

THIS COLLECTIVE AGREEMENT is made pursuant to the Industrial Relations Act this 26th day of July 2012 between the **BATA SHOE (SINGAPORE) PTE LTD**, having its registered office at 111 North Bridge Road, #19-02/03, Peninsula Plaza, Singapore 179098 (hereinafter referred to as the “Company”) of the one part and the **CHEMICAL INDUSTRIES EMPLOYEES UNION** of Bukit Pasoh Building, No 3, Bukit Pasoh Road, #06-00, Singapore 089817, a registered trade union (hereinafter referred to as the “Union”) of the other part.

That the general purpose of this Agreement is to promote good industrial relations between the Company and its employees and to set forth herein the agreement between the Company and the Union.

IT IS HEREBY AGREED between the Company and the Union as follows:

1. TITLE

This Agreement shall be known as the “**BATA SHOE (SINGAPORE) EMPLOYEES’ AGREEMENT 2012**”.

2. RECOGNITION

- (1) The Company recognises the Union as the collective bargaining body relating to rates of pay and other conditions of service for its locally engaged employees who are confirmed in the services of the Company, as specified hereunder:
clerks, packers, drivers, other unspecified manual workers.
- (2) All other categories of employees not specified above are excluded from Union representation.
- (3) The Union acknowledges that it is the exclusive function of the Company to manage its business according to section 18(2) of the Industrial Relations Act, namely to promote, transfer, employ,

terminate or dismiss its employees and to assign or allocate such work, tasks or duties to its employees and to do all things for the well-being and progress of the Company and that the Union agrees to ensure that all its members shall co-operate in improving the efficiency and productivity of the Company and in working for its advancement.

3. DURATION

- (1) This Agreement shall be deemed to have come into force on 1st April 2011 and shall remain in force for a period of three years until 31st March 2014, both dates inclusive.
- (2) During the currency of this Agreement, neither party shall seek to vary, modify or annul any of the terms of this Agreement, save as is provided herein or according to the provisions of the Industrial Relations Act.
- (3) Negotiations for a new collective agreement may commence not later than 3 months before the expiry of this Agreement.

4. NON-UNION MEMBERS

Employees belonging to categories within the scope of this Agreement, who are not members of the Union, shall not receive more or better benefits than those conferred on union members under this Agreement.

5. GRIEVANCE PROCEDURE

Recognising the value and the importance of full discussions in clearing up misunderstandings and preserving harmonious relations, every possible effort shall be made by both the Company and the Union to dispose of any grievances or complaints from employees at the lowest possible level and as expeditiously as possible in the following manner:

- (a) Any employee who feels that he has a grievance may, within two working days of its arising, bring the matter to the attention of the immediate superior.
- (b) If on the expiry of three working days after an employee has brought the grievance to the attention of his immediate superior as provided in paragraph (a) of this clause, the employee concerned feels that the grievance has not been adequately dealt with, the employee may then bring the matter to the attention of the Head of the Department.
- (c) The grievance shall then be considered by the Head of the Department who shall give his decision within three working days of the grievance having been reported to him under paragraph (b) of this clause.
- (d) If the employee concerned feels that the grievance has not been satisfactorily settled after bringing the matter to the Head of the Department, he shall reduce the grievance in writing and the matter referred by him or, if desired, the Branch committee of the Union, to the Personnel Manager for consideration.
- (e) The decision of the Personnel Manager relating to the grievance shall be given to the Branch committee within three working days (or at such date as may be mutually agreed upon) of the grievance being considered.
- (f) In the event that no satisfactory settlement is reached between the Personnel Manager and the Branch committee, the matter may be referred by the Branch committee to the Union Headquarters which may take up the grievance with the management of the Company.
- (g) In the event that no satisfactory settlement is reached between the Company and the Union Headquarters, the grievance shall be referred to the Ministry of Manpower for conciliation.

- (h) The decision of the Company on any grievance in respect of the exercise of management function referred to in section 18(2) of the Industrial Relations Act shall be final and shall not be made the subject of a reference to a referee under clause 6 of this Agreement.

6. REFEREE

Any dispute or disputes between the parties to this Agreement while it is in force and arising out of its operation shall be referred by either party to the President of the Industrial Arbitration Court who shall have the discretion to select a referee appointed under section 43 of the Industrial Relations Act to hear and determine the dispute or disputes.

7. PROBATIONARY PERIOD

The probationary period for new employees shall be three months. However, the Company reserves the right to extend the probationary period by a further three months wherever it deems necessary provided that notice of such extension shall be done in writing on or before the end of the first three months.

8. EQUAL REMUNERATION

- (1) Both parties accept the principle of equal remuneration for men and women for work of equal value shall apply. "Remuneration" means salary (as defined in the Employment Act) and any other consideration, whether in cash or in kind, which the employee receives directly or indirectly, in respect of employment.
- (2) The employer shall ensure that the principles of equal remuneration for men and women for work of equal value are adhered to. Regardless of their gender, employees will be paid and rewarded based on the value of job, performance and contribution.

9. OVERTIME AND WORKING ON

REST DAYS AND PUBLIC HOLIDAYS

Payment for overtime and work done on rest days and public holidays shall be according to the provisions of the Employment Act.

10. RETIREMENT AND RE-EMPLOYMENT

In accordance with the Retirement and Re-employment Act and the gazetted Tripartite Guidelines on Re-employment of Older Employees, the Company shall provide re-employment to employees as set out in Appendix 1 to this Agreement.

11. RETRENCHMENT

- (1) The Company shall notify the Union of impending retrenchment one month before the affected employees are retrenched.
- (2) The retrenchment benefits shall be one month's pay for each completed year of service and a proportionate part thereof for an incomplete year of service. The computation of retrenchment benefits shall be capped at 25 years of service.

12. WAGES AND SALARIES

- (1) The salary range shall be as follows:

Basic Minimum	Basic Max. (Inc. NWC)
<u>(Monthly)</u>	<u>(Monthly)</u>
\$1200.00	\$1900.00

- (2) Annual Increment

The annual increment shall be negotiated annually and will be made up of two portions as follows:

- (a) Service increment.
- (b) Variable Profit Sharing based on warehouse productivity.

- (3) Variable Profit Sharing

- (a) Shall be calculated seasonally i.e. at the end of June and December of each year.

- (b) Shall not be accumulative.
- (c) Shall be based on the total basic salary of existing bargainable staff for the season.
- (d) Employees who leave the services of the Company for whatever reason, shall not be eligible for payment under the scheme.
- (e) The calculation of the Profit Sharing shall be on the achievement of set target based on warehouse productivity.
- (f) Proportionate percentage will be paid for lower or higher result.
- (g) The Company shall keep the staff informed of the progressive achievements in terms of warehouse productivity. This shall take the form of percentages of achievement.
- (h) As information is extremely sensitive and confidential, any request for additional information shall have to be through written request, with the undertaking that all information disclosed shall be kept strictly confidential.
- (i) Example of Profit Sharing calculation based on 2012 actual result.

Number of bargainable staff	= 10
Total basic salary for the half year	= \$93456.00
Average basic salary per bargainable staff	= \$8937.82
Productivity of Warehouse	= 124.2%
Profit Sharing at 20%	= 18,691.20
Profit Sharing at 124.2% (level of performance)	= \$23,214.47
Quantum for each staff	= \$2321.45

- (j) The Profit Sharing amount shall be paid in the following month.
- (4) The Company shall implement the base-up wage system based on the following principles:

- (a) wages shall reflect the value of the job;
 - (b) productivity gain shall be shared by all employees in the form of built-in wage increases;
 - (c) total built-in wage increase shall lag behind the productivity growth; and
 - (d) salary structure be adjusted upwards only through the base-up component.
- (5) The built-in wage shall consist of two components:
- (a) service increment and
 - (b) base-up increment.
- While the base-up increment shall be paid to all employees, the service increment shall be paid to employees below their salary maximum, so long as the increase falls within the salary range.
- (6) In determining the base-up increment and ensuring consistency in the measurement, the 3 years' moving average of national productivity figures shall be used.

13. ANNUAL WAGE SUPPLEMENT

- (1) The Company shall pay to each employee who has completed one continuous year's service an annual wage supplement of an amount equivalent to one month's average wages. This shall be paid out in December. Overtime, profit sharing and any other extra payments shall be excluded in calculating the annual wage supplement.
- (2) Annual wage supplement on a pro-rata basis shall be paid to an employee whose service is terminated on:
- (a) retirement,
 - (b) medical grounds,
 - (c) death,
 - (d) retrenchment, or
 - (e) call up for National Service.

14. ANNUAL LEAVE

- (1) Paid annual leave shall be made in the following manner:

<u>Length of service</u>	<u>No. of working days</u>
1st - 4th year	12
5th - 9th year	15
10th - 19th year	18
20th year and above	20

- (2) Except for emergency cases, all completed leave forms must be submitted to the departmental managers at least forty-eight hours in advance.
- (3) Current year's leave eligibility may be carried forward to the end of the following year according to the Employment Act, failing which, such leave shall be forfeited.

15. SICK LEAVE

- (1) Every employee with at least three (3) months of service shall be entitled to paid sick leave upon production of a medical certificate issued by a Singapore-registered medical practitioner, as follows:
- (a) 14 working days in each calendar year if no hospitalisation is necessary; or
 - (b) 60 working days in each calendar year if hospitalisation is necessary less any outpatient sick leave taken
 - (c) An employee's absence caused through dental illness shall, on production of a certificate stating he is unfit for duty issued by the Company dental surgeon be treated as sick leave.
- (2) An employee who absents himself on sick leave -
- (a) which is not certified by the Company doctor or by a duly registered medical practitioner in an emergency; or
 - (b) which is certified by a duly registered medical practitioner in an emergency, but without informing or attempting to inform the Company of such sick leave within 48 hours of the

commencement thereof, shall be deemed to have absented himself from work without the permission of the Company and without reasonable excuse for the days on which he is so absent from work.

- (3) In the event that the sick leave period in sub-clause (1) paragraph (b) of this clause is exhausted on account of tuberculosis or any long term illness and further medical leave is recommended by the Company doctor, the Company shall grant extension of sick leave as follows:
 - First six months - full pay
 - Next six months - half pay
 - Further six months - no pay
- (4) In the event that the extended sick leave period in sub-clause (3) above is exhausted, the service of the employee shall be deemed to have been terminated.

15. MATERNITY LEAVE

- (1) Every female employee shall be entitled to maternity leave in accordance with Part IX of the Employment Act and Part III of the Children Development Co-Savings Act.
- (2) Leave on account of miscarriage or abortifacient measures occurring during the first seven months of pregnancy shall not be considered as maternity leave but as normal sick leave.

17. CASUAL LEAVE

- (1) The Company shall at its discretion grant paid leave up to eight days in any calendar year. Casual leave shall be granted as follows:
 - (a) In the event of death of a member of his immediate family (i.e. spouse, child, parent and grandparent, immediate parent-in-law) - three consecutive working days.

- (b) In the event of death of his brother, sister, immediate grandparent-in-law - one working day.
 - (c) On the days of examinations of courses approved by the Company.
- (2) Wherever possible, all applicants for casual leave must be made on the prescribed forms beforehand, together with the documentary evidence.

18. MARRIAGE LEAVE

- (1) The Company shall grant an employee who has completed one year's continuous service, five working days' paid leave for the occasion of his first marriage only.
- (2) If an employee wishes to extend his marriage leave beyond the five days, the Company shall grant him casual leave up to a maximum of three working days, provided that the total number of days granted to him as casual leave shall not exceed eight days in a year as stipulated under clause 17 of this Agreement.

19. CHILDCARE LEAVE

Every employee who has a child below the age of seven (7) years shall be entitled to the stipulated number of days of paid childcare leave in a year in accordance with the relevant provisions in the Employment Act and the Child Development Co-Savings Act as the case may be, provided he has served the Company for at least three (3) months.

20. NATIONAL SERVICE

Every employee who is required to render National Service shall be granted leave of absence and be paid in accordance with the provisions of the Enlistment Act.

21. MEDICAL TREATMENT

- (1) All confirmed employees of the Company shall continue to be entitled to free medical treatment and free medicines prescribed by the Company doctor but the Company shall not bear -
 - (a) the cost of spectacles or contact eye-lenses or dentures;
 - (b) any expenses arising out of the treatment of self-inflicted injuries or unlawful acts, unjustifiable hazards or provoked assault or venereal disease or aids;
 - (c) any expenses in respect of confinement or miscarriages;
 - (d) any expenses for treatment in mental cases which have been certified by a medical practitioner; or
 - (e) any expenses in respect of illness or disablement arising from attempted suicide, misuse of drugs or from injuries of any kind.
- (2) In the event of any compulsory Government medical security scheme on national health or social medical scheme being established or sponsored, which provides free medical attention, treatment, medicines or hospitalisation, the Company shall cease to provide the benefits under this clause.
- (3) Hospitalisation
 - (a) In the event of hospitalisation, all employees covered by this Agreement shall be entitled to the benefits of "B2" class ward accommodation at a Government hospital up to an aggregate of sixty days in any calendar year.
 - (b) The Company shall bear the costs of surgical, specialist and other in-hospital treatment charges up to a maximum of \$5,000 per year in respect of each employee who needs to be hospitalised. Payment charges above \$5,000 shall be subjected to sympathetic consideration by the Company.
- (4) Emergency Medical Treatment
 - (a) In the case of an emergency and on weekends and public holidays, where the Company doctor is not available, the

employee may utilise the service of the medical officer nearest to his home and that the Company shall pay for the cost of his treatment in such an instance.

(b) The tendency of some employees to seek treatment from doctors, other than from one nearest to their homes, shall cease. Should any employee choose to disregard this, then the Company shall have the right to disregard the medical certificate issued by such doctors as entitling the employee to paid medical leave and to refuse payment of medical fees.

(5) X-rays

The Company shall provide a chest x-ray examination once a year to any employee who may desire to have such an x-ray examination. This is a voluntary scheme.

(6) Dental Benefits

At the advice of the Company-appointed dentist, the Company shall bear the cost of dental check-up, scaling, extraction and ordinary amalgam or porcelain fillings and x-ray by the Company-appointed dentist.

The Company shall not bear the cost of surgical removal of impacted or buried tooth or root.

22. INSURANCE

- (1) Every employee shall be insured in accordance with the provisions of the Work Injury Compensation Act.
- (2) Eligible employees shall be insured under the NTUC Wise Scheme for an assured sum of \$5000.

23. DISCOUNT PURCHASE CARD

The Company shall issue a Discount Purchase Card to each employee enabling the employee to purchase for himself and his family at the Company's Store at Peninsula Plaza, footwear and

footwear accessories to the total value of \$800 per year at a discount of 25% from the sale price. Such cards are for the use of the employees and immediate members of their families only and the Union recognises that it is the Company's prerogative to institute reasonable controls to prevent the misuse of such cards.

24. LONG SERVICE AWARD

The company shall grant every employee a long service award as follows:

15 years of service - \$500/- cash voucher

25 years of service - \$1,500/- watch

IN WITNESS WHEREOF the parties hereto have hereunto set their hands the date and year first above written.

Signed for and on behalf of:

**BATA SHOE (SINGAPORE)
PTE LTD.**

**CHEMICAL INDUSTRIES
EMPLOYEES UNION**

BARBARA FRANCESCHETTO
Company Manager

JAMES TAN
Executive Secretary

In the presence of:

PHUA CHYE TOON
HR/IT Manager

TEO WEI LING
Industrial Relations Officer

LAU LENG CHOON
Branch Chairman

BATA SHOE (SINGAPORE) EMPLOYEES' AGREEMENT OF 2012
RE-EMPLOYMENT POLICY

1. DEFINITION

The retirement age shall be in accordance to the Retirement and Re-employment Act and the Gazetted Tripartite Guidelines on Re-employment of Older Employees.

2. SCOPE

This policy shall be applicable to all local employees; Singapore citizens and permanent residents, of the Company.

3. PRE-RETIREMENT PLANNING

- (1) The Company shall provide pre-retirement planning for retiring employees at least six (6) months before retirement.
- (2) Eligible employees shall be offered a re-employment contract or the Employment Assistance Payment (EAP) at least three (3) months before retirement.
- (3) Employees not eligible for re-employment shall not be offered re-employment nor paid the EAP. Appeal cases shall be considered on a case-by-case basis.

4. CRITERIA FOR RE-EMPLOYMENT

The Company shall provide re-employment to retiring employees subject to:

Medically fit to continue working

- (a) Employees, including those who have existing medical conditions, shall be considered medically fit for re-employment as long as their health does not affect their ability to meet the requirements of their job during re-employment.
- (b) Employer has the flexibility to decide whether to send employees for medical screening, and may take into consideration factors such as the requirements of the job.

5. CONTRACT PERIOD

- (1) Employees who are eligible for re-employment with the Company shall be offered re-employment in one of the following job arrangements:
 - (a) Re-employed in the same job; or
 - (b) Re-employed with modifications to the existing job or re-deployed to a different job; or
 - (c) Re-employed on flexible work arrangements, such as part-time or job-sharing.
- (2) The duration of the re-employment contract shall be as below;
 - (a) Re-employment year-by-year; or
 - (b) Re-employment for three (3) years, but subject to a review of the employee's performance and fitness for the job at the end of every year.

6. EMPLOYMENT ASSISTANCE PAYMENT

- (1) In the event the Company is unable to offer re-employment to eligible employees, the Company shall pay a one-off Employment Assistance Payment of three months of last drawn monthly gross salary or \$4,500/-, whichever higher.
- (2) For the purpose of this clause, the definition of gross shall be in accordance to the Employment Act - basic salary and all regular allowances, excluding travel, food, housing allowances and the advance profit sharing of \$50 per month.

7. REPRESENTATION

Employees on re-employment contract shall continue to be fully represented by the Union.

8. SALARY

- (1) The Company shall not cut the employee's salary at the age of 60 years old.
- (2) When the employee is offered the same job, the Company shall not cut the employee's salary at the age of 62 years old.

- (3) When the employee is offered a different job, the salary shall be negotiated between the Union and the Company, taking into account the value of the job, the employee's relevant experience and other attributes.

9. LENGTH OF SERVICE

Upon re-employment, the employee's length of service prior to re-employment shall be continued.

The Company shall extend the same terms and benefits of existing employees, as per the Collective Agreement, to re-employed employees.

10. ANNUAL WAGE SUPPLEMENT

The Company shall extend the same terms and benefits of existing employees, as per the Collective Agreement, to re-employed employees.

11. VARIABLE PERFORMANCE BONUS

The Company shall extend the same terms and benefits of existing employees, as per the Collective Agreement, to re-employed employees.

12. OTHER EMPLOYMENT TERMS AND BENEFITS

The Company shall continue to extend the same employment terms and benefits, except retrenchment benefit, of existing employees as per the Collective Agreement to re-employed employees.