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## LEAVE POLICY

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## 1. PURPOSE

This Policy aims to address Leave at Montego Pet Nutrition.

It outlines the types of leave available to employees, the eligibility criteria, the procedures for applying for and approving leave, and the impact of leave on pay and benefits. This Policy aims to balance the needs of the employees and the company and to ensure compliance with applicable Laws and Regulations.

## 2. SCOPE

This Policy applies to all Montego Pet Nutrition employees, regardless of their position, location, or contract type.

It does not apply to independent contractors and third-party consultants.

## 3. SUPERSESSION OF PREVIOUS POLICIES

This Leave Policy supersedes and replaces all previous Policies, Guidelines, and Provisions related to leave.

Any prior versions of *Leave Policies* are hereby recalled and rendered null and void.

**This version of the Leave Policy will be valid from 1 July 2025.**

## 4. LEAVE

### 4.1 Paid Annual Leave

Paid Annual Leave is available to all permanent employees to provide opportunities for rest, relaxation, and personal pursuits. Leave must be taken at a time mutually convenient to the employee and Montego Pet Nutrition.

Employees should take note of the following about paid Annual Leave:

- The amount of paid leave days aligns with the *Basic Conditions of Employment Act (BCEA)* by which Montego Pet Nutrition calculates accumulated Annual Leave.
- The *Annual Leave Cycle* is defined as a period of twelve (12) months commencing from the date of employment or the anniversary of that date.
- Employees are encouraged to take their Annual Leave within the *Annual Leave Cycle* to ensure rest and recuperation.
- Paid Annual Leave can be used in minimum increments of one half-day (0.50).
- Employees are encouraged to **request Leave Approval at least two (2) weeks in advance** from their HODs, Managers, or Supervisors.
- Requests will be reviewed based on several factors and *operational requirements*.
- Montego Pet Nutrition usually closes over Christmas, and the employee must undertake a prescribed portion of Annual Leave during this period.
- An employee may apply for Annual Leave when their Sick Leave has been depleted.
- Annual Leave may not be granted during the *Notice of Termination of the Contract of Employment* unless special permission is granted by Management.

## 4.2 Block Leave

The *Block Leave System* is a system of pre-planning a part of your Annual Leave entitlement to be taken on one (1) or two (2) occasions consecutively.

The *Block Leave System* only applies to production employees in Shifts and not to employees in other areas, i.e., Cleaners (Yard), Canteen workers, Security workers, etc. Block Leave is not allocated to an employee member without consultation.

The *Block Leave System* allows operations to continue without the risk of having more than one (1) person in the same work area taking leave simultaneously.

In any manufacturing environment, maintaining the number of required employees per shift is *Standard Practice* so that production occurs unhindered. Planning leave for production employees working in shifts is essential to ensure that there are no specific work areas where production cannot happen.

Every January, Human Resources (HR) representatives guide the Shift Managers to consult with the production employees to explain the reason behind the *Block Leave* and its application.

The process is explained using an example:

- All employees are allocated leave as prescribed in the *Basic Conditions of Employment Act 75 of 1997 (BCEA)*.
- At the beginning of the year, a projection of the number of leave days each employee has in balance and the number of days the employee will accumulate each month over twelve (12) months is calculated.
- Based on the number of days available, employees are then requested to provide the company with the dates that they would like to take leave during the year.
- The employee needs to take the leave days in segments/blocks of six (6), twelve (12) or eighteen (18) days (relating to 6-day workweeks), depending on the number of days accumulated at the time they intend to go on leave.
- The company closes typically between Christmas and New Year, and the leave in this period must also be considered in the calculations and allocations.
- It is also allowed that employees take two (2) of their Annual Leave entitlement days (if accumulated) on an *ad-hoc* basis during the year.

### Example:

- **6-day Worker** = one and a half (1.5) workdays entitlement per month (eighteen (18) workdays entitlement per year)
- Assume an employee's opening Annual Leave balance (1 January) is = 14.25 days.
- Assume the employee is required to take five (5) days of Annual Leave between Christmas and New Year (at the end of the year) due to the closure of the plant.
- Assume the employee will be taking two (2) days *ad-hoc* Annual Leave during the year on an application basis as agreed between the employee and their Manager.
- Calculation of the above example:  $14.25 - 5 - 2 + 18 = 25.25$  days available for the specific year.

- We need to ensure that the employee does not end the year with a negative *Leave Balance* and does not exceed an accumulated *Leave Balance* of eighteen (18) months.
- HR will then consult with the employee and the Manager to indicate the dates they prefer to go on leave for eighteen (18) shifts/days. Thus, leave is not forced on specific dates but within a time frame of usually three (3) to four (4) months.
- Calculation after Block Leave was taken:  $25.25 - 18 = 7.25$ . Annual Leave days will be carried forward to the next *Leave Cycle*.
- Remember that this allocation is done with all employees on the shift to ensure that operations are not affected.

The above-mentioned approach to Block Leave aligns with the *BCEA* to ensure that our employees take time to rest. Leave is allowed only when enough leave days have accumulated and when it suits both the employer and the employee.

### 4.3 Additional Leave Entitlement

- Employees in Senior and Middle Management will qualify for twenty (20) days' Annual Leave per annum whilst occupying a Middle or Senior Management position.
- Should an employee be demoted or their position's Management Level be changed to a lower level, the statutory leave requirement of fifteen (15) or eighteen (18) days will be applied from the new *Leave Cycle*.
- Additional leave days will accrue in line with the current *accrual process*, and any unused additional leave days will be forfeited as set out in clause 5.1 of this Policy.

### 4.4 Long Service Leave Rewards

Employees who have completed the following number of full calendar years of service with Montego Pet Nutrition will be rewarded with additional once-off leave days, added to their leave balance in December of the milestone year:

| YEARS IN SERVICE | EXTRA LEAVE DAYS (ONLY FOR THAT YEAR) |
|------------------|---------------------------------------|
| 5                | Two (2) days                          |
| 10               | Three (3) days                        |
| 15               | Five (5) days                         |
| 20               | Five (5) days                         |
| 25               | Five (5) days                         |

The additional once-off leave days are granted for the specific milestone year only and do not carry over to subsequent years. They are intended to reward long service and must be used within the year they are awarded.

## 5. ACCRUAL OF ANNUAL LEAVE

Where applicable or as per the *Contract of Employment*, leave entitlement will be calculated as follows:

- Employees working five (5) workdays per week shall be entitled to fifteen (15) workdays leave per annum, which will accrue at a rate of one and a quarter day's (1.25) leave per month.
- Employees working six (6) days per week shall be entitled to eighteen (18) workdays of leave per annum, which will accrue at a rate of one and a half (1.5) days of leave per month.
- Employees who qualify for twenty (20) annual leave days will accrue annual leave at a rate of one and sixty-six (1.66) leave days per month.
- Employees working specified days (i.e., three (3) days per week) shall accumulate annual leave at a rate of one (1) day for every seventeen (17) days on which the employee worked or was entitled to be paid.
- To determine employees' *Leave Cycle* and entitlement, their original Montego Pet Nutrition start date will be used.
- Accrued leave is added monthly.
  - Any accrued annual leave not utilised within six (6) months after the end of the *Annual Leave Cycle* will be forfeited. This means that leave not taken within this period will not carry over into the current or any future *Leave Cycles*.

### 5.1 Leave Balance and Accrued Leave Days (Payment Restrictions)

- Montego Pet Nutrition is legally obligated to ensure that employees take their Annual Leave within the timelines specified by the *BCEA*.
- Leave should be scheduled at a mutually convenient time for both the employee and Montego Pet Nutrition, while prioritising operational demands.
- In accordance with the Labour Court's decision and to encourage the utilisation of annual leave as intended by the *Basic Conditions of Employment Act (BCEA)*, Employees are encouraged to take their annual leave within the *Annual Leave Cycle* in which it accrues or within six (6) months after completion of the twelve (12) month *Leave Cycle*.
- At the termination of an employee's service, the employee will not be entitled to payment for any accrued leave of the previous twelve (12) month *Leave Cycle*, that was not utilised within that cycle or the six (6) months after the previous twelve (12) month's *Leave Cycle*.
- It is the shared responsibility of Management and employees to plan accordingly to meet this legal obligation.

Regular leave is encouraged to enhance wellness, rest, and maintain work-life balance.

## 6. REMUNERATION FOR LEAVE UTILISATION

An employee may not use more leave than is available when undertaking said Annual Leave, which might not reflect a negative balance. In the case of newly appointed employees, and only in exceptional circumstances, with the necessary authorisation, Unpaid Leave may be granted due to inadequate leave days available.

Alternatively, approval may be granted for a temporary negative leave balance in instances where the business closes during the December/January period and employees are required to use annual leave to cover the closure.

The law prohibits encashment of leave, which violates the *Basic Conditions of Employment Act (BCEA)*, except upon termination of service.

Please also note the following:

- Leave payments will be calculated on days used (subtracted from the Annual Leave balance).
- Employees are required to apply for Annual Leave in advance.
  - Employees shall not be entitled to commence on such leave without the prior consent of Montego Pet Nutrition, which must be obtained at least two (2) weeks in advance, as this allows Montego Pet Nutrition Management the opportunity to allocate and plan Annual Leave, as applicable and allowable based upon *operational requirements*.
  - Annual Leave will be granted to the employee when the operations of Montego Pet Nutrition allow for the employee's absence.
  - The employee must request leave in writing or via the applicable electronic system (currently *ESS*) and obtain permission to leave before embarking on such Annual Leave.
- The employee's entitlement to Annual Leave will be reduced by the number of days' occasional leave on full pay granted to the employee at their request during a particular *Leave Cycle*.
- One (1) day's leave will not be deducted from the employee's entitlement to Annual Leave for every Public Holiday within the leave period.
- Employees will not be required to perform any duties during Annual Leave. Employees required to work during their Annual Leave will be requested to change their days accordingly.

## 7. SICK LEAVE

Montego Pet Nutrition provides paid Sick Leave benefits to all eligible employees for periods of temporary absence due to illnesses or injuries.

- During the first six (6) months of employment, an employee is entitled to one (1) day's paid sick leave for every twenty-six (26) days worked.
- When the six (6) month period ends, the balance will be added to the remaining three (3) year period.
  - Five (5) workday employees are entitled to thirty (30) days over three (3) years, and six (6) workday employees are entitled to thirty-six (36) days over three (3) years.
- The three (3) year Sick Leave cycle is calculated from the day employees started working at the company (not from the beginning to the end of the year).
- **Employees must inform their HOD / Manager / Supervisor within two (2) hours of starting their shift that they are sick and cannot report for duty.** This should be done in person or via telephone with the employee's direct Manager / Supervisor.

- In line with the *BCEA*, an employee should hand in a *Medical Certificate* from a registered Medical Practitioner after two (2) consecutive days of absence from work or if the employee has been off sick on more than two (2) occasions in an eight (8) week period.
- If a *Medical Certificate* is not received and Sick Leave is not submitted to their HOD / Manager / Supervisor, employees will not be paid for these days, and an investigation into the validity of the Sick Leave and possible *Absence Without Leave (AWOL)* may be conducted.
- If employees' Sick Leave balance is depleted, they can either use their Annual Leave in exceptional incidents, or Unpaid Leave will be captured.
- Sick Leave can be used in minimum increments of one half-day (0.50).
- Employees who resign or are terminated are not entitled to be paid any unused sick days upon termination of employment.

## 7.1 Misuse of Sick Leave and Dishonest Conduct

Employees who indicate that they are too sick to work and subsequently attend a non-work-related activity because they claim Sick Leave will be subject to a *Disciplinary Process* for dishonest behaviour.

The following will be applicable to ensure a *uniform and standardised application* regarding the submission of *Medical Certificates* and the proper submission and administration of leave applications.

## 7.2 Medical Certificates

*Medical Certificates* must be produced after more than two (2) consecutive days of being sick and away from work or more than two (2) occasions in an eight (8) week cycle.

In terms of *Section 17 of the Medical, Dental and Supplementary Health Service Professions Act, 1974 (Act No. 56 of 1974)*, a Registered Medical Practitioner must sign a *Medical Certificate*; these include Medical Practitioners (Doctors), Dentists, Psychologists, all registered with the *Health Professions Council of South Africa (HPCSA)*.

- **Medical Certificate requirements:**
  - Must state the date on which the visit was undertaken.
  - Must stipulate the dates for which the patient was "booked off" according to *Section 23 of the Basic Conditions of Employment Act*.
  - Must state that the employee was unable to perform their regular duties because of illness (or an injury), and this diagnosis is based on the professional opinion of the Medical Practitioner.
  - A *Medical Certificate* which states that the practitioner "saw the patient" or "was informed by the patient" is not considered to be a valid *Medical Certificate* because the practitioner did not declare, in his professional opinion, that the employee was unable to perform regular duties because of illness (or an injury).
  - An examination by a nurse or other person not qualified to conduct an examination and diagnosis is unacceptable.



- A *Medical Certificate* signed by someone other than a qualified Medical Practitioner authorised to make such examination and diagnosis is unacceptable.
- *Medical Certificates* bearing an illegible signature and a rubber stamp are unacceptable, and, in such cases, Montego Pet Nutrition will insist that *rule 15 (1)(j) of the Medical and Dental Professions Board Rules* is complied with. A failure to do so will result in the matter being referred to the process for investigation and possible disciplinary action, and/or the period of illness being administered as Unpaid Leave.
- Montego Pet Nutrition will accept a backdated *Medical Certificate* if it stipulates that, in the practitioner's professional opinion, the employee could not perform their regular duties during the backdated period. However, this must be considered when the employee gives Montego Pet Nutrition due notice of their absence as prescribed.
- Sick Leave should ideally not be used for routine check-ups, examinations, etc.

### 7.3 Sick Leave Notice

- Employees must inform their HOD / Manager / Supervisor, telephonically or in person, within two (2) hours of their shift start that they are sick and cannot report for duty.
- A *Medical Certificate* must be handed to Management within forty-eight (48) hours upon the employee's return to work if required.
- **It is the employee's responsibility to ensure the certificate reaches their HOD / Supervisor / Manager and that a Sick Leave Form is completed and signed to accompany the *Medical Certificate*.**
- Management does not accept notes and letters issued by Clinics unless they comply with the above requirements and have the Clinic's *wet stamp* affixed.
- It is essential to note that if certificates are illegible or have been altered, they may be rejected, and if it can be proved that the employee altered such a certificate, this could lead to their dismissal. The abuse of Sick Leave or the alteration of *Medical Certificates* constitutes gross dishonesty, a dismissible offence.

## 8. UNPAID LEAVE

- Unpaid Leave may be granted where Annual, Sick, or Family Responsibility Leave has been depleted.
- Unpaid Leave may be granted at the discretion of Management and not automatically, as *operational requirements* must first be considered.
- Should an employee be in a position where Unpaid Leave may be the only option (under exceptional circumstances), this may be considered, but is not guaranteed.
- Unpaid Leave can be used in minimum increments of one half-day (0.50).
- Employees who wish to take Unpaid Leave should request advance approval from their HOD / Manager / Supervisor. Requests will be reviewed based on several factors, including operational and employee requirements.
- Unpaid Leave may not be granted concurrently with any period of Sick Leave, nor with a *Notice of Termination of the Contract of Employment*.

## 9. FAMILY RESPONSIBILITY LEAVE

Family Responsibility Leave covers specific requirements, and anything else not mentioned in *Section 27 of the Basic Conditions of Employment Act* does not qualify for Family Responsibility Leave.

**Family Responsibility Leave is only applicable if:**

- an employee's child or adopted child is sick (younger than eighteen (18) years).
- upon the death of the employee's spouse or life partner.
- the death of the employee's parent, adoptive parent, child, adopted child, grandchild, grandparent, or sibling.

Employees employed for longer than four (4) continuous months and working for at least four (4) days a week are entitled to Compassionate Leave or Family Responsibility Leave.

In any Annual Leave cycle, a maximum of three (3) days paid Compassionate Leave or Family Responsibility Leave, and if available, an additional three (3) days Annual Leave (or Unpaid Leave if no Annual Leave is available), may be granted to an employee whose immediate family experienced any one of the "listed" categories as stated below:

- Immediate family is defined as the Employee's spouse or life partner, parent, grandparent, grandchild, adoptive parent, child, adoptive child or sibling.
- If the worker's birth or adopted child (younger than eighteen (18) years) is sick.
- Upon the death of the employee's spouse or life partner.
- The death of the employee's birth or adoptive parent.
- When the employee's birth or adopted child passes on.
- Upon the demise of the employee's birth or adopted grandchild.
- If the worker's birth or adopted grandparent passes away.
- The passing of the employee's birth or adopted sibling."

Family Responsibility Leave can be used in minimum increments of one half-day (0.50).

### 9.1 Maternity Leave

All female employees who have been in continuous, permanent employment at Montego Pet Nutrition for twelve (12) months or more are entitled to paid Maternity Leave, as per below.

**Maternity Leave is assigned in terms of the Policy.**

- The employee is entitled to Maternity Leave as follows:
  - Employees in employment less than a year (<1): four (4) months without pay.
  - Employees in employment between one (1) and two (2) years: four (4) months with a fifty per cent (50%) base pay rate.
  - Employees in employment for more than two (2) years: four (4) months with full base pay rate.
- Maternity leave will be granted for a period not exceeding one hundred and twenty (120) consecutive days.

- Employees will be paid for the duration of their leave, and all claims must be processed by the employee and submitted to the relevant authority for administration, following the formula above.
- The granting of Maternity Leave will automatically guarantee re-employment into the same or a similar job function.
- Any wage increases and/or improvements in conditions of employment that may be implemented will automatically apply to an employee who is away on Maternity Leave at the time.
- On return to work, the employee will receive the same rate of pay as was applicable before the commencement of Maternity Leave and, in addition, will benefit from improvements in conditions of employment as specified above.
- Maternity Leave will be regarded as continuous service to accumulate and/or calculate annual leave, bonus, etc.
- An employee who has a miscarriage during the third trimester of pregnancy or bears a stillborn child is entitled to maternity leave for six (6) weeks after the miscarriage or stillbirth, whether the employee had commenced Maternity Leave at the time of the miscarriage or stillbirth.
- By agreement between the employee and her employer, Annual Leave and/or Unpaid Leave may be taken after Maternity Leave.
- Maternity Leave will automatically be extended by one (1) day if a Public Holiday falls during the employee's Maternity Leave.

### 9.1.1 Maternity Leave Procedure

- Employees must apply for Maternity Leave no later than eight (8) weeks before the expected date of birth or as prescribed by a Medical Practitioner.
- A pregnant employee may not work four (4) weeks before her expected date of birth.
- The employee may not return to work six (6) weeks after giving birth.
- The employee must give Montego Pet Nutrition at least four (4) weeks' notice of her expected return to work to allow Montego Pet Nutrition sufficient time to make suitable arrangements for the employee to be placed in the same or similar job function.
- The employee must provide a *Medical Certificate* attesting to the date envisaged of the birth at least four (4) weeks before the envisaged start date of the Maternity Leave.
- Should the birth occur sooner than the four (4) week required notice period, a *Medical Certificate* confirming this should be submitted.
- If physical dangers are identified as part of an employee's daily work tasks while pregnant, the employee will be assigned to other tasks to accommodate the pregnancy status while preserving the rights and preferences connected to the employee's regular position.
- At the end of the Maternity Leave period not exceeding four (4) months, the employee will be reinstated in her regular function and entitled to all the advantages from which she would have profited if she had remained at work.
- If the employee's regular job does not exist upon her return, management will recognise all the rights and preferences she would have profited from if she had been present.

- **Maternity Complications:**

- If the employee or the child suffers from complications preventing the return to work at the end of the Maternity Leave, the employee will have to forward a *Medical Certificate* to the company.

- **Return to work:**

- The employee must write to Management about the expected date of her return to work.

## 9.2 Parental Leave

Regarding the *Labour Laws Amendment Act*, an employee is entitled to ten (10) days of Parental Leave upon the birth of the employee's child.

- Parental Leave may also be applicable in circumstances where an employee legally adopts a child or when a child is placed by a court in the care of a prospective adoptive parent. In this regard, one must consider the adoptive and prospective parents' definitions.
- **"Adoptive parent"** means a person who has adopted a child in terms of any law.
- A **"Prospective Adoptive Parent"** means someone who complies with the *Children's Act of 2005* requirements. A Prospective Adoptive Parent, therefore, means a person:
  - that is fit and proper to be entrusted with full parental responsibilities.
  - that is willing and able to undertake, exercise and maintain those responsibilities.
  - that is older than eighteen (18) years.
  - and that has been adequately assessed by an Adoption Social Worker.
- Parental Leave entails ten (10) days of Unpaid Leave per annum, and it is to be used when a child is born or when a baby is adopted.
- Employees are entitled to ten (10) consecutive days of unpaid Parental Leave. Consecutive days (calendar days) means days following one after the other and refers to every day on the calendar, i.e., all 365 days of the year (366 if it is a leap year).
- Employees must claim from the *Unemployment Insurance Fund (UIF)* for remuneration for Parental Leave.
- This applies to employees who adopt a child under two (2) years old. Leave can be taken from the date the *Adoption Order* is given or when the child is placed in the care of the Adoptive Parents.
- The employer must be notified in writing when the leave will be taken and when the employee will return to work.
- Parental Leave will become available to an employee after four (4) continuous months of permanent employment, and where an employee works at least four (4) days per week.
- In the event of the birth of a child, an employee as a parent shall be entitled to either Maternity Leave or Parental Leave (not both), and in the event of adoption of a child, to either Parental Leave or Adoption Leave (not both), with all categories of leave (Maternity, Parental and Adoption) being unpaid, or payable in terms of the applicable Montego Pet Nutrition Policy and/or Procedure.
- Adoptive Parental Leave entitles one (1) of the parents to ten (10) weeks of consecutive unpaid Adoption Leave.

- If an *Adoption Order* concerns two (2) adoptive parents, only one (1) may apply for Adoption Leave and the other for Parental Leave. The choice may be exercised at the discretion of the Adoptive Parents.
- A “**Parent**” shall be entitled to Parental or Adoption Leave irrespective of the marital status of such an employee/parent or the same-sex (homosexual) or different-sex (heterosexual) affiliation of such an employee/parent. Conditional that such an Employee is recorded as a parent on the birth or *Adoption Certificate*.

## 10. NON-COMPLIANCE

This Policy forms part of the rules and procedures of Montego Pet Nutrition.

Non-compliance with this Policy may result in *disciplinary action* in accordance with the company’s *Disciplinary Code and Procedure* and relevant provisions of *South African Labour Law*.

## 11. QUERIES

All queries should be referred to the Human Resources Department for clarification.