

COLLECTIVE BARGAINING AGREEMENT

**RELATING TO TERMS AND CONDITIONS
OF SERVICE FOR UNIONISABLE STAFF**

BETWEEN

**SDV TRANSAMI KENYA LIMITED
(Hereinafter referred to as Company)**

&

**AVIATION AND ALLIED WORKERS UNION (K)
AAWU
(Hereinafter referred to as union)**

2012 - 2013

**SDV TRANSAMI (K) LTD.
P. O. Box 46586, NAIROBI KENYA**



TABLE OF CONTENTS

1. PREAMBLE.....	3
2. DEFINITION	3
3. OVERRIDING EXISTING AGREEMENT	3
4. STAFF RULES AND NOTICES	3
5 .GENERAL WAGE INCREMENT.....	4
6. MINIMUM WAGE RATES	4
7. HOUSE ALLOWANCE	4
8. STAFF TRANSPORT/TRANSPORT ALLOWANCE.....	4
9. LEAVE TRAVELLING ALLOWANCE	4
10.LONG DISTANCE TRIP ALLOWANCE (SAFARI ALLOWANCE).....	5
11. MEAL AND ACCOMODATION ALLOWANCE.....	5
12 . UNION MEMBERSHIP	5
13. UNION LEVEL OF REPRESENTATION.....	6
14. DEDUCTION OF UNION DUES.....	6
15. AGENCY FEES	6
16. PROBATION PERIOD	6
a) Probation.....	6
b) Induction.....	6
c) Confirmation	7
17. HOURS OF WORK.....	7
18. OVERTIME	7
19. PROMOTIONS	7
20. TRANSFER.....	8
21. ANNUAL LEAVE	8
22. LEAVE FOR TRADE UNION CONFERENCE AND SEMINARS.....	8
23. MATERNITY LEAVE/PATERNITY LEAVE	8
24. PUBLIC HOLIDAYS.....	9
25. COMPASSIONATE LEAVE-	9
26. SICK LEAVE.....	9
27. SAFETY AND HEALTH	9
28. MEDICAL ENTITLEMENT	10
29. UNIFORMS	10
30. ACTING ALLOWANCE.....	10
31. NIGHT ALLOWANCE	10
32. CHANGE OF TITLE/ROLE.....	11
33. GRIEVANCE PROCEDURE	11
a) Individual grievances.....	11
b) Collective Claims	11
c) Collective Grievances	12
d) Failure to Reach Agreement	12
34. DISCIPLINARY MEASURES	12
35. RESIGNATION FROM EMPLOYMENT	12
36. SUSPENSION.....	13
37. WARNING LETTERS	13
38. TERMINATION OF EMPLOYMENT	14
39. SUMMARY DISMISSAL	14
40. RENEWAL OF DRIVING LICENSES AND PASSPORTS.....	14
41. EMPLOYEE HELD FOR NO COMPANY OFFENCE.....	15
42. DEATH OF AN EMPLOYEE.....	15
43. REDUNDANCY	15
44. PENSION SCHEME / TERMINAL BENEFITS/GRATUITY	16
45. END OF THE YEAR BONUS.....	16
46. RETIREMENT	16
47. CERTIFICATE OF SERVICE.....	17
48. DATE AND DURATION OF THIS AGREEMENT	17

[Handwritten signature]

[Handwritten signature]

1. PREAMBLE

Whereas by the terms of the Recognition Agreement made between SDV TRANSAMI Kenya Limited (hereinafter referred to as the Company) and Aviation & Allied Workers Union (K) AAWU (hereinafter referred to as the Union).It is agreed that the company and the union meeting together in a free and voluntary association, agree and enter into an agreement negotiated between them at the joint negotiation committee meeting which shall apply to unionisable employees as currently agreed upon between both the parties and as stipulated by the Industrial Relations Charter.

2. DEFINITION

The following words shall have the meanings mentioned here below:-

- i. COMPANY shall mean SDV TRANSAMI KENYA Limited and the associated companies irrespective of change of name
- ii. MEDICAL PRACTITIONER shall mean a person registered under the medical practitioners and Dentist Act Cap 253 of the Laws of Kenya
- iii. SALARY shall mean a basic rate of pay
- iv. ALLOWANCES shall mean variable or fixed amount of some money given out at regular intermittent intervals for a specific purpose.
- v. SERVICE PAY-Payment applicable to employees who served prior to joining the pension scheme
- vi. JOB CLASSIFICATION-A system for objectively and accurately defining and evaluating the duties, responsibilities, tasks and authority level of a job. It requires a thorough description of the job responsibilities of a position without regard to the job holder.
- vii. UNIONISABLE STAFF-Employees eligible for membership of that trade union
- viii. NIGHT-Time between 7:00 P.M to 6:00 A.M
- ix. UNION shall mean Aviation and Allied Workers Union (K)

3. OVERRIDING EXISTING AGREEMENT

Except as herein provided, this agreement shall supersede previous Union agreements entered into in respect of the employees to whom this agreement covers.

4. STAFF RULES AND NOTICES

Staff notices and any other instructions which could affect the terms and conditions of services as provided in this agreement shall be discussed with the Union before implementation unless they are necessitated by a change of law.



5. GENERAL WAGE INCREMENT

All employees who were in the employment as at 31st December, 2011 will receive the following wage increase

- i. Grade A1 - 15%
- ii. Grade A2 - 13%
- iii. Grade A3 - 12%

The same percentage shall be paid for year 2013 for all employees in employment as at 31st December, 2012.

6. MINIMUM WAGE RATES

With effect from 1st January 2012, the following will be the minimum basic wage rates:-

Grade	Minimum wage rate
A1	13,350
A2	18,850
A3	25,850

7. HOUSE ALLOWANCE

The house allowance shall be Kshs. 7,500 for the year 2012 and Kshs. 7,800 for the year 2013.

8. STAFF TRANSPORT / TRANSPORT ALLOWANCE

The Company shall provide four (4) buses to be based in Nairobi and Mombasa for staff transport for the period 2012 i.e two (2) buses in Mombasa and two (2) buses in Nairobi.

The Company shall pay an employee Transport Allowance of Kshs. 3,000/- per month for the period 2013.

9. LEAVE TRAVELLING ALLOWANCE

- i. Leave traveling allowance shall be **Ksh. 7,500** for the year 2012 and the same allowance for 2013. The allowance shall be paid to unionisable staff only.
- ii. Staff who do not take leave for the year as is scheduled shall forfeit the leave traveling allowance unless the management approved the leave to be carried forward to the following year.
- iii. The leave traveling allowance shall be paid to the staff at the time of proceeding for annual leave.

10. LONG DISTANCE TRIP ALLOWANCE (SAFARI ALLOWANCE)

		<u>Year 2012</u>	<u>Year 2013</u>
Kampala round trip	Driver	7,650	7,650
	Turn boy	3,798	3,798
Kigali round trip	Driver	10,650	10,650
	Turn boy	4,829	4,829
Kisumu Kampala round trip	Driver	3,150	3,150
	Turn boy	1,795	1,795
Nairobi round trip	Driver	3,450	3,450
	Turn boy	1,795	1,795

Existing routes that are not referred above shall be reviewed by 9% from the current allowance.

11. MEAL AND ACCOMODATION ALLOWANCE

The allowance shall be paid to employees whose services may be required at far away stations outside their usual place of work for a night. The allowance shall be **Ksh 2,660** for the year 2012-2013 split as below:-

Breakfast	Kshs. 280
Lunch	Kshs. 420
Dinner	Kshs. 460
Accommodation	Kshs. 1,500

This shall be paid for each full day away. This allowance is not payable where meals and accommodation are provided by the employer.

This allowance shall not be applicable to long distance drivers and turn boys as they are covered under 10 above.

The company shall organize accommodation for staff who may be required to work in Mombasa and Nairobi. However, the staff have the option of taking the above allowance and make their own arrangements.

12 . UNION MEMBERSHIP

- The company shall not interfere in any way with the rights of employees who wish to join the Union and those who are union members.
- There shall be no discrimination or coercion against any employee for participating in recognized Union activities.



- iii. The employees must seek for permission from the management if the union activity is to be carried out during working hours.

13. UNION LEVEL OF REPRESENTATION

Union level of representation shall be in accordance with the provisions of the Industrial Relations Charter currently in force. For the purpose of this agreement, it has been determined that the Unionisable cadres comprise employees in non management staff with the exclusion of Managerial, Supervisory, Confidential and Contract staff.

14. DEDUCTION OF UNION DUES

The deduction of Union dues through the check –off system is governed by Section 48 of the Labour Relations Act of 2007.

15. AGENCY FEES

The deduction of Agency fees in the implementation of the CBA shall be as stipulated in section 49 of the Labour Relations Act 2007.

16. PROBATION PERIOD

a) Probation

- i. A newly recruited employee shall be on probation for an initial period of three months following the appointment into the Company. The extension in this instance shall not exceed a further period of three months.
- ii. During probation, either party may terminate the services of the other by giving 7 days written notice or 7 days salary in lieu.
- iii. If satisfactory progress has not been made, then the services shall be terminated. 7 days notice shall be applicable by either party seeking to terminate employment when probation has been extended beyond three months.

b) Induction

A newly recruited Employee while on probation will be given on the job training and any induction relevant to the basic needs of the job.



c) Confirmation

Upon successful completion of the probationary period, the Employee shall be confirmed in his/her appointment.

17. HOURS OF WORK

- i. Employees shall be required to work a total of 45 hours spread over not more than 6 days in a week. The normal working hours shall be determined by the company from time to time.
- ii. Roaster change should be communicated to the employee at least 24 hours before the intended change.

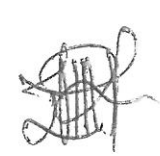
18. OVERTIME

- i. Overtime shall be paid for extra hours worked in excess of the 45 hours per week.
- ii. Employees will be paid overtime at the rate of 1.5 on Monday to Saturday for the hours worked, Sunday and Gazetted public holidays at double rate.
- iii. The overtime to be worked shall be approved in advance by Management to avoid unjustified claims.
- iv. The overtime worked should be paid in the following month or time-off given.
- v. Employees will qualify for overtime subject to working for a minimum of 30 minutes.
- vi. No (i) above shall not apply for employees working on shift systems and employees on Safari. However, overtime worked in a shift over and above the 45 hours shall be paid.

19. PROMOTIONS

Promotion from one position to another shall be granted by the Company in accordance with the laid down Company Procedures. Where a vacancy of promotional nature arises, the employer shall give first consideration to existing employees within the department or company in which the vacancy occurs taking into consideration such factors as qualification, performance and ability.

- i. An employee granted promotion shall be informed in writing. Date of appointment and payment shall be effected immediately.
- ii. Promotion opportunities within the Company shall be given to suitably qualified employees of the Company by advertising such opportunities through internal adverts.
- iii. A successful candidate for promotion should be released within one month from the date the staff is informed of his/her promotion. It is imperative that proper handing/taking over process takes place.
- iv. Employees of the Company shall be subject to a probation period not exceeding three months on promotion from one grade to another.



20. TRANSFER

Where an employee is required to work in a station that is 50 miles from his normal station for a period exceeding six months, the employee shall be deemed to be on transfer and the company shall:-

- i. Bear the cost of suitable transport for the employee, spouse and a maximum of four children under the age of 18 years and their personal effects if the employee is moving with the family.
- ii. The company shall pay the employee a one-off disturbance allowance of Kes 37,000 for the year 2012 and 2013.
- iii. Employees who seek transfer on their own will not qualify for a disturbance allowance and will meet the cost of transportation on his/her own.

21. ANNUAL LEAVE

- i. Annual leave shall be 30 working days for a period of 12 months continuous service
- ii. Employees must take their leave in the current year as per the leave plan that shall be prepared by the company in consultation with the employees.
- iii. No accumulation of leave shall be allowed and any staff seeking to carry forward his/her leave to the next year must seek the approval of the Managing Director and shall carry forward the leave if permission has been granted in writing. The reason for seeking an extension must be a work related matter that is compelling the employee and the department to carry leave forward to the following year.
- iv. Staff on probation will be exempt from No (iii) above and will be allowed to carry the leave to the following year.
- v. The leave carried forward shall be cleared in full in the first quarter of the following year failure to which it shall be forfeited.

22. LEAVE FOR TRADE UNION CONFERENCE AND SEMINARS

- i. The company shall give up to a maximum of 5 days per year. The leave request must be sent 2 weeks in advance to the Human Resources Department.
- ii. The leave shall be granted at the management's discretion for a maximum of three officials.
- vi. No staff will be allowed to take leave for the following year in advance and if the management is satisfied to grant the leave, the same may be allowed but shall be treated as unpaid leave.
- vii. Any additional leave shall be granted at the management's discretion; it shall not exceed 10 days and shall be granted as unpaid leave.

23. MATERNITY LEAVE/PATERNITY LEAVE

- i. A female employee shall be entitled to three months maternity leave.

SDV TRANSAMI (K) LTD.
P. O. Box 46588, NAIROBI KENYA

- ii. The maternity leave shall not be combined with the annual leave for the employee and should not be taken earlier than a month before the date of delivery.
- iii. A male employee shall be entitled to two weeks paternity leave with full pay on presentation of a medical report from a doctor to confirm delivery of a child.
- iv. The medical report shall be attached on the leave application form in support of the leave.
- v. The leave shall be granted for a registered wife with the employer.

24. PUBLIC HOLIDAYS

The employees will be entitled to public holidays as may be gazetted by the government.

25. COMPASSIONATE LEAVE

- i. The employee seeking to take compassionate leave shall be required to apply in writing to the Head of Department with documentary proof in support of the reason for the leave. The maximum leave shall be 10 days.
- ii. Of the ten days granted in part i, 2 days will be paid leave and not recoverable from the leave days and the balance recovered from the annual leave.
- iii. In addition to the 10 days in No i above, the company may grant additional 10 days, the additional days shall be without pay. The leave shall be at the discretion of management.

26. SICK LEAVE

Staff unable to attend duty due to sickness must notify their HOD's immediately.

Sick leave will be granted in any calendar year to an employee after two consecutive months of service as below:-

- i. Employees with twelve months consecutive service shall be entitled to 45 days with full pay and thereafter sick leave of 90 days with half pay.
- ii. If after the expiry of the 135 days leave it is apparent from the medical report that the employee cannot resume work, the employee will be retired on medical grounds.
- iii. The employee retired on medical grounds will be paid service gratuity at the rate of 25 days salary for every completed year of service.
- iv. In case of injury, the Work Injury Act will prevail.

27. SAFETY AND HEALTH

- i. The safety and health of the employees shall be subject to the Occupational Safety and Health Act laws of Kenya.



- ii. The company department of Quality, Health, Safety and Environment in consultation with the Safety Committee will determine the appropriate personal protective equipment that will be issued to staff.
- iii. No staff shall be allowed to work without using the recommended personal protective equipment.

28. MEDICAL ENTITLEMENT

Medical entitlements will be in accordance with medical scheme rules.

29. UNIFORMS

- i. Uniforms shall be provided at the company's discretion to those staff whose services require that they put on uniforms.
- ii. The uniforms shall always be worn during working hours when the employee is on duty.
- iii. Uniforms shall remain the property of the company and the old uniforms shall be returned at the time of issuing new uniforms.
- iv. Loss or willful damage of the uniforms shall be charged to the employee for replacement or repair as the case may be.
- v. The employees will be responsible for cleaning their uniforms.
- vi. The company will pay **Ksh 320** per month for cleaning uniforms for 2012 and 2013 for employees who will be required to wear uniforms.

30. ACTING ALLOWANCE

- i. When an employee is required to act in a position of higher category for a period of 15 days, the employee shall be entitled to an acting allowance at a rate not less than the difference between the higher basic minimum wage and his basic wage as defined in the regulation of wages general order.
- ii. The HOD shall authorize the employee to act.
- iii. The HOD shall confirm in writing that the performance of the employee for the period he acted was satisfactory.

31. NIGHT ALLOWANCE

Employees required to work at night will be paid a night allowance of **Ksh 180** per night for the period under review. An employee will qualify for this allowance if they report for duty at night. The allowance will be paid at the end of the month together with the salary.



32. CHANGE OF TITLE/ROLE

If an employee's title or role is changed to a lower rank through no fault on the employee's part, the salary shall not be affected but other benefits that were in line with the higher role may be reduced/reviewed.

33. GRIEVANCE PROCEDURE

a) Individual grievances

- i. Any individual employee of the company who wishes to redress a grievance with which he/she is directly and personally concerned, shall first approach his/her immediate Head of Department for settlement but with a right to appeal to the Human Resources Manager if the matter is not resolved. In case settlement is not reached within fourteen (14) days, he/she or the union acting on his/her behalf shall have the right to appeal to the Managing Director as soon as possible and within fourteen (14) days.
- ii. If settlement is not reached he/she or the union acting on his/her behalf shall have the right to appeal to the Group Human Resources Manager as soon as possible or within one (1) month. If settlement is not reached he/she or the union on his/her behalf shall refer the matter to the Minister for labour in accordance with the Labour Relations Act 2007.

b) Collective Claims

These shall mean any claims for alteration of terms and conditions of services regarding matters specified in clause 2 of the recognition agreement, which shall affect all the employees of the company.

- i. Such claims shall be submitted in writing to the Human Resources Manager by the union General Secretary or his authorized representative giving three (3) months notice to alter or accept the claims. The company also has the right to do the same to the union by giving three (3) months notice.
- ii. On receipt of such claims either party shall within fourteen (14) days indicate in writing its acceptance or otherwise.
- iii. In the event of failure to reach a settlement of the matter within fourteen working days (14) and in the event either party expressing themselves in writing as dissatisfied, the matter shall be referred to a negotiating committee. The committee shall be convened within seven (7) days on the receipt of the union's communication and it shall likewise be convened on a similar request from the management.
- iv. The committee shall consist of not more than six (6) representatives nominated by the Managing Director and six (6) representatives nominated by the union of whom not less than one (1) representative of the union shall be from the employees actually employed in the company.
- v. The committee shall regulate its own procedures and elect its chairman. All agreements jointly reached shall be confirmed in writing and signed by both parties.



c) Collective Grievances

These may mean any grievance from a breach of agreed terms and conditions of services on the matters specified in clause 3 (i) of the recognition agreement, which may affect all employees of the company.

- i. Such grievances shall in the first instance be raised by the branch secretary with the Human Resources Manager.
- ii. In the event of Human Resources Manager not solving the issues/s within fourteen days (14) the branch secretary shall refer the issue/s to the General Secretary, who will approach the Managing Director.
- iii. In the event of failure to settle the issue/s by the Managing Director-Kenya, the General Secretary shall approach the Group Human Resources Manager.

d) Failure to Reach Agreement

- i. In the event of failure to reach a settlement at the Group Managing Director level in case of individual dispute, either party may refer the dispute to the Minister of Labour in accordance with provisions of the Trade Disputes Act.
- ii. No strike, Lockout or other action to stop or hinder the operations of the business of the company on a matter which has been referred to the Negotiating Committee shall take place until a deadlock has been recorded in the committee.
- iii. After such deadlock, twenty one (21) days strike notice or lock-out notice will elapse.

34. DISCIPLINARY MEASURES

The company shall take any of the following disciplinary measures for misconduct by staff:-

- i. Issue a warning letter
- ii. Recover any reasonable money from the salary of the employee in case of misconduct that leads to loss of money or property of the employer.
- iii. Demote the employee
- iv. Suspension from duty
- v. Terminate the services
- vi. Dismiss the employee

35. RESIGNATION FROM EMPLOYMENT

- i. After confirmation an employee who wishes to resign shall give a one month notice or pay the company one month salary in lieu of notice.
- ii. An employee who resigns shall be paid the salary for the days worked, any outstanding leave and overtime worked and approved.



- iii. The staff Retirement Benefit Scheme savings shall be paid in accordance with the Retirement Benefits Act and the Trust Deed of the scheme.

36. SUSPENSION

- i. Where an employee commits a serious offence warranting investigation, the company shall constitute a disciplinary committee chaired by the Human Resources Manager or any other manager appointed by the management or his or her nominee. The branch secretary shall be a member of the committee and the decision reached shall be communicated to the employee in writing and a copy sent to the branch secretary.
- ii. Any employee who happens to be suspended from duty for any matter which requires investigation shall be entitled to full salary and full housing allowance during the period of investigation. During this period, the company shall investigate the reasons leading to such suspension and appropriate disciplinary action will be taken by the management.
- iii. If the offence deserves summary dismissal, the employee shall be dismissed as per clause No 39 of this agreement.
- iv. If the investigation shows that an employee was innocent, then such employee shall be reinstated without loss of benefits.
- v. If at the completion of investigations an employee shall be proven to have been at fault, then such employee shall be dismissed without notice.
- vi. A copy of the letter to be sent to the branch secretary who shall also attend the meetings.

37. WARNING LETTERS

- i. An employee who commits an offence which in the opinion of the company does not warrant dismissal shall be warned in writing and the following procedure shall be followed.
- ii. The first and second warning will be recorded on the employee's employment file. Such warnings shall be copied to the shop stewards and the branch secretary.
- iii. An employee who commits a third offence within 9 months shall be issued with a final warning.
- iv. If an employee completes 9 months from the date of the last warning without further offence, any warnings recorded on such employee's file will be cancelled.
- v. An employee who commits a fourth offence shall be liable to summary dismissal.
- vi. All warnings shall be copied to the General Secretary of the Union.



38. TERMINATION OF EMPLOYMENT

- i. Once confirmed in employment, employment shall be terminated by the company by giving 30 days written notice regardless of years of service which shall be effective from any day of the month, failing which there shall be payment by the company 30 days salary in lieu of notice.
- ii. Any employee whose services may be terminated by the employer shall be entitled to a salary for the days worked, any outstanding overtime that has been approved, outstanding leave and service pay.
- iii. A copy of the termination letter shall be sent to the General Secretary.

39. SUMMARY DISMISSAL

The decision to dismiss an employee from employment shall be in line with the Employment Act 2007. A dismissed employee will not be entitled to any statutory notice or notice that may be provided in the contract of employment.

The following matters shall amount to gross misconduct so as to justify summary dismissal of an employee:-

- i. Without leave or other lawful cause, an employee absents himself from the place appointed for the performance of his/her duties for 7 days.
- ii. By becoming intoxicated during working hours and incapable to perform his work. This shall be certified by a medical practitioner.
- iii. Neglecting to perform work assigned to the employee or improperly and carelessly performs the job which he was required to have performed carefully and properly.
- iv. An employee who uses abusive or insulting language to the employer or to a person placed in authority over him by the employer.
- v. If an employee is arrested for a cognizable offence punishable by imprisonment and is not within fourteen days either released on bail or bond or otherwise lawfully set at liberty.
- vi. An employee who on a reasonable and sufficient ground is suspected of having committed a criminal offence against or to the substantial detriment of his employer or his employer's property.
- vii. An employee dismissed from employment will be paid salary and other allowances earned up to the date of dismissal and the savings of staff Retirement Benefit Scheme as shall be provided for in the Retirement Benefits Act and the Trust Deed.

40. RENEWAL OF DRIVING LICENSES AND PASSPORTS

- i. The company shall meet the cost of renewing the licenses and passports that may be required by employees to carry out their duties.



- ii. Employees who shall leave the employment of the company will be required to refund the money that has been used for the renewal of the license on a pro rata basis for the year.
- iii. The employee shall be responsible for the renewal and present the receipt to the accounts office for a refund.

41. EMPLOYEE HELD FOR NO COMPANY OFFENCE

If in the lawful exercise of any power of arrest given by or under any written law, an employee is arrested for a cognizable offence punishable by imprisonment and is not within fourteen days either released on bail or on bond or otherwise lawfully set at liberty, this shall constitute justifiable or lawful grounds for dismissal.

42. DEATH OF AN EMPLOYEE

- i. When death of an employee is brought to the notice of the employer, the employer shall provide a suitable coffin and transportation of the deceased to the place of burial within Kenya as will be advised by the next of kin.
- ii. The make, type and cost of the coffin and transportation shall be at the discretion of the company.
- iii. The company shall provide Ksh 60,000 for funeral expenses.
- iv. The company shall pay the final dues of the deceased employee to the dependants nominated on the personnel file of the deceased.
- v. The service gratuity of the deceased employee shall be paid to the dependants at the rate of 25 days for every completed year of service.
- vi. The other benefits from the pension scheme shall be paid in accordance with the Retirement Benefit Act and the Trust Deed.

43. REDUNDANCY

- i. In the event of redundancy, the company shall inform the union and the Ministry of Labour of the intended redundancy one month in advance.
- ii. The principle of "LAST IN, FIRST OUT" shall be followed in the particular category of employees affected subject to all other factors such as skill, relative merit, ability and reliability being equal.
- iii. The redundant employee shall be entitled to two months notice or pay in lieu of such notice.
- iv. An employee shall qualify for service pay after the completion of one year's continuous service with the company.
- v. Subject to paragraph (iv) above, and in case where the services of an employee shall be terminated on grounds of redundancy, the company shall pay such employee severance pay, at the rate of 25 days wages for each completed year of service.
- vi. Other payments from the staff pension scheme shall be made in line with the Retirement Benefits Act.



44. PENSION SCHEME / TERMINAL BENEFITS/GRATUITY

- i. Subject to the Retirement Benefit Authority (RBA) regulations enacted by the government as from October 2000, effective 1st January 2002 the company will provide all permanent employees with a pension scheme after successfully completing their probation period.
- ii. All employees will be expected to contribute 5% of their basic pay, and on behalf of the employee the company shall contribute 7.5% of his/her basic pay per month towards the scheme.
- iii. On separation with the company all permanent employees will be entitled to claim back both the employee and the employer contribution in accordance with the Retirement Benefits Act.
- iv. Service will no longer be payable to employees as from the date they join the pension scheme.
- v. Service for the years served prior to joining the pension scheme will be paid at a rate of 22 days wages for each completed year of service at the time of retirement or if the services of an employee are terminated by the company.

45. END OF THE YEAR BONUS

The company shall pay employees a bonus at the end of the year subject to the following conditions:-

- i. The company making profits.
- ii. Good performance appraisal rating of the employee during the year.
- iii. Employees with warning letters will not qualify for a bonus.

46. RETIREMENT

- i. The normal age of retirement from the service of the company shall be on the attainment of 60 years for both men and women. Earlier or later retirement will be through mutual agreement between the company and the employee.
- ii. An employee may be retired on medical grounds and such retirement shall be coupled with all benefits stipulated under this clause; Provided that before the employee is so retired, a medical report shall be obtained from the company's doctor. Where desired, an employee shall be entitled to obtain his/her own medical report on the state of his/her health from an approved Government hospital. Where the medical reports differ by way of one doctor declaring the employee unfit for continued employment, while the other states the opposite, the matter shall be referred to a Government medical Board. The findings of the Board shall be binding on both parties.
- iii. On retirement, an employee shall be entitled retirement benefits as stipulated in clause No 44 of this agreement.
- iv. A retiring employee shall be entitled to a minimum of twelve months notice before the actual date of retiring.



- v. Where such notice is not given in six months, six months salary shall be paid in lieu of notice.
- vi. An employee shall be allowed to retire at the age of 50 years provided the same employee has served the company for 20 years.

47. CERTIFICATE OF SERVICE

Every employee shall be given a certificate of service by his/her employer upon the termination of his/her employment unless such employment has continued for a period of less than four consecutive weeks and every certificate shall contain:-

- i. The name of the employer and his postal address
- ii. The date when the employment commenced
- iii. The name of the employee
- iv. The nature and usual place of employment
- v. The date when employment ceased

The employer is not bound to give an employee any testimonial or certificate relating to the character or performance of an employee.

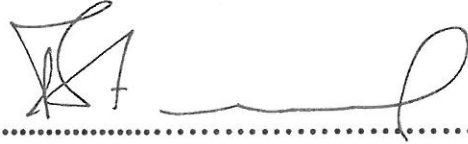
48. DATE AND DURATION OF THIS AGREEMENT

This agreement shall come into force on the 1st day of January 2012 for employees who were in employment as at 31st December 2011 and shall remain in force until 31st December 2013. During this period, either party may give the other three months written notice expressing its wish to amend or modify the agreement and by giving the proposed details. Both parties would then enter into negotiations on the proposed terms. Notwithstanding anything to the contrary contained in this clause, this agreement shall continue to be in force until another one is finally agreed upon by the two parties.



FOR AND ON BEHALF OF THE COMPANY

Mr. Tony Stenning
MANAGING DIRECTOR – EAST AFRICAN REGION



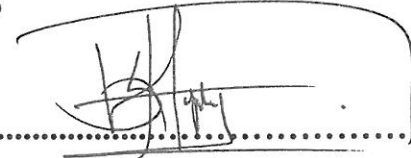
Mr. Jerome Binois
MANAGING DIRECTOR - KENYA



Mrs. Jennifer Luseno
REGIONAL MANAGER HUMAN RESOURCES

.....

Mrs. Sophie Njagi
HUMAN RESOURCES MANAGER - KENYA



FOR AND ON BEHALF OF UNION (AAWU)

Mr. Bonne Nicholas Barasa
GENERAL SECRETARY



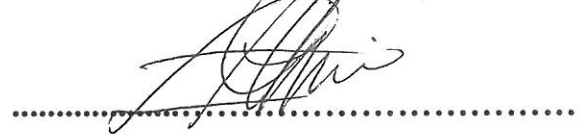
Mr. Duncan Munuve
ASSISTANT BRANCH SECRETARY



Mr. Moses Mutua Mwendwa
CHIEF SHOPSTEWARD - Nairobi

 26/06/2012

Mr. Evans Thuo
SHOP STEWARD - Mombasa



Mr. Fanuel Odhiambo
SHOP STEWARD - Mombasa



WITNESSED BY:

MR. George Ambuche for FKE

SIGNED AT NAIROBI THIS 26TH DAY OF JUNE, 2012

