

Collective Agreement

Under the Provisions of the Jordanian Labour Law No. 8 of 1996 as Amended

**First Party: Jordan Garments, Accessories & Textiles Exporters' Association (J-GATE) and
The Association of owners of Factories, workshops and Garments (AOFWG)**

Second Party: General Trade Union of Workers in Textile, Garment & Clothing Industries

Preamble

Whereas the representatives of Jordan Garments, Accessories & Textiles Exporters' Association and the Association of owners of Factories, workshops and Garments (first party) and the General Trade Union of Workers in Textile, Garment & Clothing Industries (second party) are keen to ensure the continuity of the textiles and garments sector to support the Jordanian economy and improve the working conditions of workers in this sector;

Considering the common interests of the above parties and in accordance with the effective laws and regulations in Jordan, and as result of the dialogue between the parties above facilitated by their joint efforts;

The two parties are committed to the development of a stable and long-term development model for the apparel sector; the promotion of social dialogue and sound industrial relations at the enterprise and sectoral levels and the promotion of practices that are compliant with core labor standards.

Whereas the two parties have agreed to strengthen and consolidate their relationship for the good of investors and workers, and to participate in creating a constructive work climate conducive to the mental and physical well-being of workers on one hand and to the profit of investors on the other;

The parties have agreed to the following:

Article 1: Recognition of the Parties to the Agreement.

a. This Agreement shall be the Sectoral Agreement between the Jordan Garments, Accessories & Textile Exporters Association (J-GATE) and The Association of owners of Factories, workshops and Garments (AOFWG), hereinafter the Employer, and the General Trade Union of Workers in Textile, Garment & Clothing Industries (GTUWTGCI), hereinafter the Union.

b. Enterprises represented by the Employer shall have the right to negotiate Enterprise Level Agreements with the Union to govern certain terms and conditions of employment at individual workplaces that improve on the terms of this sector agreement.

c. In case of conflict between this National Agreement and an Enterprise Level Agreement, the Enterprise Level Agreement shall govern. The Union and the Employer shall have joint responsibility for administering and enforcing this Agreement and for obtaining compliance with its terms.

d. This Agreement shall be binding on all existing workplaces in the apparel sector as well as all future workplaces producing products related to the sector. Local conditions for any future facility may be negotiated between the Enterprise and the Union.

Article 2. Workforce Coverage

This Agreement covers all workers in the apparel industry in accordance with Jordanian labor law without discrimination.

Article 3: Union Membership

- a. Any employee shall have the right to become a member of the Union. All organizations represented by the Employer shall inform their employees of the existence of this Agreement and the terms thereof.
- b. Any employee who is hired at the date of this agreement shall be invited by an authorized representative of the Union to become a member.
Any employee who is hired after the date of this agreement shall be invited by the authorized representative of the Union to become a member within thirty (30) days after being hired. All organizations represented by the Employer shall notify the Union of any new hiring of employee.
- c. The Union shall be afforded access to the factories to meet workers and for election of unions' committees in coordination with factories management.
- d. The Union shall have the right to promote this provision by posting copies of the following notice near all time clocks and in other prominent places such as bulletin boards in workplaces of all organizations represented by the employer. The factory management authorizes the posting of the following notice:

“NOTICE TO ALL EMPLOYEES”

This plant is being operated under the terms of an Agreement with the General Trade Union of Workers in Textile, Garment and Clothing Industries. Conditions of employment are regulated by the laws of Jordan and the terms of this Agreement.

Good labor management relations will be best served and promoted if all employees covered by this Agreement become and remain members of the Union.

Signed

<u>(Union Representative)</u>	<u>(Authorized Factory Management)</u>
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Article 4: Employer Rights and Obligations

- a. All of the terms and provisions of this Agreement shall be binding upon all enterprises in the apparel industry as identified by Article 1.d. In the event of a sale or transfer of the business by any enterprise covered by this agreement, the complete performance of the terms and provisions of this Agreement shall also be transferred to the purchaser or transferee.

b. All rights and prerogatives which may lawfully be exercised by employers in the apparel sector, and which are not specifically abridged or limited by this Agreement, are reserved to the said employers during the term of this agreement.

Article 5: Union Responsibility

a. The Union shall have the primary responsibility for administering this Agreement and obtaining compliance with its terms on behalf of the workforce.

b. The Union will inform the Employer and management at the enterprise level of the persons authorized to act as agents of the Union with respect to matters arising out of this Agreement. The authorized persons shall include the President of the Union, the regional representative of the Union and a member of the enterprise level workers committee in each workplace covered by this Agreement.

c. The Union shall have access to bulletin boards in each of the workplaces covered by this Agreement in coordination with factories managements.

d. Duly authorized representatives of the Union shall have the right to visit workplaces covered by this Agreement at reasonable times for the purpose of ascertaining whether the provisions of the Agreement are being complied with. Such visits shall be conducted so as not to cause interference with business operations.

Article 6: Compensation

a. Wages shall be paid in accordance with Jordanian law and with the three memoranda of understandings reached between the two parties earlier (attached).

b. All wages, applicable bonuses and holiday pay shall be paid no later than seven days after the end of the work period for which they apply.

c. Enterprises covered by this Agreement shall refrain from making any wage deductions outside the official penalties and fines list as formally defined.

d. Each worker receives five dinars annual increase on the basic salary from the date of joining in the work as long as he/she continues working.

Article 7: Hours of work and Overtime

The legal provisions governing hours of work, overtime, and overtime premium pay shall be adhered to in all workplaces covered by this Agreement.

The regular work week shall not exceed forty eight (48) hours.

There shall be no forced overtime work. All overtime must be on a voluntary basis. All overtime worked shall be compensated in accordance with the law.

Article 8: No Discrimination

All enterprises covered by the terms and conditions of this Agreement:-

- a. Shall not discriminate against any employee on the basis of race, creed, religion, color, national origin, sex, age, citizenship status, disability, or membership in or activities on behalf of the Union.
- b. Shall not employ children or adolescents except in accordance with Jordanian law.
- c. Approve the holding of an annual activity and one for each nationality working at the factory as well as national and religious holidays by decision of the Prime Ministry Council and respect for different religions, cultures and customs.

Article 9: Check-off

Subject to the requirements of Jordanian law, the enterprises covered by this Agreement shall deduct monthly membership dues in the amount of JD .5 per worker "as per article No.3". All dues shall be deposited in the union's bank account by the 15th of each month.

Article 10: Time Clock.

Enterprises covered by this Agreement there shall be maintained an adequate number of time clocks for the purpose of monitoring working hours. Enterprises covered by this Agreement shall punch his or her time card before starting work and at the completion of work.

Article 11: Workplace Safety

- a. Each enterprise covered by this Agreement shall provide a safe working environment in accordance with Jordanian law. The Employer shall be exclusively responsible for health, safety and sanitation conditions in the workplace, and fully comply with all standards, laws and regulations of health, safety and sanitation.
- b. A Joint Labor-Management Occupational Safety and Health (OSH) Committee shall be formed and will function in every enterprise covered by this Agreement in accordance with Jordanian law.
- c. Worker representatives on these committees shall be selected either by the trade union as signatory to this agreement or through an election process conducted by workers covered by this Agreement.
- d. The Joint Union-Management Committee shall address issues of health and safety and make recommendations for the correction of unsafe or harmful conditions and practices. It shall also make recommendations for rules and procedures to prevent accidents and disease.
- e. All workplaces shall develop written plans for Occupational Safety and Health programs.

f. Enterprises covered by this Agreement shall provide the relevant training for trade union representatives on employee safety and health.

g. Enterprises covered by this Agreement shall provide an adequate number of drinking fountains. Restrooms and work areas shall be kept in a clean and sanitary condition.

h. A worker may refuse to perform work which (s)he reasonably believes would pose a serious threat of injury or illness.

i. Enterprises covered by this Agreement shall provide an onsite health clinic adequately staffed with physician and nursing care. In accordance with the provisions of the Jordanian labor law and the standards of the golden list and the clinic will be open during all working hours.

Article 12: Dormitory Standards

At a minimum, the enterprises covered by this Agreement shall provide and maintain worker dormitories for which they are responsible to meet the standards of the Ministry of Health regulation. Dormitories currently that do not meet the standards shall be upgraded within three months of the signing of this agreement.

Article 13: Education and Training

a. Enterprises covered by this Agreement and the Union agree to cooperate in the education and training of workers through regular training courses, lectures and workshops.

b. The Employer and the Union agree to develop a strategy and work plan to increase the number of Jordanian workers and train them to be better qualified in terms of performance, supervision and work.

c. The training of Jordanian workers and expansion of their employment shall not result in the dismissal of non-Jordanian workers before their contracts expire.

Article 14: Transportation

The Employers shall provide free transportation for all workers from gathering places to work coming and going if the gathering places are more than one kilometer radius from the factory.

Article 15: Unified Contract for Migrant Workers

a. The parties to this Agreement will work together to achieve the goal of a single unified contract of employment for all migrant workers regardless of nationality. Each worker will receive a copy of the contract in their own language. The Employer shall be responsible for the translation of the unified contract into each of the languages of the workforce and the Union shall be responsible for the distribution of the unified contract to the workforce.

b. Similarly the parties will work to ensure that no worker is charged any fees arising from their employment, this includes employment agency fees or charge made by brokers or 'middlemen'.

Article 16: Employment Security.

a. No employee shall be involuntarily laid off as a direct result of the use of a third party contractor. To protect the job security of employees and to preserve labor standards among workers employed in the production process, the parties agree that the third party contractor will be subject to the terms of this Agreement within ninety days of the sub-contracting agreement.

b. No enterprise manager, supervisory employee or any other person outside of the workforce shall perform any work covered by this Agreement, except in the event of unexpected absenteeism, an emergency, for training purposes for new hires or for training related to the introduction of new technology or equipment.

Article 17. Discipline and Discharge of workers.

a. No employee shall be discharged without just and sufficient cause, except during the first ninety days of employment that will be considered a probationary period of employment. Discipline and discharge of workers shall be subject to the Dispute Resolution process, according to Jordanian labor law.

b. The Employer and the Union agree that discipline should be applied in a progressive manner with verbal and written warnings being presented to a worker, before a suspension or discharge is applied, according to the list of sanctions in accordance with the procedure approved by the Ministry of Labour.

c. The Employer and the Union agree that serious employee violations, including theft or destruction of company property caused serious material loss, physical abuse of supervisor or co-workers, or gross insubordination is subject to immediate discharge, according to the provisions of Article 28 in Jordanian labor law.

d. If the discharge or disciplinary act is found to be illegal, the employee shall be reinstated and compensated for the loss of earnings during the period of discharge or discipline. The trade union reserves the right to seek a court order to re-instate the worker.

Article 18. Dispute Resolution

The Employer and the Union agree that any dispute between the Union or employees and the Employer that involves an alleged breach of the application or interpretation of this Agreement shall be subject to the Dispute Resolution process.

Any dispute must be submitted in writing to the enterprise within thirty (30) working days of the occurrence of the condition or at such time as the affected employee or the Union knew of the condition giving rise to the dispute.

The procedure herein established for the adjustment of disputes shall be the exclusive means for the determination of all disputes, complaints and claims. It is intended that this provision shall promote the orderly resolution of disputes at the level where the dispute originated. Disputes shall be resolved in the following manner:

a. **Step 1.** The appropriate workplace committee representative shall attempt to resolve the dispute with the representative of the enterprise. If they fail to resolve the dispute within five days, Step 2 of the dispute resolution procedure shall be implemented.

b. **Step 2.** The representative of the Union will meet with the Senior Manager of the workplace in an attempt to resolve the dispute. If an Agreement is not reached within seven days, the case will be submitted to the Ministry of Labor Industrial Disputes Department for adjudication.

c. **Step 3.** The Ministry of Labor, Industrial Disputes Department will attempt to mediate a solution between the Union and the enterprise. If the dispute remains unresolved, the union reserves the right to either take the case to the Amman Magisterial Court or engage in industrial action. All industrial action, including strikes, shall be conducted in accordance of the law.

d. Any dispute, complaint, or claim which an employee has against the Enterprise shall be instituted and processed by the Union in the manner herein provided.

e. The Union shall represent all workers covered by this Agreement in a fair and equitable manner and shall not discriminate against a workers claim on the basis of race, creed, religion, color, national origin, sex, age, citizenship status or disability.

Article 19: Lay off.

In the event that economic or technical circumstances lead to the suspension or termination of the employment contract, the Employer must meet the conditions for the cessation of work as outlined in Article 31 of the Jordanian Labor law. If the cessation is upheld workers shall be entitled to return to work with normal status, within one calendar year of the cessation.

Article 20: Joint Committee

a. Each enterprise level employer and Union Committee shall designate an equal number of representatives to form a Joint Union-Management Committee. The Committee shall meet regularly one (1) time per month. The enterprise shall provide paid time off to employees serving on the Committee.

b. In the enterprises covered by this agreement, the Joint Union-Management Committee shall follow up to ensure the full and proper implementation of this Agreement.

Article 21: Work stoppages

There shall be no strikes or lock-outs during the term of this Agreement for any reason, except as set forth in Article 18 (c).

Article 22. Miscellaneous.

Enterprises covered by this Agreement are committed to keep comprehensive payroll and attendance records.

Article 23: Ratification

- a. The Union shall be given access to all enterprises covered by this Agreement to explain to workers the contents of this Agreement in collaboration with employers.
- b. The Union shall convene a meeting for the union committees that represent all nationalities where the members shall vote for either acceptance or rejection of the agreement. The voting procedure shall be in compliance with the union's constitution and bye-laws.

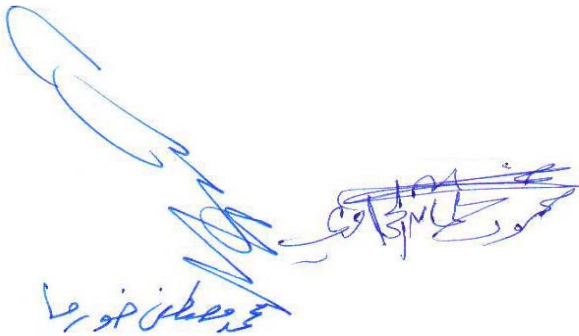
Article 24: Duration of Agreement

The Agreement will come into effect on 25/5/2013 and will continue to be valid until 24/5 /2015.

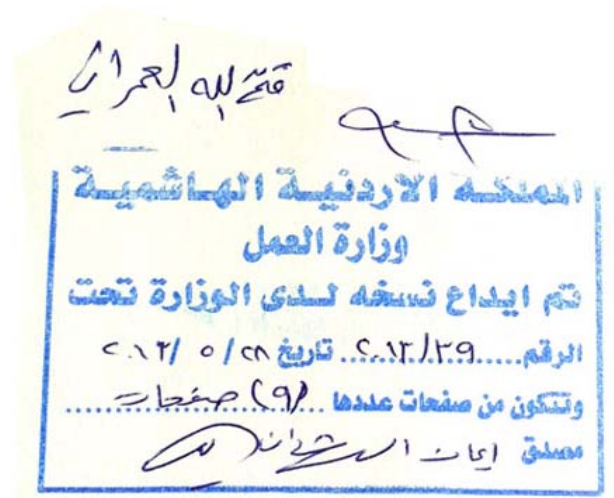
The Agreement was made out in three copies; one to be registered at the Ministry of Labour.

First Party

Second Party



Handwritten signature in blue ink, appearing to be a stylized signature with some illegible text below it.



Official stamp and signature of the Second Party. The stamp is rectangular with a blue border and contains the following text in Arabic: "البنك الاردني الهاشمي" (The Hashemite Bank of Jordan), "وزارة العمل" (Ministry of Labour), "تم ايداع نسخة لدى الوزارة تحت" (A copy was deposited at the ministry under), "الرقم... ٢٩/٢٠١٢... تاريخ ٢٠/٥/٢٠١٣" (Number... 29/2012... Date 20/5/2013), and "وتتكون من صفحات عددها (٩) صفحات" (It consists of 9 pages). There is a handwritten signature above the stamp and another signature below it.