



REF: CL.NRP.001.1/LFB/nzs

2014-07-08

TO:

**ALL EXECUTIVE COUNCIL MEMBERS AND TRADE UNION  
REPRESENTATIVES: TRANSNET**

**PROGRESSION: NEW REWARD MODEL**

On 1 July, 2014, a report back session on the Brazil trip regarding the payment of employees at the two railway companies that were visited during the tour.

The companies that were visited were VALE and ALL.

Both the said companies are very performance driven and place major solves to employees to perform.

The determination of salaries at both companies are quite similar as set out below.

1. Basic salary determined.
2. Annual increase negotiated with Unions – usually multiyear agreements reach.
3. Performance and competency increases that are determined by Management – 30% of all employees are eligible.
4. Profit Share – Collective Agreement on criteria – up to as much as 7 months' salary can be earned on this aspect.

Labour and Management will now jointly digest the said information with the view of developing a model to suit Transnet needs and circumstances.

Members will be kept abreast as the process progresses.

UTATU SARWHU Greetings,

**LF Brockett  
O. b. o SA Harris  
GENERAL SECRETARY**

**Non-profit Organisation – Ref: Number 036-913**

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