



**ŠKODA**  
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## ŠKODA AUTO and KOVO union reach new collective labour agreement

- › Tariffs for ŠKODA AUTO employees increase by 12 per cent
- › One-off payment of 7,000 CZK included in April's wages
- › ŠKODA AUTO's employees covered by the agreement will receive an annual bonus of more than 110,000 CZK in 2018

**Mladá Boleslav, 11 April 2018 – ŠKODA AUTO's company management and representatives of the KOVO union have reached a new collective labour agreement, which will be backdated to 1 April 2018. This agreement is valid for 12 months until 31 March 2019.**

"With this new collective labour agreement, we are concluding extensive negotiations with our social partner the KOVO union. This incredibly high payment reflects both the overall macroeconomic situation in the Czech Republic as well as the competitive environment it finds itself in. We've reached a conclusion successfully balancing the interests of all stakeholders and taking social and economic convergence into account, particularly with regard to EU28 member states and aligning the high wage levels in the neighbouring countries and the Czech Republic," said ŠKODA AUTO CEO Bernhard Maier. "Now we're looking ahead. The key is that we remain competitive and future-proof the company. Over the coming weeks and months, we are therefore going to clarify to what extent our Czech sites will benefit from the growth strategy the company has chosen. This largely depends on how much we can make use of one of our most significant advantages – our staff's high level of flexibility," added Maier.

Bohdan Wojnar, ŠKODA AUTO Board Member for Human Resources Management, stated, "In addition to the salary increase of 12 per cent, ŠKODA AUTO employees will also be directly benefitting from the company's outstanding economic results thanks to its bonus system. April's wages for the employees covered by the collective labour agreement, which will be paid in May, will include a variable bonus of 60,000 CZK – this is an increase of around 46 per cent compared to the previous year. In addition, every employee covered by the agreement will also receive a special one-off payment of 7,000 CZK. This will also be settled in May with April's wages. Furthermore, an additional one-off payment amounting to 2,000 CZK has been agreed upon to be paid out by the end of 2018, with the possibility for this to increase if the company makes a profit. If fully entitled to the variable, guaranteed bonus and considering the special one-off payment, the annual bonus will therefore amount to over 110,000 CZK on average."

As part of the collective bargaining, a total of nine additional payments with an increase of 50 per cent on average and backdated to 1 January 2018, an increase in the contribution to the supplementary pension scheme of 100 CZK as well as an increase in remuneration for flexi accounts with overtime were agreed upon at the end of 2017. The contractual parties have also agreed to abolish the lowest pay band K and to increase the number of contractual wages. Additionally, improved overall conditions for receiving a guaranteed bonus were created and the introduction of performance bonuses for foremen/forewomen were agreed.

The average salary of a ŠKODA AUTO employee covered by the agreement was 45,385 CZK in 2017.





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## Media image:



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### ŠKODA AUTO brand logo

Current brand logo of the carmaker ŠKODA AUTO since 2016.

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Source: ŠKODA AU'

## ŠKODA AUTO

- › is one of the longest-established vehicle manufacturers in the world. The company was founded in 1895 – during the pioneering days of the automobile. Today, the company's headquarters remain in Mladá Boleslav.
- › currently offers the following models in the range: CITIGO, FABIA, RAPID, OCTAVIA, KAROQ, KODIAQ and SUPERB.
- › delivered more than 1.2 million vehicles to customers worldwide in 2017.
- › has been a part of Volkswagen Group since 1991. Volkswagen Group is one of the most successful vehicle manufacturers in the world. ŠKODA AUTO, in association with the Group, independently manufactures and develops vehicles, as well as components, engines and gear transmissions.
- › operates at three locations in the Czech Republic, produces in China, Russia, Slovakia, Algeria and India mainly through Group partnerships, as well as in Ukraine and Kazakhstan through local partners.
- › employs over 35,000 people globally and is active in more than 100 markets.

