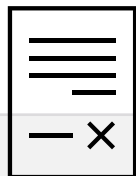


THE 5 MAIN CHANGES IN THE LABOR REFORM

December 30, 2021

The Royal Decree Law that reforms the labor market enters into force

1 HIRING



TRAINING CONTRACTS

A single category with two types

In **alternation**

To qualify for **professional training**

PERMANENT SEASONAL CONTRACTS

This contractual category is strengthened and relaunched.

For **Temporary Employment Agencies**

For jobs of a **seasonal nature**.

For work within the framework of outsourcing and **sub-contracts**.

TEMPORARY CONTRACTS

Presumption in favor of the **indefinite-term** contract.

Contracts for a specific project or service are eliminated

Two categories

- I. Due to production circumstances:
 - a. Occasional and unforeseeable increase: 6 months, extendable to 12 months if allowed by the activity's collective agreement.
 - b. Occasional and foreseeable situations: maximum 90 days.
- II. Due to a substitution

Conversion to indefinite term if accumulated temporary contract time exceeds: 18 months within a 24-month period. This restricts the anti-fraud rule.

Increased penalties for fraud and penalties for short-term contracts.

2 SUB-CONTRACTS

The **Collective Agreement** will be the one applicable to the activity carried out.



3 FURLOUGHS (ERTEs)

The furlough due to **Force Majeure** is developed.

New **RED mechanism for employment flexibility**. Two categories:

- i. Macroeconomic crises: maximum 1 year.
- ii. Crises in the activity sector: maximum 1 year, extendable to 2 years.

In **all cases**:

- i. Possibility of furloughing and unfurloughing.
- ii. Prioritize reductions vs. suspension.
- iii. Promote training initiatives.
- iv. Overtime, new hires and outsourcing are prohibited

4 COLLECTIVE BARGAINING

- **Recovery of ultraactivity** in collective bargaining agreements.
- **Elimination of the prevalence of the company agreement** in remuneration matters € € €

5 PUBLIC SECTOR

Elimination of the possibility of **objective dismissals**.

