

Collective Agreement

**Under the Provisions of the Jordanian Labor 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 internationally recognized 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.
- e. Any new agreement negotiated pursuant to article (1) shall be put in writing and signed by the authorized representatives of the Employer and of 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. The Union shall have free access to factories to meet with workers and elect union committees in coordination with factories management.

Article 4: Employer Rights and Obligations

- a. All terms and provisions of this Agreement shall be binding upon all enterprises in the Garments, Accessories & Textiles 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 Garments, Accessories & Textiles 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 at 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 during business hours; and shall not cause interference with business operations.

Article 6: Compensation

- a. Wages shall be paid in accordance with Jordanian law and with the memoranda of understandings reached between the two parties earlier.
- b. All wages, applicable bonuses and holiday and overtime pay shall be paid no later than seven days after the end of the work period for which they apply. The employer is obliged to present all the information regarding wages through a standardized detailed pay-slip in the worker's language.
- c. Enterprises covered by this Agreement shall refrain from making any wage deductions outside the official penalties and fines list as formally defined under Ministry of Labor instructions.
- d. All workers shall receive annual pay increase according to number of years of service as follows:

The worker will receive an annual raise of 5 JD upon completing the first year of employment.

The worker will receive an annual raise of 5 JD upon completing the second year of employment.

The worker will receive an annual raise of 5 JD upon completing the third year of employment.

The worker will receive an annual raise of 5 JD upon completing the fourth year of employment.

The worker will receive an annual raise of 5 JD upon completing the fifth year of employment.

The worker will receive an annual raise of 6 JD upon completing the sixth year of employment.

The worker will receive an annual raise of 7 JD upon completing the seventh year of employment and onward.

Based on worker's date of employment provided the worker still at work.

Article 7: Hours of work and Overtime

- a. The legal provisions governing hours of work, overtime, and overtime premium pay shall be adhered to in all workplaces covered by this Agreement.
- b. The regular workweek shall not exceed forty eight (48) hours. There shall be no forced overtime work. All overtime must be on a voluntary basis.
- c. All overtime worked shall be compensated in accordance with the law.
- d. The employers shall fully comply with the specific provisions that set out the basis of the labour wages of which the overtime work, social security and the Union membership dues shall be calculated, as agreed by the parties in the memorandum signed in Amman on 8 Nov. 2014, deposited with the Ministry of Labour and Social Security Corporation and published in the Official Gazette on 31 Dec. 2014.

Article 8: Non 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 offering the migrant workers one day off per year on the occasion of their National days, and respect different religions, cultures and customs.

Article 9: Deductions

Subject to the requirements of Jordanian law, the enterprises covered by this Agreement shall deduct monthly membership dues in the amount of JD 0.5 per worker as provided by article 11 of the memorandum of agreement dated 8 November 2014 and published in the Official Gazette in 31/12/2014. All dues shall be deposited in the union's bank account by the 15th of each month.

Article 10: Time Clock.

In all Enterprises covered by this Agreement there shall be maintained in good working order an adequate number of time clocks for the purpose of monitoring working hours. All workers 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 of the equipment and the premises and sanitation conditions in the workplace, and fully comply with all standards, laws and regulations of health, safety and sanitation.
- b. Every Employer and the Union shall establish a Joint Labour-Management Occupational Safety and Health (OSH) Committee at every factory in accordance with the Jordan Law. The committee shall be composed of an equal number or representatives appointed respectively by the Employer and the

Union. The committee shall be co-chaired by a Union and employer representative.

- c. Worker representatives on these committees shall be selected either by the Union Officers as signatory to this agreement or through an election process conducted by workers covered by this Agreement under the supervision of a duly appointed representative of the Union.
- 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. The Union representative has the right to participate in inspections, either conducted by the Ministry of Labour Inspector or by the Employer.
- 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 the Trade Union representatives on employee safety and health. To perform this obligation, the Employers' Association and the Union shall consider developing a training programme on OSH issues for the Union representatives during the duration of the agreement.
- 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 and safe condition.
- h. A worker has a right to refuse to perform work if he or she reasonably believes such performance would pose a serious threat of injury or illness. No Employer may dismiss, discipline, practice discrimination or take reprisals on the ground that the worker exercised the right contemplated in this section.

Article 12: Dormitory Standards

- a. 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 published in the Official Gazette on 1 July 2013. Dormitories currently that do not meet the standards shall be upgraded within three months of the signing of this agreement.

- b. The Union has the right to access to dormitories for the purpose to inspect implementation of the agreed items provided that there is prior coordination informing the employer of the visit.

Article 13: Education and Training

- a. The enterprises included in this Agreement agree to cooperate in education and training of workers through conducting regular sessions, lectures and workshops.
- b. The Employers shall not deduct any amount from the worker's entitlements for the time spent in attending such sessions and workshops. The participating workers in education and training sessions shall be selected by the Union in cooperation with enterprises and factories management.
- c. Endeavor shall be taken to avail financial support, funding and grants to establish workers' centers at industrial zones similar to the center established at Irbid El-Hasan Industrial City where workers meet. The centers contribute in education, training, education and communication with relatives and colleagues of their nationalities.

Article 14: Creation of new job opportunities for Jordanians

- a. The enterprises shall create job opportunities for Jordanian workers, increase their percentage at the factories and cooperate with all government agencies, institutions and Civil Society Organizations to attract and recruit local workers in governorates and rural areas, in particular with Ministry o Labor and Training and Employment Fund.
- b. The enterprises and factories shall create of opportunities for Diploma holding graduates, and cooperate with the National Center for Human Resources Development / Rehabilitation of Community Colleges Graduates Project to employ graduates in different professions at areas identified by the Center.
- c. Create job opportunities for university graduates of sector related specializations such as but not restricted to accountancy, management, quality control, warehouses and production,

- d. Training and employment of Jordanian workers shall not lead to termination and lay off of migrant workers prior to contract expiry date and should not affect the renewal of guest worker's work permits.

Article 15: Satellite Offices of enterprises and companies in remote areas:

- a. The factories shall cooperate with Ministry of Labor to employ Jordanians through establishment of production offices in less advantaged areas where high percentage of poor and unemployed exist.
- b. The factories and enterprises shall cooperate with charity societies and civil society organizations in rural villages to help create job opportunities for citizens living in surrounding areas of industrial zones whether being far or close to those factories.

Article 16: Increase women employment and encouragement to work in apparel sector through establishment of children nurseries

Implementation of article 72 of the Jordanian Labor Law regarding establishment of nurseries (provide an appropriate place) under supervision of a qualified nursery maid as follows:

- a) "Provide an appropriate place" of the nursery nearby the factories.
- b) "Provide an appropriate place" of the nursery at charity societies or civil society organizations through contracting with them at places nearby the factories.
- c) "Provide an appropriate place" of a joint nursery for a group of factories at a common geographical area.
- d) Cooperate with "Sadaqa" Organization to seek financial support of the Nursery through the National Council for Family Affairs in accordance with appropriate standards.

Article 17: Medical Care and Health Insurance

Enterprises included in this Agreement shall provide a health clinic at site appropriately equipped with a doctor and nursing care according to the golden list criteria. The clinic shall remain open during all working hours.

Employers shall provide medical care for all workers as follows:

- a) Provide a health clinic with a full time general physician along with a male / female nurse approved by the Ministry of Labor.
- b) The doctor shall refer the patient to a specialized doctor in emergency cases and administer the appropriate medication on the account of the enterprise.

Article 18: Transportation

The Employers shall provide free transportation in a suitable and safe vehicle 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 19: Unified Contract for Migrant Workers

- a. The parties agree that all migrant workers shall be hired or renewed under the terms of a single unified employment contract approved by both parties on 2 April 2015 and deposited at the Ministry of Labor on 11 May 2015 regardless of nationality and in each of the language of the workforce. The Employer shall be responsible for the distribution of the contract to the workforce.
- b. Both parties shall endeavor to guarantee that no fees arising from the hiring process shall be borne by the worker, to include fees of the employment agency or fees paid to brokers and mediators whether in **home country or in Jordan**. Both parties agree to develop an action plan to achieve this objective during the time period of this Agreement.

Article 20: Employment Security.

- a) No lay off or termination of services of any employee shall be made as a result to using a third party contractor to maintain employment security of workers and protect labor standards among workers of production site. Both parties agree that the third party contractor shall be subject to provisions of this agreement during (90) ninety days of sub-contract agreement.

- b) No enterprise manager, supervisor or other person beyond labor force shall implement any work included in this Agreement unless in case of unexpected absence, emergency or for the purpose of training new staff or for training regarding introduction new technology or new equipment.

Article 21: Discipline and Discharge of workers

- a) It is not allowed to terminate services of any employee without fair and sufficient cause except during the first ninety days period of employment which shall be considered employment probation period. Punishment and termination of services of employees are subject to dispute resolution procedures under Jordanian Labor Law.
- b) The Employer and the Union agree that punishment implementation is applied on a gradual basis starting with verbal and written warnings submitted to the worker prior to suspension from work or termination based on the Punishments Bill according to the internal Bylaw ratified by the Ministry of Labor. The employee shall be given a written copy of any reprimand, and the Union shall be provided with any employee related information by the employers upon request of the Union.
- c) The Employer and Union agree that any severe violation of the employee including theft and company's property damage that lead to severe material loss or attack on supervisor or colleague workers or public disobedience shall lead to immediate termination under provisions of article 28 of Labor Law.
- d) If it is found that the termination or the penalty is illegal, the worker shall be returned to work and compensated of any income loss has incurred during the termination or penalty period. The Union reserves its right to seek obtaining a court decision to bring the worker back to work.

Article 22: 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 in accordance with Jordanian labor 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 23: 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 24: 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.
- c. At the sectoral level, the parties agree to form The Jordan Garment Sector Industrial Relations Joint Council under its by-laws as adopted by the Board of Representatives on the 4th. of March 2015.

Article 25: Miscellaneous.

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

Article 26: Duration of Agreement

This Agreement is effective from 1 August 2015 to 31 July 2017

The agreement is made in four (4) copies, one copy to be registered at the Ministry of Labour.

First Party

Second Party