CHILE

A maximum of two consecutive fixed-term contracts can be signed. If the contract is renewed for a second time, it automatically becomes an indefinite-period contract.

When several non-consecutive, fixed contracts occur, if the sum of the periods of all the contracts exceeds 12 months in a total calendar period of 15 months, then it automatically becomes an indefinite-period contract.

TRIAL PERIOD
The law does not have any provision for trial periods, but market practice sets these at two to three months.

INVALID CONTRACTS
Contracts of employment are invalid if they are contrary to law, public order, or are unethical.

STATUTORY OBLIGATIONS

OBLIGATION TO PARTIES

<table>
<thead>
<tr>
<th>Employer obligations</th>
<th>Employee obligations</th>
</tr>
</thead>
<tbody>
<tr>
<td>Employers have a duty to:</td>
<td>Employees have a duty to:</td>
</tr>
<tr>
<td>- Ensure the provision of work under the agreed terms, with appropriate equipment, materials and help being supplied.</td>
<td>- Carry out work with care, diligence and honesty under agreed conditions.</td>
</tr>
<tr>
<td>- Provide adequate health and safety care and protective environment, including first-aid facilities.</td>
<td>- Act according to the employer's instructions.</td>
</tr>
<tr>
<td>- Allow employees to carry out religious duties and civil functions prescribed by law.</td>
<td>- Keep information concerning the employer’s business confidential and not compete unfairly during or after the term of the contract.</td>
</tr>
</tbody>
</table>

WOMEN
There are no specific provisions for women other than those relating to maternity.

MINORS
Although minors between 15 and 18 years can be hired with a parent’s authorisation, the law limits their work to those jobs that do not require physical effort and are to be carried out only during the day. The type of work and industry are also limited, as minors cannot be hired in night clubs or entertainment industries that present live shows or serve alcohol.

CALCULATIONS FOR SEVERANCE PAYMENTS

INDIVIDUAL TERMINATION

DEFINITION AND CONDITIONS OF FAIR AND UNFAIR TERMINATION
Fair termination may occur in the following circumstances:

- Unjustified absence of two consecutive days
- Mutual agreement
- Contract expires
- Completion of work or services that gave rise to the contract
- Unjustified absence of two Mondays or a total of three days in one month
FIXED-TERM CONTRACTS
Fixed-term contracts may only be used if the service, by its nature, requires the job to be performed within a specific time or if the employee is being hired to temporarily replace an existing worker. The duration of employment cannot be altered by the employer without the employee’s consent.

Under a fixed-term agreement, the employee has no obligation to work for more than one year. The employee has the right to terminate a fixed-term contract before the date stipulated in the agreement.

TRIAL PERIOD
Although trial periods are not common under Labour Law, companies may provide between one and three months as a probation period and thereafter grant the employee an indefinite contract.

If the probation period is not explicitly defined, according to the Labour Law, after 28 days the employment contract becomes an indefinite contract.

INVALID CONTRACTS
A contract would be invalid if information regarding the conditions of work or the personal situation of the employee is false. In this case, there is a 30-day period during which the contract can be nullified.

In addition, it is prohibited for minors under the age of 14 to work. Those between 14 and 16 years of age can work only if they have completed mandatory education or if the corresponding authorities allow them to work in view of the compatibility between the job and their studies. In all cases, the consent of the parents or the legal guardian is required.

STATUTORY OBLIGATIONS
Labour Law explicitly determines the obligations of the parties to an employment contract.

OBLIGATION TO PARTIES

<table>
<thead>
<tr>
<th>Employer obligations</th>
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</thead>
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<tr>
<td>The main employer obligations include:</td>
<td>Employees have an obligation to:</td>
</tr>
<tr>
<td>- Pay salaries on time and in full, and also provide salary advice if requested.</td>
<td>- Return any unused materials or tools to the employer in good condition.</td>
</tr>
<tr>
<td>- Provide the necessary tools for the job.</td>
<td>- Work with diligence, care and precision and for the agreed term at the agreed place.</td>
</tr>
<tr>
<td>- Issue a written statement of the employee’s employment record (it is not necessarily a letter of recommendation) upon termination of employment.</td>
<td>- Inform the employer as soon as possible of any reason that prevents the employee from attending work.</td>
</tr>
<tr>
<td>- Display and distribute the relevant rules concerning health and safety, and observe those rules.</td>
<td>- Inform the employer or the employer’s representative of any danger to the health and safety of employees.</td>
</tr>
<tr>
<td>- Permit inspections of the workplace by persons appointed by the relevant authorities.</td>
<td>- Keep business and trade secrets confidential.</td>
</tr>
<tr>
<td>- Furthermore, the employer must not:</td>
<td>- Avoid any acts that may present a danger to the employee, fellow employees or a third party.</td>
</tr>
<tr>
<td>- Discriminate against employees on the grounds of their age or gender.</td>
<td>- Not be at the workplace in a state of intoxication or under the influence of any narcotic substance.</td>
</tr>
<tr>
<td>- Interfere with employee union activities.</td>
<td></td>
</tr>
</tbody>
</table>
TYPES OF CONTRACTS
No distinction is made among part-time, white-collar and blue-collar workers in China.

DURATION
The employment contract may be entered into for a fixed duration, an indefinite term (open-ended) or may be based on completion of a defined work assignment.

FIXED-TERM CONTRACTS
There is no regulation as to the length of such contracts in China.

INDEFINITE-TERM/Open-Ended CONTRACTS
The employer should sign an indefinite contract with the employee if the employee does not request otherwise:
- When renewing a contract with an employee who has worked for a minimum of ten successive years in the same organisation
- After consecutively signing fixed-term contracts twice with the employee (natural contract renewal, without leaving the same employer), for the third time

Within one year of employment, if the employer fails to sign an employment contract with the employee, it is regarded that the employer has signed an indefinite contract with the employee.

TRIAL PERIOD
If the employment contract has a term of not less than three months but less than one year, the trial period may not exceed one month; if the employment contract has a term of more than one year and less than three years, the trial period may not exceed two months; for employment contracts not less than three years or open-ended, the trial period may not exceed six months.

An employer may stipulate one trial period for a given worker only. No trial period applies for an employment contract based on completion of a certain piece of work or a fixed duration employment contract of less than three months.

INVALID CONTRACTS
An employment contract is invalid or partially invalid if:
- Laws or administrative statutes are violated
- The employer disclaims its legal liability or denies the worker’s rights
- One party uses deceptive or coercive means or takes advantage of the other party’s difficulties, to cause the other party to conclude or amend an employment contract that is contrary to that party’s true intent

STATUTORY OBLIGATIONS

OBLIGATION TO PARTIES

<table>
<thead>
<tr>
<th>Employer obligations</th>
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<tr>
<td>Employers are expected to:</td>
<td>Employees are expected to:</td>
</tr>
<tr>
<td>- Employers must grant their employees equal opportunities in employment, terms of wages, rest days and holidays, safety and health protection, vocational skills training, social insurance and welfare, settlement of labour disputes and other legally stipulated labour rights. Employers must also pay employees in full and on time.</td>
<td>- Employees must fulfil the obligations of their employment contract, improve their vocational skills and abide by safety and health standards, employment discipline and vocational ethics. An employer may also include a clause in the contract to prevent employees from divulging business secrets.</td>
</tr>
</tbody>
</table>
INVALID CONTRACTS
Invalid contracts of employment are those that include terms contrary to those stipulated by law. For example, a contract that contains terms prohibiting vacation leave is an invalid contract, because, by law, every employee is entitled to take at least a minimum period of paid vacation.

STATUTORY OBLIGATIONS

OBLIGATION TO PARTIES

<table>
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</tr>
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<tbody>
<tr>
<td>All employers are expected to:</td>
<td>All employees are expected to:</td>
</tr>
<tr>
<td>• Pay the employee on time and in full.</td>
<td>• Provide services agreed upon.</td>
</tr>
<tr>
<td>• Ensure safe working conditions for the</td>
<td>• Respect confidentiality in matters</td>
</tr>
<tr>
<td>employee.</td>
<td>regarding the company’s documents and</td>
</tr>
<tr>
<td>• Comply with professional statutes and</td>
<td>procedures.</td>
</tr>
<tr>
<td>collective agreements where applicable.</td>
<td>• Pay income taxes.</td>
</tr>
<tr>
<td>• Register their employees as such and pay</td>
<td>• Make social security contributions.</td>
</tr>
<tr>
<td>the appropriate social contributions.</td>
<td>• Make retirement contributions.</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>

WOMEN
No separate requirements.

MINORS
No separate requirements.

CALCULATIONS FOR SEVERANCE PAYMENTS

INDIVIDUAL TERMINATION

DEFINITION AND CONDITIONS FOR FAIR AND UNFAIR TERMINATION
The labour contract terminates due to the following reasons:

• Causes legally established in the contract
• Agreement of the parties
• Termination of the task, labour period or services subject to the contract
• Death or disability of the employer or demise of the contracting legal entity; if there is no legal representative or legal successor who continues the enterprise or business
• Death or permanent and total disability of the employee
• Due to natural catastrophes that make work impossible, such as fire, earthquake, thunderstorm, explosion, field plagues, war and, in general, any other extraordinary event that the contracting parties could not foresee or had foreseen, but could not avoid
• At the employer’s discretion in the following cases, with the previous qualification and approval of the labour inspector (Visto Bueno):
  – Repeated and unjustified lateness or absence at work due to dereliction for more than three consecutive days, without just cause and provided that such causes have occurred within a monthly labour period