisation, the agreement shall be signed by the representatives of the employer and of employees.

If the number of employees (delegates) participating in the staff meeting (assembly) convened for the discussion of the draft collective agreement is less than the one defined by Article 19(2) of this Code, a new staff meeting (assembly) shall be convened not later than within five days following the meeting (assembly).

Article 59. Entry into force and validity period of a collective agreement of the organisation

1. Collective agreement of the organisation shall enter into force from the moment of its signing, unless otherwise provided for by that agreement.

2. The validity period of a collective agreement of the organisation shall be determined by the parties, but for a period of not longer than three years. Parties shall have the right to extend the validity period of the agreement for a period of not more than three years.

3. During the last two months of the validity period of the collective agreement of the organisation the parties may start collective bargaining about conclusion of a new collective agreement or extension of the validity period of the existing collective agreement in the prescribed manner.

4. The collective agreement of the organisation shall remain in force in cases when the enterprise changes the name, founder (participant, shareholder, sharer, etc.) (except for the case of reorganisation of the organisation, as well as the case provided for by Article 61(2) of this Code), or replacement of his or her head (representative of the employer having signed the contract).

5. ***(part repealed by HO-117-N of 24 June 2010)***

(Article 59 supplemented, amended by HO-117-N of 24 June 2010)

Article 60. Amendments and supplements to the collective agreement of the organisation

The procedure for amending and supplementing a collective agreement of an organisation shall be prescribed by the collective agreement of the organisation. Where no such procedure is defined by the collective agreement of the organisation, amendments and supplements of the collective agreement shall be made by the procedures laid down by this Code for the conclusion of agreements.

Where collective labour disputes arise for making amendments and supplements to the collective agreement of the organisation, it shall be discussed by the Conciliation Commission (including, with participation of a mediator). Where collective labour disputes fail to be settled (including failure of collective bargaining, refusal to discuss the issue with the Conciliation Commission), the validity of the collective agreement of the organisation shall continue for the remaining time limit.

(Article 60 amended by HO-130-N of 20 May 2009)

Article 61. Rescission of a collective agreement of the organisation

1. Collective agreement of the organisation may be rescinded in the manner and cases prescribed thereby by any of the parties after giving a notice to the other party not later than three months before. A collective agreement of the organisation may not be rescinded within the first six months of its validity period, except for the cases provided for by parts 2 and 3 of this Article.

2. In case of privatisation (denationalisation) of the organisation, a collective agreement of the organisation shall be considered to be unilaterally rescinded by the former employer irrespective of its validity period.

3. The collective agreement of the organisation shall be considered to be rescinded from the moment when the court judgement on the bankruptcy of the debtor organisation enters into legal force.

Article 62. Control and supervision over the implementation of the collective agreement of the organisation

1. Parties or their representatives, authorised for that purpose, shall exercise control over the implementation of the collective agreement of the organisation. A state authorised body may exercise control and supervision over the implementation of a collective agreement of the organisation, where the parties to the collective agreement

are unable to exercise control on their own and have filed appropriate request to the state authorised body.

2. Representatives of the parties report on the fulfilment of obligations set by the collective agreement of the organisation to the staff meeting (assembly). The procedure and time limits for making a report shall be laid down by the collective agreement of the organisation.

Article 63. Procedure for settlement of disputes related to the conclusion of collective agreement of the organisation and its provisions

Disputes related to the conclusion of a collective agreement of the organisation and the implementation of its provisions shall be settled in the manner prescribed by Chapter 11 of this Code.

CHAPTER 11

SETTLEMENT OF COLLECTIVE LABOUR DISPUTES

Article 64. Collective labour dispute

Collective labour disputes are disagreements between the trade union and the employer or parties having the right to conclude collective agreement on claims filed and not granted that arise during bargaining for the reason of the conclusion of a collective agreement, as well as during the change of conditions laid down by the legislation, other regulatory legal acts or collective agreements or establishment of new working conditions, conclusion and implementation of the collective agreement.

Article 65. Submission of claims

1. Parties of social partnership shall have the right to submit claims regarding the collective labour disputes to the employer or a party to a collective agreement.

2. Claims shall be submitted in writing, be clearly worded and substantiated. Written demands shall be handed in to the employer or the relevant party of the social partnership.

Article 66. Consideration of claims

The employer or the relevant party having received the claims shall be obliged to consider the received claims and within seven days after their receipt, take a written decision and communicate it to the entity having submitted the claims. Where the adopted decision fails to satisfy the entities having submitted claims, the parties may consider the dispute by the procedures laid down in this Chapter.

Article 67. Applicable procedures

1. The procedure for consideration of collective labour disputes shall be composed of the following stages:

(1) consideration of the collective labour dispute in the Conciliation Commission (including with participation of a mediator). Consideration of a collective labour dispute by the Conciliation Commission is a mandatory stage in the consideration of collective disputes;

(2) examination of the collective labour dispute in the court, where the collective labour dispute refers to the implementation process of the collective agreement.

2. No party to the collective labour dispute shall have the right to avoid conciliation procedures.

The representatives of the parties, the Conciliation Commission, the mediator shall be obliged to use all the opportunities provided for by the legislation to settle the collective labour dispute.

Article 68. Establishment of Conciliation Commissions

1. Conciliation Commissions shall be set up from equal number of representatives from among the parties of the collective labour dispute. The total number of the members of the Conciliation Commission shall be determined upon agreement of the parties. The Conciliation Commission shall be set up within seven days from the day of written refusal to meet the claims by the entity having received the claim. The composition of the Commission shall be set by protocol.

2. Where the parties fail to determine the total number of the members of the Conciliation Commission, they shall at their discretion delegate their representatives to the Commission. Each party may not have more than five representatives.

Article 69. Consideration of collective labour dispute by the Conciliation Commission

1. The Conciliation Commission shall consider the collective labour dispute within seven days after its establishment. The specified time limit may be extended upon agreement of the parties.

2. Representatives of the parties may invite specialists (consultants, experts, etc) to dispute discussions by the Conciliation Commission.

3. The employer shall be obliged to create conditions necessary for the work of the Conciliation Commission.

Article 70. Decision of the Conciliation Commission

1. Where agreement is reached on the submitted claims by the Conciliation Commission, a written decision shall be adopted on considering the collective labour disputes settled and the conciliation process completed. The decision of the Conciliation Commission shall be binding for the parties and shall be subject to execution by the procedure and within the time limits prescribed by the decision of the Conciliation Commission.

2. Where the Conciliation Commission fails to reach an agreement on all or part of the claims, the parties of the collective labour dispute shall draw up a protocol on disagreements and make a decision to continue the consideration of collective labour disputes with participation of a mediator (if disputes are related to the conclusion or amendment of a collective agreement) or on failure to settle disputes and on completing the conciliation process.

3. The decision of the Conciliation Commission shall be communicated to the employees.

Article 71. Consideration of collective labour disputes in participation with a mediator

1. Collective labour disputes shall be considered in participation with a mediator only in the case where disputes are related to the conclusion or amendment of a collective agreement.

2. After a protocol on disputes is drawn up and a decision is taken in accordance with Article 70(2) of this Code by the Conciliation Commission, parties of collective labour

dispute shall invite a mediator within three working days. Where necessary, the parties of the collective labour dispute may apply to the state authorised body functioning in the labour sector regarding the candidacy of a mediator. Agreement on the candidacy of the mediator shall be set by a protocol which shall specify the size of and procedure for remuneration of the mediator. Where during three working days the parties of the collective labour dispute fail to come to an agreement about the candidacy of the mediator, the negotiations shall be considered to be completed and the collective labour dispute — not settled.

3. The procedure for the consideration of the collective labour dispute in participation with a mediator shall be determined upon agreement of the parties, in which the mediator shall also take part.

4. The mediator shall have the right to submit requests to the parties of the collective labour dispute and receive from them the necessary documents and information about the given dispute. The mediator shall have the right to submit recommendations to the parties of collective labour dispute.

5. The consideration of the collective labour dispute in participation with the mediator shall be carried out within seven days upon his or her invitation. Where agreement on the claims submitted to the Conciliation Commission is obtained, a written decision shall be adopted on considering the collective labour dispute as settled, and where no agreement on the submitted claims or part of them has been obtained — on non-settlement of the dispute and completion of the conciliation process.

Article 72. Examination of a collective labour dispute in court

In case of collective labour dispute about the implementation of the provisions of a collective agreement, where no agreement has been reached in the Conciliation

Commission, within ten day upon drawing up a protocol and taking the decision on non-settlement of the dispute and conclusion of the conciliation process, the parties may apply to the court.

Article 73. Strike

1. Strike is a temporary cessation of work, partly or completely, by the employees or a group of employees of one or several organisations for the purpose of settlement of the collective labour dispute.

2. The trade union shall have the right to organise a strike in the cases provided for by this Code and its Statute, where:

(1) as a result of conciliation processes, the dispute related to the conclusion of a collective employment agreement has not been settled;

(2) the employer avoids from carrying out a conciliation process;

(3) the employer fails to execute the decision of the Conciliation Commission adopted in accordance with Article 70(1) that satisfies the employees or fails to perform his or her obligations assumed by the collective employment agreement having concluded beforehand.

(Article 73 edited by HO-130-N of 20 May 2009)

Article 74. Calling of a strike

1. The right to adopt a decision to call a strike shall be vested in the trade union in the manner prescribed by this Code and its Statute. A strike shall be called in case where the decision thereon has been approved by secret ballot:

(1) by two-thirds of the total number of employees of an organisation when calling a strike in an organisation;

(2) by two–thirds of the employees of a separated (structural) subdivision of an organisation when calling a strike in that subdivision. Where calling a strike in a structural subdivision of an organisation impedes the smooth functioning of other subdivisions of the organisation, the decision on calling of a strike shall be approved by two-thirds of the employees of that subdivision, which may not be less than the half of the total number of employees of the organisation.

1.1. In case of the absence of a trade union within the organisation, the functions of calling a strike shall be transferred, upon the decision of the staff meeting (assembly) of the organisation, to a relevant branch or territorial trade union.

2. The trade union shall be obliged to inform the employer in writing about the intended strike at least seven days before the beginning of the strike. Along with informing the employer, the decision — made in the manner prescribed by this Article — shall be sent to the employer attaching the claims put forward. When calling a strike, it shall be allowed to submit only the claims that were not met during the conciliation procedures.

3. A warning strike may be organised before going on a strike. It may last no more than two hours. The employer shall be informed in writing about such a strike not later than three days before.

4. When a decision is adopted on organising a strike in organisations engaged in activities covering railway and urban public transport, civil aviation, communication, health care, food production, water supply, sewerage and waste disposal, organisations with a continuous production cycle, as well as other organisations the cessation of work wherein may result in grave or hazardous consequences for the life and health of the

society or individual humans, the employer must be warned in writing about the strike at least fourteen days before starting a strike.

5. The decision on calling a strike shall specify:

(1) the requirements serving as a ground for calling a strike;

(2) the date and the hour of starting the strike;

(3) the body leading the strike.

(Article 74 amended, supplemented by HO-117-N of 24 June 2010)

Article 75. Restrictions to strike

1. It is prohibited to call a strike in the police, armed forces (in other equivalent services), security services, as well as centralised electricity supply services, heat supply, gas supply organisations, and in urgent medical aid services. Claims made by employees of such organisations and services shall be discussed through bodies for social partnership on the national level, with the participation of the relevant trade union organisation and the employer.

2. In natural disaster areas as well as regions where a martial law or emergency situation (a state of emergency) has been declared in the prescribed manner, the strikes are prohibited before the effects of natural disaster are eliminated, or martial law or emergency situation (state of emergency) is lifted in the prescribed manner.

3. ***(part repealed by HO-130-N of 20 May 2009)***

(Article 75 amended by HO-130-N of 20 May 2009)

Article 76. Body leading the strike

The body leading the strike shall be the trade union or the strike committee established thereby.

Rights and obligations of the strike committee, in accordance with this Code and other laws, shall be defined by the trade union establishing such a committee.

Article 77. Process of the strike

1. During the strike, the body leading the strike and the employer shall be obliged to ensure the protection of the public order, the safety of the employees' life and the property of the organisation.

2. During a strike in organisations specified in part 4 of Article 74 of this Code, minimum conditions (services) necessary for meeting the immediate (vital) needs of the society shall be ensured. Minimum conditions shall be set by appropriate state or local self-government bodies. Compliance with such conditions shall be ensured by the body leading the strike, the employer and the employees appointed thereby.

3. In case of non-compliance with the conditions mentioned in part 2 of this Article the state and local self-government bodies or the employer may involve other services to ensure them.

Article 78. Challenging the lawfulness of a strike

1. When a strike is called, the employer or the party to which the claims have been submitted may apply to the court with a motion to declare the strike unlawful. The court

shall examine the case and render a judgement within seven days after the day of accepting the claim.

2. The court shall declare the strike unlawful where the objectives of the strike contradict the Constitution of the Republic of Armenia, other laws, or where the strike has been called by breach of the requirements and the procedure laid down by this Code.

3. After the court judgement on declaring the strike unlawful enters into force, the strike may not begin, and the strike already in progress shall be terminated immediately.

4. If an immediate threat emerges as a result of not ensuring minimum conditions (services) for meeting the immediate (vital) needs of the society, which may lead to grave or hazardous consequences for the social or human life and health, the court may postpone the proposed strike for a period of thirty days and to suspend the strike already in progress for the same time limit.

Article 79. Legal status and guarantees of strikers

1. Participation in a strike shall be voluntary. No one may be compelled to participate in a strike or to refuse to participate therein. Persons that compel an employee to participate in a strike or to refuse to participate therein shall be subject to liability in the manner prescribed by legislation of the Republic of Armenia.

2. Employees participating in a strike are released from an obligation to perform their official functions. The workplace (position) of an employee participating in a strike shall be retained during the strike. The employer need not pay salaries to the employees participating in the strike.

During the negotiations by parties on termination of the strike, the parties may reach an agreement on full or partial payment of salary to strikers.

3. The employees — not participating in a strike, but deprived of the opportunity to fulfil their official duties as a result of the strike — shall be paid for the idleness caused not by their fault, or they may be transferred to another job upon their consent.

Article 80. Actions prohibited to the employer upon calling of and in the course of a strike

1. After a decision on calling a strike is made and in the course of the strike, the employer shall have no right to:

(1) impede all or individual employees to attend their workplaces;

(2) refuse to provide work to employees;

(3) subject employees to disciplinary liability for participating in a strike.

2. During a strike, the employer shall have no right to hire new employees instead of the ones participating in a strike, except for the case provided for by part 3 of Article 77 of this Code.

Article 81. Termination of a strike

1. A strike shall be terminated, where:

(1) the submitted claims are met;

(2) in the course of the strike parties reach an agreement on termination of a strike under relevant conditions;

(3) the trade union having called a strike admits the inappropriateness of further continuation of the strike.

2. After the claims are met, the trade union having called a strike shall take a decision on terminating the strike. The written decision on terminating a strike shall specify the time limit for resuming the work.

Article 82. Liability in case of unlawful strike

1. In case a strike is declared as unlawful in the manner prescribed by Article 78 of this Code, the trade union having called the strike shall compensate for the damages incurred to the employer on the account of its property in the manner prescribed by legislation of the Republic of Armenia.

2. Heads and other officials of the organisation, its separated (structural) subdivisions, who have violated the requirements of Article 80 of this Code, may be subjected to administrative or material liability in the manner prescribed by law.

3. Damage incurred to other persons due to the strike shall be compensated in the manner prescribed by the legislation of the Republic of Armenia.

SECTION 3

INDIVIDUAL EMPLOYMENT RELATIONS

CHAPTER 12

EMPLOYMENT CONTRACT

(title edited by HO-117-N of 24 June 2010)

Article 83. Concept of employment contract

An employment contract shall be an agreement between an employer and an employee according to which the employee is obliged to work in specific profession or qualification by adhering to the workplace discipline, and the employer shall be obliged to provide the employee with the work stipulated by the contract, to pay the salary envisaged by the employment contract for the work performed, and to ensure workplace conditions envisaged by the legislation of the Republic of Armenia, other regulatory legal acts, collective agreement, and upon the agreement of parties.

(Article 83 amended by HO-117-N of 24 June 2010)

Article 84. Contents of the individual legal act on accepting for employment

1. The following shall be mentioned in the individual legal act on accepting for employment:

(1) the year, month, date and location of adoption of the individual legal act;

(2) first name, last name of the employee, upon his or her request, also the patronymic name;

(3) name of the organisation or first name and last name (also patronymic name, upon his or her request) of the natural person employer;

(4) the structural subdivision (where available);

(5) the year, month and date of the commencement of work;

(6) the name of position and/or official duties;

(7) the amount of salary and/or the form of determining it;

(8) the supplements, additional payments, premiums, etc, granted to employees in the prescribed manner;

(9) validity period of the employment contract (upon necessity);

(10) duration of the probation, upon the consent of the parties;

(11) working time in cases, where incomplete working time is set;

(12) the ground for adopting a legal act (person's application, agreement on transferring an employee to another employer, the written employment contract, etc), where available;

(13) the position, the first name and the last name of the person signing the legal act.

2. Points 2-11 of part 1 of this Article, as well as the year, month, date and location of concluding the employment contract shall be mentioned in the written employment contract.

3. Upon the consent of the parties, the individual legal act on accepting for employment and the written employment contract may also contain other conditions.

(Article 84 edited by HO-117-N of 24 June 2010)

Article 84.1. Employment contract and the law

1. The employment contract shall correspond to the compulsory rules (imperative norms) for the parties established by law or other regulatory legal acts in force at the moment of its signing.

2. Where following the signing of an employment contract, a law or other regulatory legal act is adopted that defines rules compulsory for the parties that differ from the existing rules defined at the moment of signing, the conditions of the concluded agreement shall be valid, except for the cases when, by law or other regulatory legal act, it is defined that it applies to the relations arising from previously concluded contracts. Where more favourable conditions are defined by legislation, the employment contract shall be brought into compliance with the requirements of the legislation.

(Article 84.1 supplemented by HO-117-N of 24 June 2010)

Article 85. Procedure of concluding an employment contract

1. Through the procedure established by the labour legislation, the written employment contract shall be concluded in two copies, through the preparation of one document signed by the parties.

2. Before commencing work, the employer or the employer’s authorised person shall be obliged to properly introduce the hired employee to the conditions of employment, the collective agreement (if it exists), the internal regulatory rules and other legal acts of the employer regulating the employee's work at the workplace.

3. The employee shall be obliged to commence work on the day mentioned in the employment contract. Failure to appear to work with no valid excuse on the day mentioned in the employment contract shall be a ground for rescinding the employment contract.

(Article 85 edited by HO-117-N of 24 June 2010)

Article 86. Preconditions for conclusion of employment contract

1. The employer shall have the right to independently, directly (without competition or other procedures) fill the vacant or newly created positions by concluding employment contracts provided for by this Code. The employer seeking an employee may also fill the vacant or newly created positions through competition organised by him or her, or use services of relevant specialised organisations. The procedure for organising and holding competition for filling vacant positions, as well as for concluding an employment contract with successive candidates shall be defined by the employer.

2. The procedure and conditions for filling vacant positions of servants of civil, other state (special) services prescribed by law and local self-government bodies shall be defined by the Law of the Republic of Armenia on "Civil service", other laws and legal acts.

Article 87. Elective office

Elective offices shall be deemed to be positions that are occupied through elections. Those positions, as well as the procedure and conditions for holding elections shall be defined by the Constitution of the Republic of Armenia, law or statute of the organisation.

Article 88. Qualification examinations

The person performing works or being appointed to a position requiring special professional knowledge may be required to take qualification examinations. Qualification requirements and the procedure for conducting qualification examinations shall be defined by the employer in accordance with the requirements of laws and other legal acts.

Article 89. Required employment documents

1. For concluding an employment contract the employer shall be obliged to require the following documents:

(1) a personal identification document;

(2) employment record book (except for those accepted for employment for the first time or working concurrently) and social security card or a statement on not having a social security card;

(3) certificate on education or required qualification where the work is related to certain type of education or professional competence in accordance with the labour legislation;

(4) statement on health condition (individual medical record), where the employment contract is concluded for such jobs, which require initial and regular medical examination, as well as when concluding the employment contract with citizens under the age of eighteen. The list of such jobs and the form of a statement (individual medical record) shall be defined by the Government of the Republic of Armenia;

(5) written consent of one of the parents, an adopter or a curator where a juvenile citizen at the age of fourteen to sixteen is accepted for employment;

(6) other documents prescribed by law or other regulatory legal acts.

(paragraph repealed by HO-117-N of 24 June 2010)

2. When accepting for employment it is prohibited to require such documents that are not provided for by law or other regulatory legal acts.

3. The employee may — on his or her own initiative — submit to the employer a performance record, a reference letter and other documents describing him or her from the previous workplaces, as well as information or documents on his or her professional competence, qualification and the use thereof.

(Article 89 supplemented by HO-103-N of 22 February 2007, amended by HO-117-N of 24 June 2010)

Article 90. Employment record book

1. The employment record book shall be the main document which includes information on employment background of the employee.

2. The employer shall be obliged to keep employment record book for all employees working in the main workplace.

3. The employment record book shall comprise the following information:

(1) first name and last name (also patronymic name upon his or her wish) of the employee;

(2) date of birth;

(3) employment period according to the employment contract;

(4) the time period of receiving unemployment benefit (shall be filled by the authorised body);

(5) the time period of being included in the personnel reserve of state services, which, in compliance with regulatory legal acts, shall be calculated within work experience (shall be filled out by the authorised body);

(6) the time period of study at intermediate vocational and higher educational institutions (shall be filled out by the employer that hired the employee, upon graduation from the educational institution);

(7) the time period of compulsory provisional military service (shall be filled out by the employer that hired the person after demobilisation);

(8) the ground for recording — the number, the day, month and year of adoption of the legal act.

The time period for performing the works — which according to the legislation entitle the employee to privileged pension — shall also be fixed.

4. Upon the request of the employee, the employment record book shall comprise the following information:

(1) the ground for rescission of the employment contract;

(2) information on the position held or the work performed;

(3) the time period for working concurrently where the employee submits a document certifying concurrent work to the main employer.

5. No other information, except for the information prescribed by parts 3 and 4 of this Article, shall be recorded in the employment record book.

6. The form of the employment record book, the procedure for keeping them, as well as for providing the copy of the employment record book shall be defined by the Government of the Republic of Armenia.

(Article 90 supplemented by HO-117-N of 24 June 2010)

Article 91. Probation upon conclusion of employment contract

1. A probation period may be set upon concluding an employment contract upon consent of the parties. It may be set upon the wish of the employer to check whether the employee is suitable for the envisaged job (position) or upon the wish of the person being accepted for employment to check his or her suitability for the offered job (position). Conditions related to the probation period shall be defined by the employment contract.

2. During the probation period the employee shall enjoy all the rights and incur all the obligations prescribed by this Code, other laws and regulatory legal acts, collective agreement and employment contract.

3. The probation period may not be set in case of accepting for employment persons:

(1) under the age of eighteen;

(2) holding elective offices, as well as those taking qualification examinations to be appointed to a position;

(3) transferred to another job upon mutual consent of employers;

(4) other cases provided for by the legislation.

(Article 91 amended by HO-117-N of 24 June 2010)

Article 92. Time limit of the probation period

1. The time limit of the probation period shall not be more than three months, except for the cases provided for by part 2 of this Article.

2. The probation period for a time period of six months may be set in cases provided for by the legislation of the Republic of Armenia.

3. The probation period shall not include the following time periods when the employee is absent from work:

(1) the time period envisaged by the collective agreement or the employment contract;

(2) the time period of leave (including unpaid) upon the consent of parties;

(3) the time period of the employee's temporary inability to work;

(4) the time period of performing obligations imposed on the employee by state or local self-government bodies;

(5) the time period of lawful strike where the employee participates in the strike in the manner prescribed by law.

Article 93. Results of the probation period

1. Where the employer finds that the employee — based on the current results of the probation period set for evaluating the suitability of the employee for the envisaged job (position) — does not meet the prescribed requirements, he or she may dismiss the employee from work before the expiry of the time limit of the probation period by notifying him or her thereon in writing three days in advance.

2. Where the probation period is set upon the wish of the person to be accepted for employment for evaluating his or her suitability for the proposed job (position), the

results of the probation period shall be evaluated by the employee. The employee shall have the right to rescind the employment contract during the probation period by notifying the employer thereof in writing three days in advance.

3. Where the employee continues to work after the end of the probation period, he or she shall be deemed to have passed the probation period, and the employer may only rescind the employment contract on the grounds provided for by Chapter 15 of this Code.

CHAPTER 13

TYPES OF EMPLOYMENT CONTRACT

Article 94. Types of employment contract

An employment contract shall be concluded for:

(1) an indefinite time limit where the validity period thereof is not specified in the employment contract;

(2) a fixed time limit where the validity period thereof is specified in the employment contract.

Article 95. Employment contract concluded for a fixed time limit

1. An employment contract shall be concluded for a fixed time limit, if the employment relations may not be determined for an indefinite time limit, taking into account the nature of the work to be performed or the conditions for its completion, unless otherwise provided for by this Code or laws.

2. An employment contract concluded for a fixed time limit may be concluded for a fixed time period or by the setting a calendar period or by defining the completion of works provided for by the employment contract.

3. Employment contracts for a fixed time limit shall also be concluded with:

(1) employees hired to elective offices for a selected time period;

(2) those performing combined job;

(3) those performing seasonal works;

(4) those performing temporary works (for a time period of up to two months);

(5) an employee substituting a temporarily absent employee;

(6) foreigners, in the period of permission to work or validity period of the right to residence.

(Article 95 edited by HO-117-N of 24 June 2010)

Article 96. Determining the validity period of an employment contract

The validity period of an employment contract may be determined till certain calendar year, month, day, or till occurrence, change in or end of a certain event.

Article 97. Employment contract for the provision of services of personal character

(Article repealed by HO-117 of 24 June 2010)

Article 98. Employment contract with home-based workers

Home-based workers shall be deemed as persons who, based on the employment contact, perform work at home with materials, tools and equipments provided by the employer or with his or her materials, tools and equipments or acquired at his or her own expenses.

In case the home-based worker performs work with his or her own tools and equipments the employer shall reimburse for depreciation of the tools and equipments in cases and manner prescribed by the employment contract.

The procedure and time limits for the provision of raw materials, materials and semi-finished products to home-based worker, the procedure for paying for the materials owned by home-based worker, the procedure and time limits for transfer of the finished product, as well as for payment of the salary shall be defined by the employment contract.

Employment relations of home-based workers shall be regulated by this Code.

Article 99. Concurrent employment

1. Concurrent employment shall be the work performed by the employee beyond the main working hours for the same or other employer based on the employment contract.

2. The employment contract shall specify that the work is performed concurrently.

3. The annual paid leave of employees working concurrently for different employers shall be provided together with the annual leave granted at the primary workplace.

4. In case the employment contract of a concurrently employed person is rescinded, no dismissal benefit shall be paid to the concurrently employed person.

(Article 99 amended by HO-39-N of 27 February 2006)

Article 100. Seasonal employment contract

1. A seasonal employment contract shall be concluded for performing seasonal work. Seasonal work shall be deemed as the work which, due to natural and climatic conditions, is not performed all year round, but in certain time period (season) not exceeding eight months, and which is defined by the list of seasonal works.

2. The list of seasonal works shall be defined by the Government of the Republic of Armenia.

3. ***(part repealed by HO-117-N of 24 June 2010)***

4. The employee or the employer shall have the right to rescind the seasonal employment contract before the expiry of the validity period thereof by notifying each other thereon in writing at least three days in advance.

(Article 100 amended by HO-117-N of 24 June 2010)

Article 101. Temporary employment contract

1. A temporary employment contract shall be an employment contract concluded for a period of up to two months.

2. Employees having concluded a temporary employment contract may be engaged in work on rest days and non-working days, i.e. holidays and commemoration days. The work performed on non-working days — holidays and commemoration days — shall be remunerated in at least double amount of hourly (daily) pay rate or task rate.

3. ***(part repealed by HO-117-N of 24 June 2010)***

4. The employee or the employer shall have the right to rescind the temporary employment contract before the expiry of the validity period thereof by notifying each other thereon in writing at least three days in advance. In case the temporary employment contract is rescinded the employee shall not be paid dismissal benefit.

(Article 101 amended by HO-117-N of 24 June 2010)

Article 102. Illegal employment

1. Work performed without the employment contract established by this Code shall be deemed as illegal.

2. Voluntary work and the work performed for provision of assistance may not be deemed as illegal. The procedure and conditions for performing such works shall be prescribed by law.

3. The employers or their representatives who have given permission and/or induce to perform illegal work shall bear liability in the manner prescribed by the legislation of the Republic of Armenia, as well as reimburse the employees performing such work for damages incurred during the performance of that work not by the fault of the employee. Where it is established through judicial procedure that there are (have been) actual employment relations between the employee and the employer the employment relations shall be deemed as having arisen on the day the employee was actually hired. To affirm the presence of employment relations, the employee shall have the right to apply to court within the time period of actual employment relations, as well as within one year after termination of actual employment relations. Affirmation of the presence of actual employment relations between the employer and the employee by the legitimate civil judgement of court shall not discharge the employer of the liability prescribed by law.

(Article 102 edited by HO-117 of 24 June 2010, supplemented by HO-5-N of 12 March 2014)

CHAPTER 14

EXECUTION OF EMPLOYMENT CONTRACT

Article 103. Fulfilment of obligations and exercise of rights

1. The employer shall fulfil his or her obligations personally or through his or her representative.

2. The employee shall fulfil his or her obligations personally. The employee may assign the performance of works envisaged by the employment contract to another person being in employment relations with the employer only upon the permission of the employer.

3. The parties shall exercise their rights personally or through their representatives.

(Article 103 supplemented by HO-117-N of 24 June 2010)

Article 104. Performance of work not envisaged by employment contract

The employer shall have the right to require of the employee to perform works not envisaged by the employment contract only in cases prescribed by this Code and the law.

Article 105. Changing the essential conditions of employment

1. The essential conditions of employment are allowed to be changed in the case of changing the conditions of production capacity and/or economic and/or technological and/or organisation of labour.

2. Transferring an employee to another workplace with the same employer, as well as transferring an employee to another job with another employer, the amount of remuneration for work, the privileges, the work schedule, establishing or eliminating incomplete working time, the elemental procedures and the names of offices are the essential conditions of employment, and in the case of changes, the employer shall inform the employee within the time limits established by Article 115 of this Code.

3. The employer may change the conditions of remuneration for work without the written consent of the employee only in case of change in conditions of remuneration for work by law or by collective agreement.

4. The employee may not be transferred to a job that is contraindicated to him or her in terms of the health state by the conclusion of the Medical and Social Commission of Experts.

5. If the previous essential conditions of employment may not be protected, and the employee does not agree to continue the work under the new conditions, the employment contract shall be rescinded in accordance with Article 109(1)(9) of this Code.

(Article 105 edited by HO-117-N of 24 June 2010)

Article 106. Temporary change of conditions of employment in special cases

1. The employer shall be entitled to transfer the employee for a period of up to one month to another job in the same workplace not envisaged by the employment contract,

as well as to change the conditions laid down in Article 84(1)(4) and (6) for the purpose of preventing natural disasters, technological accidents, epidemics, accidents, fires and other cases of emergency or urgently eliminating the consequences thereof.

2. Transferring the employee to a job that is contraindicated his or her health state shall be prohibited.

3. In cases provided for by part 1 of this Article, remuneration shall be based on the work performed. Where, upon the transfer of the employee to another job, his or her salary is decreased for reasons beyond his or her control, the amount of last month's salary for the previous job shall be maintained.

(Article 106 amended by HO-117-N of 24 June 2010)

Article 107. Transfer to another job in case of idleness

1. Idleness not caused by the employee at the workplace is the situation when the employer, due to production or other objective reasons, fails to provide the employee with the job envisaged by the employment contract.

2. Taking into consideration the profession, qualification and health state of the employee the employer shall have the right to transfer the employee to another job during idleness, upon his or her written consent. The employee may be transferred, upon his or her consent, to another job without taking into account his or her profession and qualification.

3. The work of employees transferred to another job due to idleness shall be remunerated in accordance with the procedure prescribed by Article 186 of this Code.

Article 108. Suspension from work

1. The employer shall not allow the employee to perform his or her employment duties and shall not pay salary where the employee is under the influence of alcoholic beverages, narcotic or psychotropic substances, as well as in other cases provided for by law.

2. After the expiry of the period of suspension from work, the employee shall be reinstated in his or her former position in case the reasons for the suspension have not given rise to grounds for rescission of the employment contract.

3. The employee shall have the right to demand reimbursement for damages in the manner prescribed by the legislation where the employer has not allowed him or her to work without any justified reasons.

CHAPTER 15

RESCISSION OF EMPLOYMENT CONTRACT

Article 109. Grounds for rescission of an employment contract

1. The employment contract shall be rescinded:

(1) upon consent of the parties;

(2) in case of expiry of the contract;

(3) upon the initiative of the employee;

(4) upon the initiative of the employer;

(5) if the employee is conscripted to compulsory provisional military service;

(6) in the presence of a court decision entered into legal force, according to which the employee has been subject to such liability that prevents him or her from continuing the work;

(7) if the employee has been deprived of the rights to perform certain activities in the manner prescribed by legislation;

(8) if the employee is under sixteen, and one of the parents, an adopter or a trustee, a physician carrying out medical control over his or her health or a state labour inspector requires rescission of the employment contract;

(9) in case of change of the essential conditions of employment;

(10) in case of death of a natural person employer;

(11) in case of death of the employee,

(12) if the information defined by Article 89(3) and/or (4) of this Code, presented by the employee when being employed, is false;

(12.1) based on the results of the probationary period defined upon consent of the employee and the employer;

(13) if the employee, when being employed, has concealed the fact of being deprived of the rights to perform certain works.

2. In the cases prescribed by this Article, rescission of the employment contract shall be formulated by the individual legal act adopted by the employer.

(Article 109 edited by HO-117 of 24 June 2010, supplemented by HO-5-N of 12 March 2014)

Article 110. Rescission of an employment contract upon consent of parties

1. When rescinding the employment contract upon consent of the parties one party to the employment contract shall offer the other party in writing to rescind the contract. In case of agreement on the offer, the other party shall, within seven days, notify about his or her consent to the party having made the offer. Where the parties agree to rescind the contract, they shall conclude a written agreement thereon which includes the time limit and other conditions (reimbursements, etc.) for rescission of the contract.

2. Where the party who has received the offer to rescind the contract fails to notify about his or her consent to rescind the contract within the term prescribed by part 1 of this Article, the offer to rescind the employment contract shall be deemed as rejected.

Article 111. Rescission of an employment contract concluded for a fixed time limit due to its expiry

1. The employer or the employee shall have the right to rescind the employment contract due to the expiry of the employment contract concluded for a fixed time limit, except for the cases provided for by part 5 of this Article.

2. The employer may rescind the employment contract concluded for a fixed time limit due to the expiry of the contract by notifying the employee thereon in writing at least ten days in advance.

3. The periods prescribed by this Article shall not apply to the employees who have been accepted for employment in place of an absent employee, as well as to the employees performing certain works envisaged by the employment contract.

4. The employee may rescind the employment contract concluded for a fixed time limit by notifying the employer thereon in writing at least ten days before the expiry of the contract. Where the employee has not notified the employer about rescinding the contract concluded for a fixed time limit and has not come to work on the day following the last day envisaged by the employment contract, the contract shall be deemed as rescinded and the employer shall be obliged to make a final settlement with the employee within five days upon filing such a claim.

5. Where the employment contract is not rescinded after the expiry of the employment contract concluded for a fixed time limit in the manner prescribed by this Article and the employment relations continue, the contract shall be deemed as concluded for an indefinite time limit.

(Article 111 supplemented by HO-117-N of 24 June 2010)

Article 112. Rescission of an employment contract upon the initiative of the employee

1. The employee shall have the right to rescind the employment contract concluded for an indefinite time limit, as well as the employment contract concluded for a fixed time limit before the expiry thereof by notifying the employer thereon in writing at least thirty days in advance. The collective agreement may envisage a longer period of notification. After the expiry of the time limit for notification, the employee shall have the right to terminate his or her work, whereas the employer shall be obliged to formulate the rescission of the employment contract and make a final settlement with the employee.

2. The employee shall have the right to rescind the employment contract concluded for an indefinite period, as well as the employment contract concluded for a fixed time limit before its expiry by notifying the employer thereon in writing at least five days in

advance, where the rescission of the employment contract is justified by the illness of the employee preventing the performance of work or occupational maiming, or there are other good reasons envisaged by the collective agreement, or where the employer fails to fulfil the obligations envisaged by the employment contract, violates the law or the collective agreement, as well as in other cases provided for by this Code.

3. The employee shall have the right to withdraw his or her notification on rescinding the employment contract no later than within three working days after submission of the notification. He or she may withdraw his or her notification after the mentioned time limit only upon the consent of the employer.

(Article 112 amended by HO-117-N of 24 June 2010)

Article 113. Rescission of a employment contract upon the initiative of the employer

1. The employer shall have the right to rescind the employment contract concluded with the employee for an indefinite time limit, as well as the employment contract concluded for a fixed time limit before the end of the validity period, if:

(1) the organisation is liquidated (the activity of an individual entrepreneur is terminated);

(2) the number of employees and/or staff positions is reduced due to the changes in volumes of production and/or economic and/or technological and/or work organisation conditions and/or by production needs;

(3) the employee is not suitable for the position held or the work performed;

(4) in case the employee is reinstated in previous position;

(5) if the employee regularly fails to fulfil the obligations reserved for him or her by the employment contract or the internal regulatory rules, with no good reason;

(6) the employer has lost confidence in the employee;

(7) the employee is in a long-term incapacity for work (in case the employee has failed to come to work, due to temporary incapacity for work, for more than 120 consecutive days or for more than 140 days during the last 12 months unless it is defined by law and other regulatory legal acts that the workplace and the position are preserved for a longer period in case of certain diseases);

(8) if the employee is found to be under the influence of alcoholic beverages, narcotics or psychotropic substances at the workplace;

(9) if the employee fails to come to work throughout the entire working day (shift) with no good reason;

(10) the employee rejects or evades mandatory medical examination;

(11) the employee is at the age of pension, unless otherwise provided for by the employment contract.

2. When rescinding the employment contract concluded for a fixed time limit or indefinite time limit on the grounds provided for by points 1, 2, 3, 7 and 11 of part 1 of this Article the employer shall be obliged to notify thereon to the employee within the time limits provided for by Article 115 of this Code.

3. The employer shall have the right to rescind the employment contract based on the grounds provided for by points 2, 3 and 4 of part 1 of this Article, where the employer, within his or her possibilities, has offered the employee another job corresponding to his or her professional competence, qualification, health state, and where the employee has rejected it.

Where the employer does not have a possibility to offer another job the employment contract shall be rescinded without offering other job to the employee.

(Article 113 edited by HO-117-N of 24 June 2010)

Article 114. Prohibition on rescission of employment contract upon the initiative of the employer

1. Rescission of the employment contract upon the initiative of the employer shall be prohibited:

(1) in the time period of temporary incapacity of the employee for work, except for the cases provided for by Article 113(1)(7);

(2) during the leave of the employee;

(2.1) in the case of pregnant women, from the day of submitting a reference to the employer until one month after the maternity leave;

(2.2) in the entire period of taking care of the up to a year old child, except for the cases provided for by Article 113(1), (3) and (5) and by Article 123;

(3) after a decision on calling a strike is adopted and during the strike where the employee participates in this strike in the manner prescribed by this Code;

(4) during the period of fulfilling the obligations imposed on the employee by state or local self-government bodies, except for the cases provided for by Article 124(1) of this Code.

2. Where an employee fails to come to work upon expiry of the time periods provided for by part 1 of this Article, the employer may rescind the employment contract on the grounds provided for by this Chapter.

3. The restrictions provided for by part 1 of this Article shall not apply when rescinding the employment contract due to liquidation of an organisation (termination of the activities of an individual entrepreneur).

4. The following shall not be deemed as a lawful reason for the rescission of the employment contract:

(1) membership to a trade union or participation in the activities of a trade union during non-working hours, and upon consent of the employer — also during working hours;

(2) being the employees' representative at any time;

(3) filing claims to the employer for violation of laws, other regulatory legal acts or the collective agreement;

(4) gender, race, nationality, language, origin, citizenship, social status, belief, marital status and family status, convictions or views, affiliation to political parties or non-governmental organisations;

(5) the age, except for cases defined by law.

(Article 114 supplemented, amended, edited by HO-117-N of 24 June 2010)

Article 115. Notification on rescission of an employment contract

1. In case of rescinding the employment contract on the grounds provided for by Article 113(1)(1) and (2) of this Code the employer shall be obliged to notify the employee thereon in writing not later than two months in advance.

If the employment contract is rescinded on the grounds provided for by Article 109(1)(9) and Article 113(1)(3), (7) and (11) of this Code, the employer shall be obliged to provide a written notification to the employee no later than 14 days in advance for employees who have been working for up to one year, no later than 35 days in advance for employees who have been working for up to five years, no later than 42 days in advance for employees who have been working for five to ten years, no later than 49 days in advance for employees who have been working for ten to fifteen years and no later than 60 days in advance for employees who have been working for more than fifteen years.

Collective agreements and employment contracts may define longer time limits for notification as compared to the time limits envisaged by this part.

2. In case the time limits provided for by part 1 of this Article are not observed the employer shall be obliged to pay a fine to the employee for every overdue day of notification which is calculated based on the average daily salary rate.

3. Notification on rescission of the employment contract shall include:

(1) ground and reason for dismissal from work;

(2) year, month, day of dismissal from work.

4. During the periods defined by part 1 of this Article the employer shall provide the employee with time off to look for a new job. The duration of the time provided may not be less than ten percent of the working time included in the notification period. The time-off to look for a new job shall be provided in accordance with the schedule proposed by the employee. The average salary of the employee shall be maintained during the mentioned period and shall be calculated based on the average hourly salary rate.

5. The notification on rescission of the employment contract shall be deemed as repealed where more than five days have elapsed since the expiry of the notification period and the employer has not rescinded the contract. The periods for the employee’s leave and temporary incapacity for work shall not be calculated within this time limit.

(Article 115 amended, edited by HO-117-N of 24 June 2010)

Article 116. Mass dismissals

1. In case of liquidation of an organisation or reduction in the number of employees, the employer shall be obliged to submit data on the number of dismissed employees (in accordance with profession, age and gender) to the State Employment Service of the Republic of Armenia and to the representative of the employees not later than three months prior to rescinding the employment contracts where it is envisaged to dismiss more than ten percent of the total number of employees, but not less than 10 employees during two months (mass dismissals).

Where mass dismissals are preconditioned by the bankruptcy of the employer, the data on the employees (in accordance with profession, gender and age) shall be submitted to the State Employment Service of the Republic of Armenia not later than within three days upon the civil judgement of court on declaring as bankrupt.

2. Cases of dismissals of employees working under the employment contract concluded for a fixed time limit and under seasonal employment contract shall not be deemed as mass dismissals where they were dismissed from work without violation of the time limits specified in the contracts.

(Article 116 supplemented by HO-117-N of 24 June 2010)

Article 117. Guarantees for pregnant women and employees taking care of a child

(Article repealed by HO-117 of 24 June 2010)

Article 118. Guarantees for an employee having contracted occupational disease and maiming, as well as in a temporary incapacity for work

1. The workplace and position of the employee having lost his or her capacity for work due to occupational disease or maiming shall be retained until his or her recovery or determination of the disability group. The employer may rescind the employment contract on the grounds provided for by this Chapter unless his or her working capacity is recovered and the disability group has been determined.

2. Employees who have temporarily lost their capacity for work in cases not provided for by part 1 of this Article, shall retain their workplace and position, where they have not come to work due to temporary incapacity for work not more than 120 successive days or for not more than 140 days within the last 12 months, unless laws and other regulatory legal acts define that in case of certain diseases the workplace and position shall be retained for a longer period.

Article 119. Guarantees for representatives of employees

1. The employees elected to representative bodies of employees may not be dismissed from work during the implementation of their powers under Article 113 of this Code without the preliminary consent of the state labour inspector, except for cases provided for by Article 113(1) (1), (5), (6), (8)-(10) of this Code.

2. The employer must refer to the state labour inspector to receive his or her consent on the dismissal of the representative of the employees from work. The state labour inspector shall be obliged to reply to the employer within 14 days after the receipt of the application. The state labour inspector shall be obliged to submit the decision on his or her approval or rejection to dismiss the employee from work in writing. Where the state labour inspector fails to reply to the employer within the specified time limit, the employer shall have the right to rescind the employment contract.

3. The employer may appeal against the decision on rejecting the dismissal of the employee from work through judicial procedure. The court may repeal that decision where the interests of the employer are thereby violated.

4. The guarantee provided for by part 1 of this Article may apply to the employees not deemed as a representative of employees where it is envisaged by the collective agreement.

(Article 119 amended by HO-117-N of 24 June 2010)

Article 120. Rescission of an employment contract in case of incompatibility with the position held or work performed

1. The employer shall have the right to rescind the employment contract on the grounds envisaged by Article 113(1)(3) of this Code, where by reason of insufficiency of the professional knowledge or the health state the employee cannot perform his or her employment duties.

2. Deterioration of the health state of the employee may serve as a ground for rescission of the employment contract, where it is of sustainable nature and hinders the process of work or excludes the possibility to continue it.

3. Compatibility of the employee's professional abilities with the assumed position or work that is undertaken is assessed by the employer, whereas assessment of the employee‘s health state is determined by the of the medical and social expert conclusion.

(Article 120 amended by HO-117-N of 24 June 2010)

Article 121. Rescission of an employment contract in case of employee's failure to fulfil his or her obligations or improper fulfilment of obligations

1. The employer shall have the right to rescind the employment contract on the ground provided for by Article 113(1)(5) of this Code, if the employee having committed a disciplinary violation has at least two disciplinary fines that have not been lifted or cancelled.

2. ***(part repealed by HO-117-N of 24 June 2010)***

3. When rescinding the employment contract the employer shall be obliged to follow the rules of imposing disciplinary liability in accordance with this Article.

(Article 121 edited, amended by HO-117-N of 24 June 2010)

Article 122. Rescission of an employment contract due to loss of confidence in the employee

The employer shall have the right to rescind the employment contract with the employee in whom the employer has lost confidence on the ground provided for by Article 113(1)(6) of this Code, where the employee:

(1) while dealing with funds or goods, has committed acts that have made the employer incur material damage;

(2) while carrying out teaching and educating functions, has committed an act that is incompatible with the continuation of the given task;

(3) has released state, official, commercial or technological secrets or has informed the competing organisation thereon.

(Article 122 edited by HO-117-N of 24 June 2010)

Article 123. Rescission of an employment contract upon the initiative of the employee without notifying the employee

In cases provided for by Article 113(1)(5), (6), (8)-(10) of this Code the employer shall have the right to rescind the employment contract without notifying the employee.

(Article 123 edited by HO-117-N of 24 June 2010)

Article 124. Regulation of employment relations with regard to military service

1. In case of being conscripted to compulsory military service no later than three days prior to the date mentioned in the relevant written notice, the employer shall terminate the employment relations with the employee for the entire period of service and rescind the employment contract.

Within a month after the discharge from compulsory military service the employee may address the employer for renewal of the employment relations and the concluding of a new employment contract. In case the employee addresses the employer within the mentioned time limits the employer shall be obliged to conclude a new employment contract within three days, the conditions of which shall not be less favourable for the employee than the conditions of the previous contract.

2. During the conduct of military registration, attachment to the draft offices and calling to training musters the employment relations with the employee shall be regulated in the manner prescribed by law.

(Article 124 supplemented by HO-117-N of 24 June 2010)

Article 125. Rescission of an employment contract in case of bankruptcy of employer

(Article repealed by HO-117-N of 24 June 2010)

Article 126. Restrictions on rescission of an employment contract when restructuring an organisation

Restructuring of the organisation, as well as change in persons having rights under an obligation or other rights thereto shall not be a ground for rescinding the employment contract unless there is reduction in the number of employees and/or of the staff positions.

(Article 126 supplemented by HO-117-N of 24 June 2010)

Article 127. Rescission of an employment contract in case of death of employee

In case of the death of an employee the employer shall rescind the employment contract unilaterally on the day of the employee's death.

Article 128. Rescission of the employment contract in the case of death of natural person employer

If the natural person employer dies, the employment contract may be rescinded by the inheritors of the employer. If the employer does not have inheritors, the contract shall be considered as rescinded on the day of the death of the employer.

(Article 128 edited by HO-117-N of 24 June 2010)

Article 129. Dismissal benefit

1. In case of rescinding the employment contract on the grounds provided for by Article 113(1)(1), (2) and (4) of this Code, the employer shall pay dismissal benefit to the employee in the amount of his or her average monthly salary, whereas in cases provided for by Article 113(3), (7) and (11), as well as Article 109(1)(9) and Article 124, if the employment contract is rescinded, the employer, taking into consideration the continuous work experience of the employee, shall pay the employee a dismissal benefit:

(1) where the employee has worked for up to one year — in the amount of the average daily salary for 10 working days;

(2) where the employee has worked from one to five years — in the amount of average daily salary for 25 working days;

(3) where the employee has worked from five to ten years — in the amount of the average daily salary for 30 working days,

(4) where the employee has worked from ten to fifteen years — in the amount of the average daily salary for 35 working days;

(5) where the employee has worked for up to fifteen years and more — in the amount of the average daily salary for 44 working days.

2. Payment of dismissal benefit may be envisaged for a longer period in accordance with the collective agreement or employment contract.

(Article 129 edited by HO-117-N of 24 June 2010)

Article 130. Procedure for final settlement with an employee

1. In case of rescinding an employment contract the employer shall be obliged to make a full final settlement with the employee on the day of rescission of the employment contract, unless other procedure for final settlement is provided for by this Code, the law or upon agreement between the employer and the employee.

1.1. Where the employee is moved (transferred) to another job with the same employer, the employer shall not make a final settlement with the employee.

2. The employer shall be obliged to pay the employee his or her salary and other equivalent payments on the day of final settlement, fill out and hand in the employee's employment record book in the prescribed manner.

2.1. In the case of death of the natural person employer, the obligations of making the final settlement shall be transferred to those accepting the inheritance, and in the case of absence of the inheritors or their refusal to accept the inheritance, to the person or authority that accepts that property, within the range of its value.

3. By will of the employee, the employer shall be obliged to provide him or her with a statement on his or her functions (duties), the amount of salary, paid taxes and mandatory social security payments and performance evaluation.

(Article 130 amended by HO-238-N of 24 October 2007, supplemented by HO-117-N of 24 June 2010)

CHAPTER 16

PROTECTION OF PERSONAL DATA OF EMPLOYEES

Article 131. Concept of personal data of employee and processing of those data

Personal data of an employee shall be deemed as the information related to the employment relations and on a particular employee necessary for the employer.

Processing of personal data of the employee shall be deemed as the receipt, protection, co-ordination, transfer or use of the personal data of the employee in any other way.

Article 132. General requirements for processing of personal data of employee and guarantees for protection thereof

For the purpose of ensuring human and civil rights and freedoms, the employer shall follow the following requirements while processing the personal data of an employee:

(1) the processing of personal data of an employee may be carried out exclusively for the purpose of ensuring the fulfilment of the requirements of laws and other regulatory legal acts, supporting the employment, education and promotion of the employees, ensuring the personal security of the employees, supervising the quantity and quality of the work performed and ensuring the integrity of the property;

(2) while determining the volume and content of personal data being processed the employer shall be guided by the Constitution of the Republic of Armenia, this Code and other laws;

(3) all personal data shall be provided by the employee. Where the personal data of the employee can only be received from a third person, the employee shall be required to give his or her written consent. The employer shall be obliged to inform the employee about the purpose of receiving the personal data, possible ways and sources for receiving thereof, as well as about the nature of the personal data to be received and about the consequences where the employee rejects to provide written consent about receipt thereof;

(4) the employer shall have no right to obtain and process data on the employee’s political, religious and other convictions or personal life. In cases directly related to employment relations the employer shall have the right to obtain and process data on the employee’s personal life only upon the employee's written consent;

(5) the employer shall have no right to obtain and process the employee’s personal data on his or her membership to non-governmental associations or his or her activities in trade unions, except for the cases provided for by law;

(6) while adopting decisions relating the employee, the employer shall have no right to rely only on the personal data received by automated processing or electronic means;

(7) the lawfulness or protection of the employee's personal data which is ensured by the employer at his or her own expenses in the manner prescribed by law;

(8) the employees and their representatives by their signature shall become familiarised with legal acts of the employer that define the procedure for processing the personal data, as well as about their rights and obligations in this sphere;

(9) the employees shall have no right to waive their rights of ensuring confidentiality and protection.

Article 133. Maintenance and use of personal data of employees

The procedure for maintenance and use of personal data of employees shall be prescribed by law.

(Article 133 amended by HO-117-N of 24 June 2010)

Article 134. Transfer of personal data of employee

While transferring the personal data of the employee the employer shall be obliged to follow the following requirements:

(1) not to disclose the personal data of the employee to third parties without the employee's written consent, except for the cases when this is necessary for preventing the threat to the life and health of the employee, as well as in other cases provided for by law;

(2) not to disclose the personal data of the employee for commercial purposes without the employee's written consent;

(3) warn the persons receiving the personal data of the employee and require them to assert that the data received may only be used for the purposes for which the employees are informed. The persons receiving personal data of the employees shall be obliged to keep them confidential. This provision shall not apply to the transfer of personal data of the employees in the manner prescribed by law;

(4) the transfer of the personal data of the employees within the organisation shall be carried out in accordance with the internal legal acts of the employer;

(5) the right to become familiar with the personal data of the employees shall be reserved only to persons with special authorities; moreover, these persons may receive only the personal data of the employee which are necessary for the fulfilment of certain functions;

(6) not to require information on health of the employee, except for the data which are related to the possibility of the employee to fulfil official duties;

(7) while transferring the personal data of the employee to the representatives of employees in the manner prescribed by this Code, be limited only to the data which are necessary for the representatives concerned to fulfil their functions.

Article 135. Rights of employees related to protection of personal data maintained by employer

For the purpose of ensuring security of the personal data maintained by the employer the employee shall have the right to:

(1) receive full information on his or her personal data and the processing thereof;

(2) familiarise himself or herself with his or her personal data, receive a copy of the record containing personal data freely and at no cost, except for the cases prescribed by law;

(3) familiarise himself or herself with his or her medical data, including with the participation of a physician chosen by him or her;

(4) demand to remove or correct the wrong or incomplete personal data, as well as personal data processed in violation of the requirements of this Code. In case the

demand is rejected the employee shall have the right to present his or her disagreement to the employer in writing by attaching relevant justifications;

(5) demand the employer to inform all the persons that have been communicated wrong or incomplete information on himself or herself about the information that has been removed, as well as the corrections and additions that have been made;

(6) appeal through judicial procedure any action or inaction of the employer with regard to the processing and storage of his or her personal data.

Article 136. Liability for violation of the procedure for processing and protection of personal data of employee

Persons violating the procedure prescribed by this Code, other laws and legal acts for processing and protection of personal data of the employee shall be held liable in the manner prescribed by law.

CHAPTER 17

WORKING TIME

Article 137. Concept of working time

Working time shall be the period when the employee is obliged to perform work envisaged by the employment contract, as well as other equivalent periods.

Article 138. Structure of working time

1. Working time shall include:

(1) actual hours worked, shift at workplace or at home;

(2) the period of secondment;

(3) the period necessary for arranging or preparing a workplace, work tools and safety measures;

(4) breaks included in the working hours according to the law, the collective agreement or the internal legal acts of the employer;

(5) the period of mandatory medical examination;

(6) the period necessary for raising the level of qualification at the workplace or at educational institutions;

(7) the period of prohibition to work under the procedure prescribed by Article 108 of this Code where the employee prohibited to work is allowed to stay at the workplace adhering to the rules of the procedure established at the workplace;

(8) the period of idleness;

(9) other periods prescribed by law, collective agreement or internal legal acts.

2. The following shall not be included in the working time but is calculated in the work experience:

(1) the period of not coming to work upon consent of the employer or his or her representative;

(2) the periods of performance of state, social or civil duties, military registration, attachment to drafting offices, calling to training musters and regular military service;

(3) the period of the employee's temporary incapacity for work;

(4) breaks for rest or eating, daily (inter-shift), weekly uninterrupted rest, non-working holidays and commemoration days prescribed by this Code, leave. The mentioned periods may be included in the working time where the employee performs work on those days in cases and by the procedure provided for by this Code.

(5) other periods prescribed by law, collective agreement or internal legal acts.

Article 139. Duration of working time

1. Normal duration of the working time may not exceed 40 hours a week.

2. Daily working time may not exceed eight working hours, except for the cases provided for by this Code, law, other legal acts and the collective agreement.

3. The maximum duration of working time, including overtime work, may not exceed 12 hours a day (including the break for rest and meal), and 48 hours — during the week.

4. The duration of the working time for specific categories of workers (healthcare organisations working on an uninterrupted shift basis, guardianship (custodianship) organisations, child care educational institutions, specialised energy, gas, heating supply organisations, specialised communications services, as well as specialised services for elimination of the consequences of accidents, etc.) may amount to 24 hours a day. The average duration of the working time of such workers in a week may not exceed 48 hours, and the rest time between the working days may not be less than 24 hours. The list of such jobs shall be defined by the Government of the Republic of Armenia.

5. The duration of daily working time (including breaks for rest and meal) of an employee working on the basis of two and more employment contracts with a different or the same employer may not exceed 12 hours a day.

(Article 139 edited by HO-117-N of 24 June 2010)

Article 140. Shorter working time

1. Shorter working time shall be set for:

(1) employees between the ages of fourteen and sixteen — 24 hours a week;

(2) employees between the ages of sixteen and eighteen — 36 hours a week;

(3) employees in whose workplace it is impossible, due to technical or other reasons, to reduce the maximum permissible levels of occupational hazards to the level safe for health as defined by legal acts on safety and health at work, the working time shall be set not more than 36 hours a week.

2. The procedure and conditions for reducing the working time of employees engaged in work related to mental and emotional defatigation shall be prescribed by law, collective agreement or employment contracts.

(Article 140 edited by HO-117-N of 24 June 2010)

Article 141. Incomplete working time

1. An incomplete working day or an incomplete working week is set:

(1) upon the consent of the employee and the employer;

(2) upon employee's request, related to his or her health state, or based on medical conclusion;

(3) upon request of a pregnant woman or an employee taking care of a child under the age of one;

(4) upon request of the disabled person, based on medical conclusion;

(5) upon request of an employee taking care of a sick member of the family, based on medical conclusion, but for not more than six months, and not more than half of the working time defined for one day with regard to each day.

2. Upon consent of the parties, incomplete working time may be defined by reducing the working days of the week or the working day (shift), or applying both at the same time, unless otherwise provided for by the medical conclusion. The incomplete working time may be divided into parts during the working day. Duration of the incomplete working time defined by points 1-4 of part 1 of this Article and the procedure for providing it shall be defined upon consent of the parties and may be included in the employment contract.

3. When defining the duration of the annual leave, calculating the length of service, appointing to a higher position, raising the qualification, as well as exercising other rights of the employee, the work performed in the conditions of incomplete working time shall be no basis for applying restrictions.

Article 142. Working time regime

1. Distribution of (changes in) the working and rest time for each employee during the day, week or reporting period, as well as the beginning and end of the daily work (shift) shall be defined by the internal disciplinary rules of the organisation. The work (shift) schedules shall be approved by the employer or his or her representative, whereas in cases and in the manner prescribed by the collective agreement it shall be agreed with the body of the organisation having signed the collective agreement. The beginning and end of the working time in state and local self-government bodies and organisations under subordination thereof shall be defined by the Government of the Republic of Armenia.

2. A five-day working week with two rest days shall be prescribed for the employees. Within the organisations where, due to the nature of production or other conditions, application of the five-day working week is impossible, a six-day working week with one rest day shall be defined.

3. The employees shall be obliged to keep to the defined work (shift) schedules. The employer shall be obliged to properly notify the employee about a change made in the working (shift) schedule of the organisation no later than two months before the entry into force of the legal act. The employer shall be obliged to ensure the proportion of rotation of the employees' activities.

4. Engaging the employee in uninterrupted work with two shifts shall be prohibited, except for the case provided for by Article 145(1)(4).

5. The employee raising a minor under the age of fourteen without a husband (wife) shall have the right of priority to choose a shift where the employer has such an opportunity.

6. The period in which the employees have actually worked shall be recorded in the working time log books the form and the procedure for the maintenance thereof shall be defined by the Government of the Republic of Armenia.

7. The specifics of the work and rest regime of employees working in the fields of healthcare, curatorship (guardianship), child education, energy, gas and heat supply, communication and other spheres of work of special nature shall be defined by the Government of the Republic of Armenia.

(Article 142 amended, edited, supplemented by HO-117 of 24 June 2010, edited by HO-68-N of 1 March 2011)

Article 143. Summarised calculation of working time

1. In organisations operating with uninterrupted regime or in case of completion of works of special nature where it is impossible to keep daily or weekly duration of the working time for employees of the given category preconditioned by the specifics of the production (work), summarised calculation of working time shall be allowed, provided that it does not exceed the normal number of working hours in the reporting period (month, quarter, etc.). The duration of the summarised calculated working time may not exceed 6 months.

The procedure for the application of summarised calculation of working time shall be defined by internal disciplinary rules of the organisation.

2. In case of summarised calculation of working time, the duration of daily and weekly uninterrupted rest prescribed by this Code shall be guaranteed. Where the summarised calculation of working time exceeds the number of working hours defined for the employees, the employee's working day shall be shortened upon his or her will or a rest day(s) is (are) provided in the manner prescribed by the collective agreement or internal disciplinary rules, or they shall be paid additional payment defined for overtime work.

Article 144. Restrictions on overtime work

1. The overtime work shall be the work the duration of which is more than the working time defined by Articles 139(1), 140, 141 and 142 (1), (2) of this Code.

(paragraph repealed by HO-117-N of 24 June 2010)

2. The employer may engage the employee in overtime work only in exceptional cases provided for by Article 145 of this Code.

3. The following shall not be engaged in overtime work:

(1) employees under the age of 18;

(2) employees studying in general education and vocational schools without interrupting work in production — on the days of classes;

(3) employees under the influence of factors that are harmful and/or dangerous to the health;

(4) employees working under other conditions provided for by the legislation of the Republic of Armenia and the collective agreement.

4. Pregnant women and employees taking care of a child under the age of one may be engaged in overtime work only upon their consent.

Disabled persons may be engaged in overtime work where the performance of such work is not forbidden by a medical conclusion.

5. The work of managerial staff of the organisation exceeding the working time set shall not be deemed as overtime work. The list of such positions shall be defined by internal disciplinary rules.

(paragraph repealed by HO-117-N of 24 June 2010)

(Article 144 amended, edited by HO-117-N of 24 June 2010)

Article 145. Exceptional cases of permitting overtime work

1. Overtime work shall be permitted in the following exceptional cases where:

(1) the work performed is necessary for the defence of the state, as well as for prevention of natural disasters, technological accidents, epidemics, accidents, fires and other cases of emergency or for elimination of the consequences thereof;

(2) it is necessary to accomplish the work started and that could not be possibly accomplished during the normal working time due to accidental or unforeseen obstacles and where the termination of the works started may result in the deterioration, destruction of materials or breakdown of equipment;

(3) the work performed is related to repair or restoration of mechanisms or equipment the breakdown of which has caused interruption of work of a significant number of employees;

(4) the shift employee has not reported for work that may lead to disruption of continuity of work. In such cases the employer or his or her representative shall be obliged to take immediate measures for substituting the absent person with another employee;

(5) works of loading or unloading and other related works are performed for preventing or eliminating the accumulation of freight in delivery and destination points and for prevention of idleness of transportation means, as well as for vacating warehouses of the organisation;

(6) there is a necessity for urgent fulfilment of contractual obligations of the employer.

2. In case it is necessary to engage the employee in overtime work the employer shall be obliged to inform the employee thereon within reasonable period of time, except for the cases provided for by point 1 of part 1 of this Article.

Article 146. Duration of overtime work

1. The overtime work, upon request of the employer, shall not exceed 4 hours during two successive days, and 180 hours — during a year.

(paragraph repealed by HO-117-N of 24 June 2010)

2. The employer shall be obliged to precisely record the overtime work of each employee in a working time log book.

(Article 146 amended by HO-117-N of 24 June 2010)

Article 147. Duration of work on the eve of non-working holidays, commemoration days and rest days

(Title amended by HO-117-N of 24 June 2010)

1. The duration of the working day on the eve of non-working holidays and commemoration days and rest days shall be shortened by an hour, except for part-time employees working with incomplete working time.

2. ***(part repealed by HO-117-N of 24 June 2010)***

(Article 147 amended by HO-39-N of 27 February 2006, amended, supplemented by HO-117-N of 24 June 2010)

Article 148. Night work

1. Night time shall be considered the period between 22:00 and 6:00.

2. The work performed at night time shall be considered as night work.

3. Persons under the age of eighteen as well as employees who are not allowed to be employed in night work according to a medical conclusion are not allowed to be engaged in night work.

4. Pregnant women and employees taking care of a child under the age of three may be engaged in night work only upon their consent.

5. ***(part repealed by HO-117-N of 24 June 2010)***

6. Where it is confirmed that the night work has harmed or may cause harm to the health of the employee, the employer shall be obliged to transfer the employee only to day work.

(Article 148 supplemented by HO-39-N of 27 February 2006, edited, amended by HO-117-N of 24 June 2010)

Article 149. Duty

1. To ensure workplace discipline within the organisation or the performance of urgent works in special cases, the employer may engage the employee on duty in the organisation or at home at the end of the working day or on non-working holidays, commemoration days and rest days not more than once a month, whereas upon consent of the employee — not more than once a week.

2. Where the duty is performed after the end of the working day, the time of the duty together with the working day (shift) in the organisation may not exceed the duration of the working day (shift) prescribed by Article 139 of this Code, whereas the duration of the duty in the organisation or at home on non-working holidays, commemoration days and rest days may not exceed eight hours a day. The time of duty in the organisation shall be equalised to the working time, whereas at home not less than half of the working time.

3. Where the duration of the duty in the organisation or at home exceeds the working time prescribed by Article 139(1)(2), Articles 140, 141 and 143(1) of this Code the employee shall, during the next month, be given rest time with the same duration, or the

rest time may, upon the will of the employee, be added to the annual leave or may be paid as overtime work.

4. Employees under the age of eighteen shall not be allowed to be engaged in duty work at home or in an organisation. Pregnant women and the employee taking care of a child under the age of three may be engaged on duty at home or in the organisation only upon their consent.

CHAPTER 18

REST TIME

Article 150. Concept of rest time

The rest time shall be the time free from work regulated by this Code, law, collective agreement or employment contract, which the employee uses at his or her discretion.

Article 151. Types of rest time

Types of the rest time shall be as follows:

(1) break for rest and meal;

(2) additional and special breaks for rest during the working day/shift;

(3) uninterrupted rest between working days/shifts;

(4) weekly uninterrupted rest;

(5) annual rest time (non-working holidays, commemoration days, leave).

Article 152. Break for rest and meal

1. After the end of the first half of the working day (shift) but not later than four hours after starting the work the employees shall be provided with a break for rest and meal for no longer than two hours and not less than half an hour.

2. The break for rest and meal shall not be included in the working time, and the employee shall use it at his or her discretion. The employee shall have the right to be absent from the workplace during that period.

3. In case of a six-day working week, on the eve of holidays and commemoration days and rest days, the work may be performed without a break for rest and meal where the duration of the working day does not exceed six hours.

4. Where in certain types of work the provision of a break for rest and meal is impossible due to conditions of production, the employee shall be granted an opportunity to eat while working.

5. The beginning and end of a break for rest and meal shall be defined by internal disciplinary rules, the work schedule, collective agreement or employment contract.

Article 153. Additional and special breaks

1. Due to the working conditions the employees shall be provided with additional break for rest during the working day.

2. Employees under the age of eighteen, whose working time exceeds four hours, shall be granted additional break for at least 30 minutes for rest during the working time.

3. Special breaks should be granted where the work is performed at the air temperature above +40°C or below -10°C, as well as under other hazardous conditions of hard physical or mental and emotional defatigation or with negative impact on health.

4. Additional and special breaks shall be included in the working time, and the procedure for the provision thereof shall be defined by internal disciplinary rules, work schedule, collective agreement or employment contract.

5. The number of additional and special breaks, the duration thereof and the place of rest shall be envisaged by the collective agreement or employment contract.

(Article 153 amended by HO-39-N of 27 February 2006)

Article 154. Rest during the day

1. The duration of uninterrupted rest between working days/shifts may not be less than 11 hours.

2. The duration of daily uninterrupted rest for employees between the ages of fourteen and sixteen may not be less than14 hours, whereas for employees between the ages of sixteen and eighteen it may not be less than 12 hours and shall include the period from 22 p.m. to 6 a.m.

Article 155. Weekly uninterrupted rest

1. The common rest day is Sunday, and in case of a five-day working week the rest days are Saturday and Sunday, except for the cases envisaged by parts 2-4 of this Article and by other legal acts.

2. In organisations where the work on common rest day may not be terminated due to the need to provide services to the population (public transportation, specialised organisations supplying energy, gas, and heat, theatres, museums, public catering, etc.), the rest day shall be defined by the employer.

3. In organisations where works may not be terminated due to technical conditions of production or to the need for uninterrupted and continuous provision of services to the population, as well as in other organisations with uninterrupted work regime, the rest days shall be granted on the other days of the week in a sequence prescribed by the working schedule for each group of employees. These schedules shall be prepared and approved in the manner prescribed by Article 142 of this Code.

4. In case of summarised calculation of working time, the rest days shall be granted to the employees, in accordance with the working schedule (shifts).

5. Uninterrupted weekly rest should not be less than 35 hours. Two rest days being granted in the cases provided for by parts 2-4 of this Article shall follow each other.

6. Engagement of employees in work on rest days shall be prohibited, except for the works the termination of which is impossible due to technical reasons of production or which are necessary for the provision of services to the population, as well as for performing urgent repair, loading or unloading operations.

Pregnant women, employees taking care of a child under the age of one may be engaged in work on rest days only upon their consent.

7. Employees under the age of eighteen are granted at least two rest days per week.

(Article 155 amended by HO-117-N of 24 June 2010)

Article 156. Non-working holidays and commemoration days

1. The non-working days (holidays and commemoration days) in the Republic of Armenia shall be established by law.

2. Engagement of employees in work on non-working holidays and commemoration days shall be prohibited, except for the works the termination of which is impossible due to technical reasons of production or which are necessary for the provision of services to the population, as well as for performing urgent repair, and loading or unloading operations.

Pregnant women, employees taking care of a child under the age of one may be engaged in work on non-working holidays and commemoration days only upon their consent.

(Article 156 edited, amended by HO-117-N of 24 June 2010)

Article 157. Other holidays and commemoration days

(Article repealed by HO-117 of 24 June 2010)

Article 158. Annual leave

1. Annual leave is a period calculated in working days, which is provided to employees for rest and for recovering their working capacity. During this time, his or her workplace (position) shall be retained, and average salary shall be paid.

(paragraph repealed by HO-117-N of 24 June 2010)

2. Annual leave shall be minimum, extended and additional.

(Article 158 supplemented by HO-140-N of 8 July 2005, amended by HO-117-N of 24 June 2010)

Article 159. Minimum annual leave

1. The duration of the minimum annual leave, in the case of the five-day working week, is 20 working days, and in the case of the six-day working week, 24 working days.

2. The annual leave for employees with incomplete working time shall not be reduced.

3. Leaves with longer duration may be prescribed by a collective agreement or employment contract or by legal acts of the employer, except for the organisations funded from state and community budget, the Central Bank of the Republic of Armenia.

(Article 159 edited, supplemented by HO-117-N of 24 June 2010)

Article 160. Extended annual leave

An extended annual leave with a duration of 25 working days in case of a five-day working week, and with a duration of 30 working days in case of a six-day working week (in exceptional cases — 35 working days in case of five-day working week, and 42 working days in case of six-day working week) shall be granted to employees of special category working under special working conditions whose work is related to mental and emotional defatigation or occupational hazard. The list of employees of a specific category entitled to such a leave shall be defined by the Government of the Republic of Armenia.

(Article 160 amended by HO-117-N of 24 June 2010)

Article 161. Additional annual leave

1. Additional annual leave may be granted to:

(1) employees working under harmful and hazardous working conditions;

(2) employees with irregular work schedule;

(3) employees engaged in works of special nature.

2. The list of employees of a specific category entitled to additional annual leave, the minimum duration of the leave and the procedure for the provision thereof shall be defined by the Government of the Republic of Armenia.

Article 162. Determining the duration of annual leave

1. Additional annual leave shall be added to the minimum annual leave and may be granted together with it or separately.

2. The employees entitled to extended annual and additional annual leave shall be granted either with only extended annual or the additional leave added to the minimum annual leave in the manner prescribed by part 1 of this Article at their choice.

Article 163. Granting of annual leave in parts

Upon the consent of the parties, the annual leave may be granted in parts. In case of granting the annual leave in parts, one of the parts of the annual leave shall be at least 10 working days in case of a five-day working week, and at least 12 working days — in case of a six-day working week.

(Article 163 edited by HO-22-N of 16 December 2005, HO-117-N of 24 June 2010)

Article 164. Procedure for granting annual leave

1. Annual leave for each working year shall be granted in the same working year.

2. Annual leave for the first working year shall be granted, as a rule, after six months of uninterrupted work at the organisation. For the second and subsequent working years annual leave shall be granted at any time of the working year, in accordance with the succession for granting annual leaves. The procedure for establishing succession shall be defined by a collective agreement, and where such agreement is not made — upon the consent of the parties.

3. Prior to the expiry of six months of uninterrupted work, annual leave shall be granted at the request of an employee in the following cases:

(1) to women before or after maternity leave;

(2) in other cases provided for by the collective agreement.

4. After six months of uninterrupted work, the following persons shall have the right to choose the time of annual leave:

(1) employees under the age of 18;

(2) pregnant women and employees taking care of a child under the age of fourteen.

5. Men shall be granted their annual leave at their request during the pregnancy and the maternity leave of their wives.

6. During the first year of employment, the teaching staff of educational institutions shall be granted annual leave during the summer vacations of learners and students, irrespective of the date when these pedagogues began to work.

7. Annual leave for employees studying without interruption of their employment shall be, at their request, adjusted with the time of their examinations, tests, preparation of the thesis and laboratory activities.

8. The employees taking care of an ill or disabled person at home, as well as employees with chronic diseases the exacerbation of which depends on the conditions of the atmosphere shall be granted annual leave at the time of their choice, on the basis of the medical conclusion.

Article 165. Work experience required for annual leave

Working year, for which annual leave is granted, shall include the following:

(1) the actual period worked;

(2) the period in which, according to the legislation, the employee retains the workplace (position) and salary completely or partially;

(3) the period of the employee's temporary incapacity for work;

(4) the period of paid annual leave;

(5) the period of mandatory idleness of the employee in case of reinstatement in his or her former position;

(6) the period of lawful strike;

(7) other periods defined by legislation.

(Article 165 amended by HO-117-N of 24 June 2010)

Article 166. Recall from annual leave

Recall from annual leave shall be permitted only upon the employee’s consent. The unused part of annual leave shall be granted in accordance with Article 167(2) and (3) of this Code.

Article 167. Transfer and extension of annual leave

1. Transfer of the annual leave shall be allowed only through the mediation of or upon the consent of the employee. Annual leave may also be transferred, if the employee:

(1) is temporarily incapable to work;

(2) becomes entitled to a special purpose leave provided for by Article 171 of this Code;

(3) ***(point repealed by HO-117-N of 24 June 2010)***

(4) takes part in operations for prevention of natural disasters, technological accidents, epidemics, accidents, fires and other emergency cases or in operations for immediate elimination of their consequences, irrespective of the procedure, according to which he or she was mobilised to take part in these operations.

2. Where the reasons specified in part 1 of this Article or any other reasons (due to which annual leave could not be used) arose before the commencement of annual leave, annual leave shall be transferred to some other time by the agreement between the employee and the employer. Where those reasons arose during the annual leave, the annual leave shall be extended in the amount of the corresponding days.

3. The transferred annual leave, as a rule, shall be granted in the same working year, but not later than within 18 months, starting from the end of the working year, for which the annual leave has not been granted or has been partially granted. Through the mediation

or upon the consent of the employee, the unused part of annual leave may be transferred and added to the annual leave of the subsequent year.

(Article 167 amended, supplemented by HO-117-N of 24 June 2010)

Article 168. Granting of unused annual leave when being dismissed from work

When an employee is being dismissed from work (with the exception of cases envisaged by Article 113(1)(5) and (6) and Article 109(6), (7), (12), (13)) the unused annual leave shall be granted, at his or her own request, by transferring the year, month, date of dismissal. In this case, the day of dismissal from shall be the day following the last day of the annual leave.

(Article 168 amended, supplemented by HO-117-N of 24 June 2010)

Article 169. Pay for annual leave

1. The employer shall pay average salary to the employee for annual leave, which is calculated by multiplying the average daily salary of the employee by the number of days of the leave being granted.

Payments that are larger than those defined by this Code can be defined for the annual leave by the collective agreement or the employment contract or the employer's legal act, except for the organisations funded from the state and community budget, as well as the Central Bank of the Republic of Armenia.

2. The payment for annual leave shall be made not later than three days before the commencement of annual leave. Where the payment due to the employee is not made in the defined period not by the fault of the employee, annual leave shall be extended by as

many days as the payment was delayed, and the payment for the extended period shall be the same as the payment for annual leave.

3. According to Article 166 of this Code, the employee involved in work shall be paid a salary, regardless of the fact that the payment for the annual leave has been made. If the employee subsequently uses the paid, but not used days of the annual leave, the employer shall pay for these days the average salary through the procedure established by this Code.

(Article 169 amended by HO-39 of 27 February 2006, supplemented by HO-117-N of 24 June 2010)

Article 170. Monetary compensation for the unused annual leave

1. Replacing the annual leave with monetary compensation shall not be allowed. Where due to rescission of the employment contract the annual leave cannot be granted to the employee, who was granted the right to annual leave, or where the employee does not want the leave to be granted, he or she shall be paid monetary compensation.

2. The monetary compensation for the unused annual leave shall be paid when the employment contract is rescinded. The amount of compensation shall be determined in accordance with the number of days of the unused annual leave to be granted for the given period. If the employee has not been granted annual leave for a period longer than one year, the compensation shall be paid for all the unused annual leaves.

(Article 170 amended, supplemented by HO-117-N of 24 June 2010)

Article 171. Types of special purpose leave

Special purpose leave shall be:

(1) pregnancy and maternity leave;

(2) leave granted for taking care of a child under the age of three;

(3) study leave;

(4) leave being granted for fulfilment of state or social duties;

(5) unpaid leave.

During the period of special purpose leave the employee's position shall be retained, with the exception of cases envisaged by 113(1)(1).

(Article 171 supplemented by HO-117-N of 24 June 2010, edited by HO-33-N of 30 April 2013)

Article 172. Pregnancy and maternity leave

1. Employed women shall be granted pregnancy and maternity leave:

(1) 140 days (70 days for pregnancy leave, 70 days for maternity leave);

(2) 155 days (70 days for pregnancy leave, 85 days for maternity leave) in case of hard delivery;

(3) 180 days (70 days for pregnancy leave, 110 days for maternity leave) in case of simultaneous delivery of more than one child.

These types of leave shall be calculated in total and granted to the woman in full length. In case of early delivery, unused days of pregnancy leave shall be added to the days of maternity leave.

2. An employee having adopted a newborn or appointed a guardian of a newborn shall be granted a leave for a period from the day of adoption or of being appointed guardian up to when the infant attains an age of 70 days (in case of adoption or being appointed a guardian of two or more newborns — up to when the newborns reach 110 days).

2.1. The employee (the child's biological mother) having given birth to a child through a surrogate shall be granted a leave for a period starting from the day of birth of the child up to when the newborn attains an age of 70 days (in case of birth of two or more newborns — up to when the newborns reach 110 days).

3. In the cases provided for by parts 1 and 2 of this Article, the payment of benefit to the employee for temporary incapability for work shall be made in the manner prescribed by the legislation of the Republic of Armenia.

(Article 172 amended, supplemented by HO-210-N of 24 October 2005, supplemented by HO-151-N of 12 December 2013)

Article 173. Leave granted for taking care of a child under the age of three

1. Leave for taking care of a child under the age of three shall be granted upon the request of the mother (step-mother), father (step-father) of the family, or the guardian who is actually taking care of the child. The leave may be taken as a single period or be used in parts. The employees entitled to such leave may take it out of turn.

2. ***(part repealed by HO-33-N of 30 April 2013)***

(Article 173 amended by HO-226-N of 22 December 2010, HO-33-N of 30 April 2013)

Article 174. Study leave

1. Employees shall be granted a leave in order to prepare for examinations for admission to secondary vocational and higher education institutions, three working days for each examination.

2. Employees studying at general education, secondary vocational or higher education institutions shall be granted a study leave upon the motion of the educational institution:

(1) to prepare for and take current examinations — three working days for each examination;

(2) to prepare for and take credit tests — two working days for each credit test;

(3) for laboratory work — as many days as envisaged by the curriculum;

(4) to prepare and defend a graduation paper — 30 working days;

(5) to prepare for and take each state (graduation) examination — six working days.

3. The time for arriving at and returning from the educational institution shall not be calculated in the study leave.

(Article 174 amended, supplemented by HO-117-N of 24 June 2010)

Article 175. Exempting employees from the performance of employment duties for fulfilling state or social duties

(Title amended by HO-117-N of 24 June 2010)

1. Employees shall be exempt from performing employment duties and shall retain the workplace (position):

(1) when exercising their right of suffrage;

(2) when showing up as a witness, victim, expert, professional, translator by the call of investigative and preliminary investigative bodies, a prosecutor and court;

(3) when participating in trials as a representative of the employees;

(4) when fulfilling obligations of a donor;

(5) in other cases provided for by the legislation of the Republic of Armenia.

2. The average salary of the employee having been exempt from performance of employment duties for fulfilment of state or social duties as defined by part 1 of this Article shall be paid or compensated by the organisation (body), the obligations of which shall be fulfilled by the employee, whereas the average salary for employees of state or local self-government bodies shall be paid from the primary workplace of the employee, unless otherwise provided for by law. The average salary paid shall be calculated, accepting the following as a basis:

(1) the average hourly salary where the period of exemption from performance of employment duties exceeds one week;

(2) the average daily salary where the period of exemption from performance of employment duties exceeds one week.

3. The employees elected within the representative bodies of employees working within the organisation, during the year, shall be exempt from the performance of employment duties for up to six working days, to attend various events organised by the employees' representative bodies or to improve their qualifications as members of the representative bodies of employees. The procedure for exemption from employment duties and payment for those days shall be established by the collective agreement or upon the decision of the staff meeting (assembly).

(Article 175 amended, supplemented, edited by HO-117-N of 24 June 2010)

Article 176. Unpaid leave

1. Upon request of the employee, the unpaid leave shall be granted to:

(1) the husband of a woman on pregnancy and maternity leave, as well as of one taking care of a child under the age of one. The total duration of the leave may not exceed 2 months;

(2) the disabled employee or the employee taking care of an ill member of the family, in periods defined by the medical conclusion, but not more than 30 days within a year;

(3) for marriage, three working days;

(4) in case of funeral of a deceased member of family, not less than three days.

2. Other reasons for unpaid leave may be defined by the collective agreement.

3. In the cases prescribed by the collective agreements or employment contracts or upon the consent of the parties, the employee may be granted an unpaid leave for duration of not more than 60 days throughout the year. An unpaid leave for not more than 30 days throughout the year may be granted to officials working for civil, other state (special) services established by law and local self-government bodies.

(Article 176 edited by HO-117-N of 24 June 2010)

Article 177. Additional privileges for leave

(Article repealed by HO-117 of 24 June 2010)

CHAPTER 19

SALARY

Article 178. Salary

1. The salary is the remuneration for works performed by an employee under law, other legal acts or an employment contract.

2. Men and women shall receive equal pay for equal or equivalent work.

3. The salary shall include the basic salary and any additional remuneration paid by the employer to the employee for the work performed by him or her.

4. The salary of an employee shall depend on the employee's qualification, as well as conditions of employment, quality, amount and difficulty of work.

5. The salary shall be paid with the money (currency) of the Republic of Armenia, the dram of the Republic of Armenia.

(Article 178 edited, amended by HO-117-N of 24 June 2010)

Article 179. Minimum salary

1. The minimum monthly and hourly salary shall be defined by law. Other amount for the minimum monthly salary (hourly pay) may be defined by law for separate branches of economy, residences, certain groups of employees.

The minimum salary shall not include bonuses, additional payments, awards and other incentive payments.

2. A minimum salary higher than the minimum salary defined by part 1 of this Article may be defined by the collective agreement.

3. The amount of the hourly pay or monthly salary of the employee may not be less than the amounts defined by parts 1 and 2 of this Article.

(Article 179 amended by HO-117-N of 24 June 2010)

Article 180. Manner of remuneration for work

1. The minimum conditions, amount of remuneration for work, occupational and official, tariff and qualification requirements, labour standards, as well as tariffication of jobs and employees shall be defined by the legislation of the Republic of Armenia or by the collective agreement.

2. The hourly, work-based and monthly rates, other forms, amount and conditions of remuneration for work, the labour standards shall be defined by the collective agreement or the employment contract.

2.1. The employee's hourly rate for the current month shall be determined by dividing the main salary or official rate in the given month by the total number of working hours of the month established by the legislation of the Republic of Armenia, or the collective agreement or employment contract or by a legal act of the employer or upon the consent of the parties, and the employee's daily rate for the current month shall be determined by dividing the main salary or official rate in the given month by the total number of working days of the month established by the legislation of the Republic of Armenia, or the collective agreement or employment contract or by a legal act of the employer or upon the consent of the parties.

3. In case of applying a job qualification system, the same criteria shall apply to both men and women, and this system must be elaborated so that any discrimination based on gender is excluded.

(Article 180 supplemented, amended by HO-117-N of 24 June 2010)

Article 181. Remuneration for work of officials and servants

The procedure and conditions for remuneration for work of persons holding political, discretionary or civil offices, as well as servants of civil, other state (special) services and local self-government bodies established by law, other state officials, as well as employees of the Central Bank of the Republic of Armenia shall be determined by law.

Article 182. Indexation of salary

Indexation of salary shall be done in the manner prescribed by the legislation of the Republic of Armenia.

Article 183. Remuneration for the performance of heavy, harmful, especially heavy and especially harmful works

1. The employee shall be paid an additional payment for performing heavy, harmful, especially heavy and especially harmful works prescribed by the legislation of the Republic of Armenia.

2. The employee shall be paid an additional payment that is not less than 30 percent of his or her tariff salary for performing works prescribed by the list of heavy and harmful productions, works, occupations, positions and indicators, and not less than 50 percent

for performing works prescribed by the list of especially heavy, especially harmful productions, works, occupations, positions and indicators.

(Article 183 edited by HO-117-N of 24 June 2010)

Article 184. Remuneration for overtime and night work

For each hour of overtime work, in addition to the hourly rate, an additional payment shall be made, not less than 50 percent of the hourly rate, and for each hour of night work, not less than 30 percent of the hourly rate.

(Article 184 edited by HO-117-N of 24 June 2010)

Article 185. Remuneration for work on rest days and non-working days (holidays and commemoration days)

1. The work performed on rest days and non-working days of holidays and commemoration days established by law, unless it is envisaged in the work schedule, upon the consent of the parties shall be remunerated in at least double the amount of the hourly (daily) pay rate or task rate, or the employee shall be granted another paid rest day within a month, or that day shall be added to the annual leave.

2. The work performed on non-working days of holidays and commemoration days established by law in the working schedule shall be remunerated in at least double the amount of hourly (daily) pay rate or task rate.

3. The requirements set by parts 1 and 2 of this Article shall not apply to employees working in the sectors of healthcare, curatorship (guardianship), children's upbringing, energy, gas and heat supply, communication and other work spheres of special nature in

case the work is performed during any one of at least five consecutive non-working days (holidays, commemoration days, rest days). Moreover, in the case prescribed by this part, the amount of the bonus for work performed during a non-working day shall be determined upon the consent of the parties or by the collective agreement.

(Article 185 edited by HO-117-N of 24 June 2010, supplemented by HO-151-N of 12 December 2013)

Article 186. Payment during idleness

1. Where during the period of idleness not due to the fault of the employee, the employee is not offered another job that complies with his or her profession, qualification and that he or she could have performed without causing harm to his or her health, the employee shall be paid two-thirds of his or her average hourly salary prior to idleness for every hour of idleness, but not less than the minimum hourly rate established by legislation.

2. Where during the idleness due to the fault of the employee, the employee is, upon his or her consent, temporarily transferred to another job with a lower salary, but complying with his or her profession, qualification and not causing harm to his or her health, the employee shall be paid for every hour by his or her hourly rate preceding the month of idleness.

3. Where the employee rejects the offered temporary job that complies with his or her profession and qualification and that he or she could have performed without causing harm to his or her health, the employee shall be paid not less than 30 percent of the established minimum hourly rate for every hour of idleness.

4. The employee shall be paid a salary in the amount defined by part 1 of this Article for being at the workplace upon the request of the employer during idleness.

5. The collective agreement or employment contract may envisage cases when the employee may not show up to work at all during the period of idleness.

6. The employee shall not be paid for idleness for reasons considered as force majeure in the manner prescribed by the legislation of the Republic of Armenia, as well as for idleness due to the fault of the employee.

Article 187. Remuneration for incomplete working time

In cases provided for by the legislation of the Republic of Armenia, as well as upon the agreement between the employer and the employee, in cases of incomplete working time (incomplete working day or week), the remuneration for work shall be proportionate to the actual hours or the volume of work performed.

(Article 187 amended by HO-117-N of 24 June 2010)

Article 188. Remuneration for work in case of increase in volume of work

1. Where the workload of the employee increases in comparison with the prescribed norms, he or she shall be remunerated in proportion to the volume of work performed.

2. Certain amounts of remuneration for work shall be defined by the collective agreement or the employment contract.

Article 189. Remuneration for shorter working time

The conditions for remunerating employees with shorter working time shall be established by the legislation of the Republic of Armenia.

Article 190. Remuneration for work in case of defective product

1. The work of an employee in case of defective product not due to the fault of the employee shall be remunerated in the amount of remuneration prescribed for a non-defective product.

2. The work of an employee for defective product due to the fault of the employer or for hidden flaw of the material being reprocessed, as well as for the defective product noticed after acceptance of the product shall be remunerated in the amount of remuneration prescribed for a non-defective product.

3. The work shall not be remunerated in case of a defective product due to the fault of the employee.

(Article 190 edited by HO-117-N of 24 June 2010)

Article 191. Remuneration for work in case of failure to comply with labour standards

1. Where labour standards are not complied with due to the fault of the employee, remuneration for work shall be paid for the actual work performed. In this case the monthly salary may not be less than two-thirds of his or her monthly average salary, which may not be less than the established minimum monthly salary.

2. Where labour standards are not complied with due to the fault of the employee, remuneration for work shall be proportionate to the actual work performed.

Article 192. Time limits and procedure for payment of salary

(Title amended by HO-117-N of 24 June 2010)

1. The salary for each month shall be calculated and paid to the employee on working days, at least once a month by the 15th of the following month.

The employer may pay salary with a periodicity of more than once a month.

2. Payment of salary by bonds and securities shall be prohibited, except for the cases provided for by law.

The salary may be paid by a bank certificate, cheques or money transfer being made to the bank account indicated by the employee.

(Article 192 amended by HO-117-N of 24 June 2010)

Article 193. Calculation sheets

1. When paying the salaries to all employees the employer shall submit calculation sheets.

2. The sums that are calculated, paid and kept shall be indicated in the calculation sheet.

Article 194. Notification about new conditions for remuneration for work

When setting new conditions for remuneration for work in the case provided for by Article 105(3) of this Code, the employer shall notify the employee thereon not later than one month prior to entry into force of the new conditions.

Article 195. Average salary

1. The average salary shall be guaranteed to the employees in cases envisaged by the legislation of the Republic of Armenia, by the collective agreements or employment contracts. A single procedure of calculation is defined for all cases of determining the amount of the average salary envisaged by this Code. When calculating the average salary, all types of remuneration for work shall be taken into consideration (main salary, additional salary — bonuses, additional payments, supplementary payments, awards, etc.), which are applied within the given organisation, irrespective of the source of payment.

2. The amount of the average monthly salary of the employee shall be determined by dividing by twelve the total sum of all types of remuneration (main salary, supplementary payments — bonuses, additional payments, supplementary payments, awards, etc.) calculated for the employee by the given employer in the last 12 months proceeding the month in which such a demand emerges.

The twelve months subject to settlement shall not include the months during which the employee was temporarily incapable for work and/or at leave and/or in idleness not due to his or her fault.

If because of any of the reasons mentioned in the second paragraph of this part twelve months have not been added up, the average monthly salary of the employee shall be calculated by dividing the total sum of all types of remuneration (excluding amounts for awards) for work calculated for the employee during all the other months in the given period, and the amounts for awards shall be calculated by 1/12 of the salary.

Where the employee has not had an actually calculated salary in the twelve months preceding the month in which the demand for estimating the average monthly salary has emerged, or where there are cases listed in the second paragraph of this part in the twelve months, the official rate established by legislation for the employee or the monthly salary established by the employment contract or the legal act on accepting for employment shall be accepted as a basis for calculation instead of the average salary. Where an hourly rate is established, the hourly rate shall be accepted as a basis for calculations.

Where during the calculation of the average salary there have been awards calculated for the employee in the months taken out of the count through the procedure established by the second paragraph of this part, the amount of the award shall be taken into consideration in the average salary through the procedure established by the third paragraph of this part.

3. In case of a five-day working week, the amount of the average daily salary shall be determined by dividing the average monthly salary by 21. In case of a six-day working week, the amount of the average daily salary shall be determined by dividing the average monthly salary by 25.

The average daily salary of employees who have worked less than a month shall be determined by dividing the total sum of all types of remuneration for work (main salary, additional salary, including bonuses, additional payments, supplementary payments, awards, etc.), calculated for the days that the employee has worked by the number of days that have been worked.

4. The average hourly salary rate shall be determined by dividing the average monthly salary by the number of average working hours for one month of the given employee established by the legislation of the Republic of Armenia, or the collective agreement or employment contract, or the legal act of the employer.

The average hourly salary for employees having worked less than a month shall be determined by dividing the total sum of all types of remuneration for work (main salary, additional salary — bonuses, additional payments, supplementary payments, awards, etc.), calculated for the days that have been worked by the number of working hours established by the legislation of the Republic of Armenia or the collective agreement or the employment contract or the legal act of the employer.

5. ***(part repealed by HO-220-N of 12 November 2012)***

6. ***(part repealed by HO-220-N of 12 November 2012)***

7. Where the average monthly salary or average hourly salary calculated through the procedure established by this Article is lower than the minimum monthly salary or than the minimum hourly tariff rate existing at the given moment, the minimum monthly salary or minimum hourly tariff rate existing at the given moment shall be accepted as a basis, instead of the average monthly or average hourly salaries respectively.

(Article 195 amended, supplemented by HO-23-N of 16 December 2005, edited by HO-117 of 24 June 2010, supplemented by HO-220-N of 12 November 2012, HO-151-N of 12 December 2013)

Article 196. Meeting the demands of employees in case of bankruptcy of the employer

In case of bankruptcy of the employer the demands of employees relating to the payment of the salary and other payments equivalent to that shall be met in the manner prescribed by law.

Article 197. Payment of salary in case of death of employee

In case of death of the employee the salary to be paid to him or her and other payments equivalent to that shall be made to the member of the family of the deceased where the member of the family submits the death certificate and other documents required for certifying the fact that he or she is a member of the family within six months following the death of the employee. Payments shall be made within three working days following the submission of the mentioned documents. The salary and other equivalent payments not received in the defined period shall be subject to be passed on to the inheritors.

Article 198. Late payment of salary and other payments in relation to employment relations

1. If the payment of the salary is made by violation of the periods established by this Code, the collective agreement or upon the consent of the parties due to the fault of the employer, the employer shall pay the employee 0.15 percent of the salary due for each day, but not more than the amount of the sum that is due.

2. If the employer is recognised as bankrupt, the calculation of the fine established by part 1 of this Article shall be terminated from the moment the court renders a civil judgement on recognising him or her as bankrupt.

(Article 198 edited by HO-117-N of 24 June 2010)

Article 199. Data regarding salary and other conditions of employment

The data regarding the salary and other conditions of employment for the employee shall be provided or promulgated only in the cases provided for by the legislation of the Republic of Armenia or upon the consent of the employee.

CHAPTER 20

GUARANTEES AND COMPENSATIONS

Article 200. Conditions of remuneration for study leave

1. An employee studying at a general school, secondary vocational or higher education institution shall be paid for his or her study leave by the employer, in the amount not less than the average daily salary of the employee for each day, in case the employee was sent to receive education by the employer.

2. The issue of payment for the study leave of employees taking entrance examinations or studying on their own initiative may be regulated by a collective agreement or upon consent of the parties.

Article 201. Professional training for employees having received notification about rescission of employment contract

Employees having received notification about rescission of employment contract in cases provided for by Article 113(1)(1), (2) and (3) of this Code may be sent to learn a profession that meets the demands of the labour market or to raise the level of qualification. The procedure for professional training or raising the level of qualification is defined by the legislation of the Republic of Armenia.

(Article 201 amended by HO-39-N of 27 February 2006, HO-117-N of 24 June 2010)

Article 201.1. Professional training on the part of the employer

The employer, at his or her expense where necessary, may organise the professional training of students or persons being accepted for employment within the organisation, paying the students at least the minimum salary established by law throughout the training.

(Article 201.1 supplemented by HO-117-N of 24 June 2010)

Article 202. Remuneration for work in case of transfer to another job due to health state of employee

1. If the health condition of the employee has deteriorated due to the work performed (employee cannot perform the previous job due to injury, occupational disease and other reasons for deterioration of health) and it is impossible to transfer him or her to another job that corresponds to his or her profession, qualification and health state due to lack of a relevant job within the given organisation, he or she shall, in the amount established by legislation, be paid a benefit prior to receiving the opinion of the state Medical and Social Commission of Experts regarding his or her working capacity. Where the employee has not had insurance for accidents at the workplace and occupational diseases, the employer shall pay compensation for damage after the level of loss of working capacity is determined.

2. If the employee is transferred to a job with a lower salary in cases provided for by part 1 of this Article, he or she shall be paid for the work performed and a compensation-the difference between the amounts of salaries paid for the previous average monthly salary and the salary for the work performed, prior to receiving the opinion of the Medical and Social Commission of Experts regarding his or her working capacity.

(Article 202 amended by HO-39-N of 27 February 2006)

Article 203. Pay for additional and special breaks

The employer shall pay the average salary for additional and special breaks, for the calculation of which the amount of the average hourly salary shall be accepted as a basis.

Article 204. Guarantees for health checks

An employee, who must undergo a health check due to the nature of his or her work, shall be paid the average salary for the time spent for his or her health check, which is calculated based on the amount of the average hourly salary rate.

Article 205. Compensation due to specific conditions of employment or nature of work

Employees whose work is performed in fields or is of transportation (mobility) nature shall be reimbursed for the additional expenses for the work performed, due to the conditions or nature of work.

The minimum amount of reimbursements and the payment procedure shall be determined by the Government of the Republic of Armenia. In case the expenses of business trips are covered by state or community budgets the maximum amount of compensations shall also be defined by the Government of the Republic of Armenia.

Article 206. Payment in case of refusal to perform the work

For the period during which the employee has refused to work due to substantiated reasons, relating to presence of danger for safety assurance and health, not undergoing training for safe performance of work and lack of collective safety measures, the employee shall be paid his or her average salary, for the calculation of which the average hourly salary rate shall be accepted as a basis. Where the employee refuses to perform the work for unsubstantiated reasons, the period not worked shall not be paid, and the damage caused to the employer shall be subject to compensation in the manner defined by the legislation of the Republic of Armenia.

Article 207. Guarantees for donors

On the day of giving blood or the components thereof the donor shall be exempt from performing employment duties. The employee shall be obliged to notify the employer about not showing up to work not later than a day before. The employer or his or her representative shall not impede the donor to give blood or the components thereof.

(Article 207 amended by HO-117-N of 24 June 2010)

Article 208. Compensation for the depreciation of tools and working clothes of the employee

1. The employer shall guarantee free provision of tools, devices, special clothes and individual and other collective safety measures required for the employee.

2. Where the employee's measures specified in part 1 of this Article are used in labour, the employer shall be obliged to compensate the employee for the depreciation of those measures. The conditions of and procedure for compensation shall be determined by

mutual agreement between the employer and the employee, or by the employment contract.

Article 209. Guarantees and compensations in case of business trips

(Title amended by HO-117-N of 24 June 2010)

1. The employees on business trips shall be guaranteed that during the entire period of business trip they shall retain their workplace (position) and the salary. They shall be paid per diem, and the costs relating to the business trip shall be reimbursed.

2. The minimum amount of payments specified above and the payment procedure shall be determined by the Government of the Republic of Armenia. In case the expenses of business trips are covered by state or community budgets the maximum amount of compensations shall be defined by the Government of the Republic of Armenia.

3. Persons under eighteen years of age shall be prohibited to be sent on a business trip. Pregnant women and employees taking care of a child under one may be sent on a business trip only upon their consent.

(Article 209 amended, supplemented by HO-117-N of 24 June 2010)

Article 210. Guarantees and compensations for transfer to another workplace or being accepted for employment at another workplace

(Article repealed by HO-117-N of 24 June 2010)

Article 211. Cases of return of paid compensations

(Article repealed by HO-117-N of 24 June 2010)

Article 212. Meeting monetary demands

1. The monetary demands having arisen as a result of employment relations and related to damage caused to the life or health of the employee shall be compensated by the employer in the manner prescribed by the legislation of the Republic of Armenia.

2. The funds from the special fund established by the Government of the Republic of Armenia may be used to meet the demands established by part 1 of this Article, in the manner prescribed by the legislation of the Republic of Armenia.

Article 213. Grounds for making deductions from salary

1. Deductions from salary may be made in the manner and cases defined by law.

2. For the purpose of covering the arrears to the employer, the following deductions or charges from salaries shall be made:

(1) the advance payment of the salary paid to the employee;

(2) the excess payments made as a result of mechanical errors of calculation;

(3) the part of the advance payment provided to an employee for a business trip or a shift to another workplace or for performance of specific tasks, which was not spent and not returned appropriately;

(4) the amount of compensation for damage caused to an employer by the employee.

In cases mentioned in this part, where the debt of an employee does not exceed his or her monthly average salary, the employer shall be have the right to make deductions where no later than within a one-month period upon the date of expiry of time limits for return of advance payment, of making excess payments executed as a result of mechanical errors of calculation, of returning the amount of advance payment not spent and not returned on time and the date of detecting the damage caused to an employee, it has published a relevant legal act on making deductions. Deductions or charges from salaries of employees may also be made with the purpose of covering the arrears to the employer, when the employee is dismissed until the end of the working year for which he or she has been provided with a leave. In this case, the amount paid for the days not worked shall be charged. For those days, the charges shall be made, if the employee has been dismissed from work in the cases provided for by Article 109(1)(6), (7), (12), (13), Article 112(1), Article 113(1) (5), (6), (8)-(10) of this Code.

3. It shall not be permitted to deduct or charge the salary calculated and paid in excess due to the incorrect application of law, except for cases of mechanical errors of calculation.

(Article 213 amended, edited by HO-117-N of 24 June 2010)

Article 214. Limitations on size of deductions from salary

Upon the payment of salary, the overall size of deductions and charges shall be calculated in the manner prescribed by law, which cannot exceed fifty percent of the monthly salary of the employee.

CHAPTER 21

WORKPLACE DISCIPLINE

Article 215. Ensuring workplace discipline

1. Workplace discipline shall be ensured by creating normal organisational and economic conditions for productivity and encouraging efficiency.

2. Disciplinary measures may be applied against employees violating the workplace discipline.

Article 216. Obligations of the employee

The employee shall be obliged to perform in good faith the obligations assumed by the employment contract; follow the internal disciplinary rules, observe workplace discipline of the organisation; meet the specified labour standards; follow the requirements for labour safety and security; treat the properties of the employer and other employees in good faith, as well as notify the employer immediately about a danger causing a threat to the life and health of persons and the protection of the employer's property.

Article 217. Obligations of the employer

The employer shall be obliged to:

(1) provide the employee with a job specified in the contract and organise his or her labour;

(2) pay the salary of the employee within the envisaged time limit and in the specified amount;

(3) provide the employee with paid and unpaid leave in the prescribed manner;

(4) ensure safe workplace conditions;

(5) when accepting for employment and during the work, introduce the employee to the internal disciplinary rules of the organisation, the requirements for labour safety and fire-prevention security;

(6) discharge other obligations provided for by law, other legal acts, by collective agreement and employment contract.

Article 218. Workplace discipline and internal disciplinary rules of the organisation

1. The workplace discipline shall be the rules of conduct established by the labour legislation, other regulatory legal acts containing norms of the labour law, by collective agreement and employment contract, by internal legal acts of the employer, which all employees shall be obliged to follow.

2. The internal disciplinary rules (internal legal act of the employer) of the organisation shall regulate the procedure of accepting for employment and dismissal of employees, the fundamental rights, obligations and liability of the parties to the employment contract, the working regime, the time for rest, the measures for encouragement and disciplinary liability being applied to employees, as well as other issues relating to employment relations.

Article 219. Incentives applied by the employer

1. The employer may promote employees for performing employment duties in good faith. The following types of incentives may be applied to the employee:

(1) expression of gratitude;

(2) lump-sum monetary reward;

(3) award of a token;

(4) granting an additional paid leave;

(5) lifting of disciplinary sanction.

2. Other types of incentives may be established by the collective agreement or by the internal disciplinary rules of the organisation.

3. Employees may be presented for state awards in cases and manner provided for by law.

Article 220. Violation of workplace discipline

Lack of performance of employment duties or improper performance of such duties due to the fault of the employee shall be deemed as violation of workplace discipline.

Article 221. Major violation of workplace discipline

(Article repealed by HO-117-N of 24 June 2010)

Article 222. Grounds for disciplinary liability

Only the employee having violated the workplace discipline may be subject to disciplinary liability.

Article 223. Disciplinary penalties

1. The following disciplinary penalties may be applied for violation of workplace discipline:

(1) reprimand;

(2) severe reprimand;

(3) rescission of an employment contract by grounds in Article 113(1) (5), (6), (8)-(10) of this Code.

2. Other disciplinary penalties may also be defined by law for employees in individual categories.

3. Application of disciplinary penalties not provided for by law shall be prohibited.

(Article 223 amended by HO-117-N of 24 June 2010)

Article 224. Selection of disciplinary penalty

The gravity of violation and consequences thereof, the guilt of the employee, the circumstances behind the violation and the work that the employee has previously performed shall be taken into consideration in case of application of a disciplinary penalty.

Article 225. Ban on application of several disciplinary penalties for one violation of workplace discipline

One disciplinary penalty shall be imposed for each disciplinary violation.

Article 226. Procedure for application of disciplinary penalty

Prior to application of a disciplinary penalty the employer shall demand from the employee a written explanation on the violation. Where within the reasonable time limit established by the employer the employee fails to submit an explanation with no valid reason, the disciplinary penalty may be applied without an explanation.

Article 227. Time limit of application of disciplinary penalty

1. A disciplinary penalty may be applied within a month following revelation of the violation, not counting the periods of absence of the employee due to temporary incapacity, business trip or leave.

2. A disciplinary penalty may not be applied if six months have elapsed from the day when the violation was committed. If the violation is revealed during an auditing, financial-economic activity, a check (inventory) of sums or other values, the disciplinary penalty may be applied where not more than one year has elapsed since the day when the violation was committed.

Article 228. Appeal against disciplinary penalty

The disciplinary penalty may be appealed through a judicial procedure.

Article 229. The period of validity of the disciplinary penalty

Where a new disciplinary penalty has not been imposed on an officer within one year after the day of imposition of the disciplinary penalty it shall be considered as expired.

Article 230. Lifting of disciplinary penalty

The disciplinary sanction may be lifted before one year elapses, if an employee has not committed a new disciplinary violation and performs his or her employment duties with good faith.

CHAPTER 22

MATERIAL LIABILITY

Article 231. Grounds for emergence of material liability

Material liability arises when the party (employer or employee) to the employment contract causes damage to the other party through failure to fulfil or by improper fulfilment of his or her obligations.

The obligations having arisen as a result of damage caused shall be regulated by the Civil Code of the Republic of Armenia, unless otherwise provided for by this Code.

Article 232. Conditions for emergence of material liability

Material liability emerges in the case of presence of all the following conditions:

(1) damage has been caused;

(2) the damage has been caused as a result of an illegal act;

(3) there is a cause-and-effect between the illegal act and emergence of the damage;

(4) there is the guilt of the violator;

(5) the parties having committed the violation and the injured parties have been in employment relations at the moment of violation of rights;

(6) emergence of damage is linked to professional activity.

Article 233. Considering the guilt of the injured party

If the damage has been caused due to the fault of the employee having been maimed or by the deceased employee — as a result of his or her gross negligence, taking into consideration the level of culpability, compensation for damage shall be reduced, or the claim for compensation for damage shall be rejected.

Article 234. Cases of emergence of material liability of employer

Material liability of an employer emerges when:

(1) the employee not insured from accidents at work and from occupational diseases has contracted an occupational disease, has been maimed or has died;

(2) the damage has been caused as a result of loss, elimination of property or becoming unfit for use;

(3) other violations of the property rights of employees or other persons have been committed.

The employer shall compensate for the damage caused by him or her in the manner prescribed by the Civil Code of the Republic of Armenia.

Article 235. Compensation for damage in case of reorganising an organisation

Where the organisation obliged to compensate for the damage is reorganised the obligation to compensate for the damage shall be transferred by the way of legal succession, in accordance with the act of transfer or the separation balance.

Article 236. Compensation for damage in case of liquidation of an organisation

In case of liquidation of an organisation the damage caused to the employee shall be subject to compensation in the manner prescribed by the Civil Code of the Republic of Armenia and other laws.

Article 237. Cases of material liability of the employee

The employee shall be obliged to compensate for the material damage caused to the employer, which has emerged:

(1) as a result of destruction or loss of property of the employer;

(2) as a result of allowing surcharge of materials;

(3) in cases of compensation of the employer for damage caused to other persons during performance of employment duties on the part of the employee;

(4) due to expenses made as a result of destruction of property belonging to the employer;

(5) as a result of improper maintenance of material assets;

(6) as a result of intentionally not taking measures to prevent the issuing of low-quality products, confiscating material or monetary assets.

Article 238. Limits of material liability of the employee

The employee shall be obliged to compensate the employer for the damage caused fully, but not more than the amount of his or her average salary for three months, except for the cases provided for by Article 239 of this Code.

Article 239. Cases of full compensation for damage on the part of employees

The employee shall be obliged to compensate for material damage caused to the employer fully, if:

(1) the damage has been caused intentionally,

(2) the damage has been caused as a result of a criminal activity of the employee;

(3) an agreement on full material liability was signed with the employee;

(4) the damage has been caused as a result of the loss of tools, devices, special clothes and individual or collective safety measures provided to him or her for work, as well as the loss of materials, semi-finished products or products;

(5) the damage has been caused in a way or with a property, in the case of which full liability for property is defined by law;

(6) the damage has been caused under the influence of alcoholic drinks, narcotics or psychotropic substances.

Article 240. Agreement on full material liability

1. An agreement on full material liability may be concluded with employees whose work is directly linked to maintenance, acceptance, writing-off, trade, move or use of material assets. The agreement on full material liability shall be concluded in written form. The material assets for which the employee assumes full material liability, as well as the obligations of the employer, that is, conditions ensuring prevention of damages shall be specified in the agreement.

2. An agreement on full material liability may not be concluded with employees under the age of 18.

Article 241. Determining the amount of damage subject to compensation

1. The damage subject to compensation shall include the actual damage and the missed benefit.

2. Damages are the expenses incurred or to be incurred by the person whose right has been violated to reinstate the violated right, the loss of or injury to the property thereof (actual damage), as well as unearned incomes that this person would have earned under the usual conditions of civil circulation if the right thereof had not been violated (missed benefit).

3. A person who has compensated for the damage inflicted by another person (the employee while discharging occupational, official or other employment duties, driving a vehicle, etc.) shall have the right to regress over this person in the amount of the paid compensation, unless the law establishes a different amount of compensation.

CHAPTER 23

SAFETY AND HEALTH OF EMPLOYEES

Article 242. Safety and health of employees

Safety and health of the employees shall be a system of maintaining the life and health of employees during the working activity, which includes legal, social and economic, organisational and technical, sanitary hygienic, medical and preventive, rehabilitation and other measures.

Article 243. The right of employees to safe work

1. Adequate, safe conditions and conditions harmless for health established by law shall be created for every employee during labour.

2. The employer shall be obliged to maintain the health and safety of the employees. Taking into consideration the level of danger of production for employees, the employer shall include within the organisation a qualified service for ensuring the safety of employees and maintaining their health, or shall personally carry out that function.

3. The classification of employment conditions and the minimum permissible level and quantity of factors that are harmful to health, shall be defined by laws and other legal acts.

(Article 243 amended, supplemented by HO-117-N of 24 June 2010)

Article 244. Ensuring normal working conditions

The employer shall be obliged to ensure normal employment conditions in order for employees to be able to perform the labour standards. These conditions shall be as follows:

(1) due operation of mechanisms, equipments and other means of labour;

(2) timely provision of technical documents;

(3) proper quality and timely provision of materials and tools required for the performance of the work;

(4) ensuring production with electric power, gas and other types of energy;

(5) employment conditions, which are secure and harmless for health (adherence to safety norms and rules, adequate lighting, heating, air conditioning, ensuring that the noise, radiation, vibration and other dangerous factors with negative impact on the health of the employee do not exceed the set minimum level);

(6) other conditions necessary for the performance of certain tasks.

Article 245. Furnishing the workplace

1. The workplace and the environment of each employee shall be safe, comfortable and harmless for health; it shall be equipped in compliance with the requirements of the regulatory legal acts on assurance of safety and healthcare of the employees.

2. New and reconstructed sites (complexes, enterprises, plants, workshops, etc.) shall be put into operation by the procedure established by the Government of the Republic of Armenia.

Article 246. Means of labour

1. Only means of labour in operable condition and in compliance with the requirements in regulatory legal acts on safety assurance and healthcare of employees shall be permitted for use in labour.

2. The minimum requirements for safety assurance and healthcare of employees with regard to means of labour shall be set by relevant regulatory legal acts.

3. The mandatory conditions for safety and healthcare with regard to production of different means of labour and the procedures for assessment of their compatibility shall be set by technical standards and other regulatory legal acts.

4. The requirements for ensuring safety when using a certain means of labour shall be set by the documents accompanying the means of labour. The person producing the means of labour shall be obliged to provide those documents along with the means being provided.

5. The employer shall exercise permanent mandatory control over safe exploitation of equipments, unless otherwise provided for by the contract on use (exploitation) of those equipments.

(Article 246 amended by HO-117-N of 24 June 2010)

Article 247. Protection from influence of dangerous chemical substances

1. In organisations where chemical substances dangerous to the health of persons are used, produced, moved or maintained during production process the employers shall define and take adequate measures to ensure the safety of employees and the protection of the environment.

2. The packaging of dangerous chemical substances shall be labelled with a warning sign of danger or hazard.

3. Employees must be trained and instructed to treat certain dangerous chemical substances safely. Collective safety measures, special systems for registration of the number of dangerous chemical substances and systems warning employees about the danger shall be installed at workplaces. Employees must be ensured through individual safety measures.

Article 248. Organising safe performance of work

1. The work must be organised in accordance with the requirements in regulatory legal acts on safety assurance and healthcare of employees.

2. ***(part repealed by HO-117-N of 24 June 2010)***

3. The employer shall be obliged to adopt internal legal acts on ensuring the safety and healthcare of employees.

4. Failure to follow the requirements of legal acts on ensuring the safety and healthcare of employees, rules of organising and performing works and instructions shall be deemed as violation of internal disciplinary rules of the organisation.

(Article 248 amended by HO-117-N of 24 June 2010)

Article 249. Mandatory medical examination

1. Employees under the age of eighteen shall be obliged to undergo a medical examination when being accepted for employment, whereas until reaching the age of eighteen — with prescribed periodicity.

The periodic medical examination of employees under the age of eighteen is conducted at the expense of the employer.

2. Employees who may be subject to occupational risks at the workplace shall, before being accepted for employment and during the employment — periodically, undergo medical examination in accordance with the medical examination schedule approved by the employer. Employees whose occupational risk is due to use of dangerous substances during work shall be subject to periodic medical examination at the workplace within the same organisation or in case of changing the job.

3. Employees of organisations specialising in food industry, trade and public catering, water structures, medical and preventive organisations, as well as child care and other organisations must undergo periodic medical examinations for the healthcare of the population.

4. Employees working at night and on shift must undergo pre-entry medical examination and periodic medical examinations in the course of employment, according to the medical examination schedule approved by the employer.

5. The employer shall be obliged to approve the list of the employees who are subject to mandatory medical examination, and reach an agreement with the health organisation on the schedule for medical examinations. Employees shall be notified about the schedule of medical examinations by their signature.

6. Mandatory medical examination shall be conducted at working hours, at the expense of the employer.

7. The list of professions and jobs subject to preliminary and periodic mandatory medical examination, as well as the procedure for conducting medical examination are defined by the Government of the Republic of Armenia.

(Article 249 amended, edited by HO-117-N of 24 June 2010)

Article 250. Temporary termination of employment

1. Employment shall be temporarily terminated in the manner prescribed by regulatory legal acts, if:

(1) the employee has not been introduced to the rules for safe performance of labour;

(2) the means of labour is in a non-operable condition or there is an accident;

(3) the work is performed with violations of the technical regulation;

(4) employees are not provided with collective and/or individual safety measures;

(5) the workplace is dangerous or harmful to life and health.

2. In case of emergence of danger within the organisation or the subdivisions of the organisation the employer shall be obliged to:

(1) notify as soon as possible all employees and those who may be in danger about the danger, as well as about the measures to be taken for ensuring the safety and healthcare of employees and the actions to be taken by the employees;

(2) take measures to terminate the works and instruct the employees to abandon the working area and move to a safer place;

(3) organise the provision of first aid to the injured and the evacuation of the employees;

(4) notify the relevant internal and external services and authorities about the danger and the injured employees as soon as possible;

(5) prior to the arrival of the specialised services, engage the service of the organisation in charge of ensuring the safety and healthcare of employees, as well as the employees having received corresponding training to eliminate the danger.

3. In cases provided for by part 1 of this Article, where the employer does not take measures to protect employees from the potential danger, the service of the organisation in charge of ensuring the safety and healthcare of employees, as well as the representatives of the employees shall have the right to demand termination of work. If the employer refuses to fulfil the demand of the service of the organisation charge of ensuring the safety and healthcare of employees and the representatives of the employees, the latter shall notify the State Labour Inspectorate thereon. The state labour inspector may take a decision to make the employer obliged to terminate work after assessing the safety assurance and state of health of the employees. If the employer refuses to fulfil the demands of the state labour inspector, the latter shall be have the right to address the Police for execution of the demand for termination of work and the evacuation of employees from the dangerous workplaces.

4. Employees shall be obliged to notify the employer immediately about the non-operable condition of means of labour and the cause of an accident.

5. Every organisation shall be obliged to have a plan for evacuation of employees.

6. The organisations in which dangerous substances are produced, used and maintained, shall be obliged to have, in the manner prescribed by the legislation, action plans for warning about the potential accident and eliminating the consequences thereof.

7. The plans for evacuation of employees must be posted in visible places. The service of the organisation in charge of ensuring the safety and healthcare of employees and the trade union shall be obliged to be informed about the plans for warning about evacuation and accidents and eliminating them.

8. When work is temporarily terminated in cases provided for by part 1 of this Article, the average salary of the employee shall be maintained, accepting the average hourly rate as a basis for calculation.

9. Where natural conditions impede the safe performance of works, they must be terminated. In case of emergence of a danger, the employer shall, in the manner prescribed by this Code have the right to transfer employees to another job not provided for by the employment contract in order to prevent accidents in production.

(Article 250 supplemented, amended by HO-75-N of 26 May 2008, amended by HO-117-N of 24 June 2010)

Article 251. Sanitary-hygienic rooms of the organisation

1. In accordance with the procedure prescribed by regulatory legal acts on ensuring the safety and healthcare of employees within the organisation, sanitary and personal hygiene rooms or corresponding separated places (sinks, showers, bathrooms) shall be furnished for rest, dressing and keeping clothes, shoes and observing individual safety measures.

2. In organisations where dangerous substances are used, the sanitary and personal hygiene rooms shall be furnished by following the special requirements for the furnishing of such rooms. The requirements for furnishing of sanitary and personal hygiene rooms shall be set by the regulatory legal acts on ensuring the safety and healthcare of employees, taking into consideration the nature of work, the substances used and the number of employees.

3. The medical clinics and nourishment rooms of the organisation shall be furnished in accordance with the requirements for furnishing such rooms, taking into consideration the number of employees.

Article 252. Performance evaluation of the employer

(Article repealed by HO-117-N of 24 June 2010)

Article 253. Participation of employees in the implementation of actions to ensure the safety and healthcare of employees

The employer shall be obliged to inform the employees about the issues relating to the analysis and planning of the safety assurance and healthcare of employees, organising such activities and supervision over them, as well as make consultations with them. The employer shall be obliged to involve the employees' representatives in the discussion of the issues regarding the safety assurance and health of employees. The employer may set up a Commission for safety assurance and health of employees within the organisation, the rules of procedure whereof shall be prescribed by the Government of the Republic of Armenia.

(Article 253 amended by HO-117-N of 24 June 2010)

Article 254. Instruction and training of employees as regards the safety assurance and health of employees

1. The employer may not require from the employee to perform employment duties, if the employee has not undergone operational safety training and/or has not received instructions.

2. The employer shall ensure that the employee seconded to his or her organisation assumes his or her employment duties only after being informed about the potential risk

factors existing in the organisation and after receiving workplace-specific safety instructions.

Article 255. Providing employees with protective measures

1. The employer shall furnish the collective protective measures and provide employees with free protective measures, based on regulatory legal acts on ensuring the safety and healthcare of employees and the assessment of the state of safety and health of employees within the organisation.

2. Where the collective protective measures do not ensure the protection of employees from risk factors, the employees must be provided with individual protective measures. The individual protective measures must be adapted to the job, must be appropriate for application and must not present additional danger for the safety of employees. The requirements for assessing the compatibility between the design and production of individual protective measures shall be set by the regulatory legal acts on ensuring the safety and healthcare of employees.

Article 256. Organising the medical care of employees

1. In cases of emergence of accidents or acute diseases at the workplace the employer shall be obliged to provide employees with first aid.

2. The employer shall organise the transfer of an employee having become ill or having received an injury at the workplace to the health organisation at his or her expense.

Article 257. Ban on work of persons under the age of eighteen

Engaging persons under the age of eighteen in heavy, harmful, especially heavy, especially harmful works established by the legislation of the Republic of Armenia, as well as in other cases prescribed by law, shall be prohibited.

(Article 257 edited by HO-117-N of 24 June 2010)

Article 258. Protection of motherhood

1. Engaging pregnant women or women taking care of a child under the age of one in heavy, harmful, especially heavy and especially harmful works established by the legislation of the Republic of Armenia shall be prohibited.

2. Based on the list of hazardous conditions and dangerous factors of work, as well as the assessment results of the workplace, the employer shall be obliged to determine the nature and duration of hazardous effect on safety and health of pregnant women and women taking care of a child under the age of one. After identification of the potential effect, the employer shall be obliged to undertake temporary measures to ensure the elimination of the risk of hazardous factors.

3. Where the hazardous factors are impossible to eliminate, the employer shall undertake measures to improve the workplace conditions so that pregnant women and women taking care of a child under the age of one are not exposed to impact of such factors. Where it is impossible to eliminate such impact as a result of improvement of workplace conditions, the employer shall be obliged to transfer the woman (upon her consent) to another job in the organisation. In case of absence of such possibility, the woman shall be provided with a paid leave prior to granting pregnancy and maternity leave.

4. Where a pregnant woman and a woman taking care of a child under the age of one need to undergo medical examination during the working time, the employer shall be obliged to release her from the performance of employment duties by maintaining the average salary, which is calculated on the basis of the average hourly salary rate.

5. Apart from general break for rest and meal, a breast-feeding woman shall be given an additional break of at least 30 minutes once every three hours feed a child until the child is a year and half. In the period of breaks prescribed for feeding the child, the employee shall be paid in the amount of the average hourly salary.

(Article 258 edited, supplemented, amended by HO-117-N of 24 June 2010)

Article 259. Guarantees for the safety and health of disabled employees

The safety and healthcare of disabled employees shall be guaranteed by laws.

(Article 259 amended by HO-117-N of 24 June 2010)

Article 260. Notification about accidents, occupational diseases at the workplace

1. The employee having suffered from an accident at the workplace or having contracted an occupational disease (if capable), as well as the person having witnessed the accident or the consequences thereof, shall be obliged to notify the head of the subdivision, the employer and the service of the organisation in charge of safety and health of employees immediately thereon.

2. In case of death of an employee at the workplace the employer shall be obliged to notify immediately the insurer, the Police and State Labour Inspectorate of the Republic of Armenia.

(Article 260 amended by HO-117-N of 24 June 2010)

Article 261. Official investigation into accidents and occupational diseases

1. An official investigation shall be carried out with the purpose of finding out the reasons of occupational diseases and accidents within the organisation. The employer must record occupational diseases and accidents. The procedure for recording of and official investigation into occupational diseases and accidents shall be defined by the Government of the Republic of Armenia.

2. The victim or his or her representative may, by the prescribed procedure, participate in the official investigation of the accident during working time or occupational disease, has the right to become familiar with the materials of the official investigation of the accident or occupational disease, receive the act of the official investigation of the accident or occupational disease, and in case of disagreement with the act the results of the official investigation may be appealed through administrative and/or judicial procedure.

(Article 261 amended by HO-117-N of 24 June 2010)

Article 262. Control and supervision over the safety and healthcare of employees

State authorised bodies shall exercise control and supervision over the safety and healthcare of employees within the scope of their powers.

CHAPTER 24

LABOUR DISPUTES

Article 263. Concept of a labour dispute

A labour dispute is a disagreement between the employee and the employer that arises during the fulfilment of rights and obligations prescribed by the labour legislation other regulatory legal acts, internal legal acts, the employment contract or collective agreement.

Article 264. Body investigating labour disputes

1. Labour disputes shall be subject to examination through judicial procedure in the manner prescribed by the Civil Procedure Code of the Republic of Armenia.

2. Collective labour disputes shall be settled in the manner prescribed by Chapter 11 of this Code.

Article 265. Disputes relating to the employment contract

1. In case of disagreement with the change of employment conditions, termination of employment contract upon the employer's initiative or rescission of the employment contract, the employee shall have the right to apply to court within one month following the receipt of the individual legal act (document). Where it is revealed that employment conditions have been changed, employment contract with the employee rescinded upon absence of lawful grounds or in violation of the procedure defined by the legislation, the violated rights of the employee shall be restored. In that case the employer shall be

charged a minimum salary for the whole period of forced idleness or the difference of the salary for the period during which the employee performed work with minimum remuneration. Average salary shall be calculated by multiplying the relevant number of the days by average daily salary of the employee.

2. For economic, technological and organisational reasons, or in case of impossibility of reinstatement of future employment relations between the employer and the employee the court need not reinstate the employee to his or her former office, making the employer obliged to pay compensation for the entire period of forced idleness in the amount of the average salary, prior to entry into force of the court judgement, and pay compensation in exchange for non reinstatement of the employee to office in the amount of not less than the average salary, but not more than twelve-fold of the average salary. The employment contract shall be deemed as rescinded starting from the day of entry into legal force of the court judgement.

(Article 265 amended, supplemented by HO-117-N of 24 June 2010, amended, edited by HO-5-N of 12 March 2014)

Article 266. Judicial expenses for labour disputes

Judicial expenses for labour disputes shall be made in the manner prescribed by law.

President
of the Republic of Armenia **R. Kocharyan**
14 December 2004
Yerevan
HO-124-N