



WAGE SETTLEMENT AGREEMENT

between

**TRANSNET SOC LIMITED
("TRANSNET")**

AND

**SOUTH AFRICAN TRANSPORT AND
ALLIED WORKERS' UNION
("SATAWU")**

AND

UTATU SARWHU

MADE IN THE MAIN CHAMBER OF THE TRANSNET BARGAINING COUNCIL

**IN RESPECT OF TERMS AND CONDITIONS OF EMPLOYMENT FOR THE FINANCIAL
YEARS**

1 APRIL 2013 TO 31 MARCH 2015

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1 PURPOSE AND SCOPE

- 1.1 The purpose of this agreement is to record the wage agreement for all bargaining unit employees in Transnet SOC Limited for the financial years 1 April 2013 to 31 March 2015.
- 1.2 This agreement amends the terms and conditions of employment of permanent bargaining unit employees in Transnet and supersedes existing agreements on the issues covered in this agreement.
- 1.3 This agreement will be implemented from 1 April 2013.
- 1.4 Salary increases for the financial year 2013/14 will be paid retrospectively from 1 April 2013.

2 PARTIES TO THE AGREEMENT

- 2.1 The parties to this agreement are:
 - 2.1.1 Transnet SOC Limited ("Transnet") having its Head Office at the Carlton Centre, 150 Commissioner Street, Johannesburg, and including its Operating Divisions: the Corporate Centre (including Transnet Capital Projects, Transnet Properties and Transnet Foundation); Transnet National Ports Authority; Transnet Pipelines; Transnet Port Terminals; Transnet Freight Rail and Transnet Engineering);
 - 2.1.2 South African Transport and Allied Workers Union ("SATAWU"); and
 - 2.1.3 UTATU SARWHU.

3 WAGES

YEAR 1: 2013-2014

- 3.1 The basic pensionable salary (including 13th cheque, pension and overtime rate up to the overtime threshold) of permanent Transnet employees falling within the bargaining unit below Level G, will be increased by an across the board increase of 8.5% (eight point five percent).
- 3.2 In respect of level G employees, the agreed annual adjustment of 8.5% (eight point five percent) will be applied in terms of the provisions of the First Line Managers, Specialists and Technicians (FST) Agreement as amended.
- 3.3 The across the board increase of 8.5% (eight point five percent) to basic salary will apply to employees who are employed on a fixed term contract basis and who are still in service on the date of signing of this agreement.

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YEAR 2: 2014-2015

- 3.4 The basic pensionable salary (including 13th cheque, pension and overtime rate up to the overtime threshold) of permanent Transnet employees falling within the bargaining unit below Level G, will be increased by an across the board increase of 9% (nine percent).
- 3.5 In respect of level G employees, the agreed annual adjustment of 9% (nine percent) will be applied in terms of the provisions of the First Line Managers, Specialists and Technicians (FST) Agreement as amended.
- 3.6 The across the board increase of 9% (nine percent) to basic salary will apply to employees who are employed on a fixed term contract basis and who are still in service on the date of signing of this agreement.

4 MINIMUM WAGE

YEAR 1: (2013/2014)

- 4.1 The minimum basic salary in Transnet for grade L1 for the 2013/14 financial year will increase to R66,041 per annum (sixty six thousand and forty one rand).

YEAR 2: (2014/2015)

- 4.2 The minimum basic salary in Transnet for grade L1 for the 2014/15 financial year will increase to R74,238 per annum (seventy four thousand, two hundred and thirty eight rand).

5 SERVICE BONUS

- 5.1 The status quo in respect of the service bonus calculation will continue to apply to permanent employees as per the 2012/13 wage agreement.
- 5.2 The service bonus will in future be paid separately from the December salary. The service bonus will be paid on or about 15 December of each year and the December salary will be paid on or about 27 December.

6 TRANSNET MEDICAL SUBSIDY

- 6.1 The Medical Subsidy is a fixed subsidy for all permanent bargaining unit employees who belong to or join a recognised Transnet medical scheme as a principal member.

YEAR 1: (2013-2014)

- 6.2 The value of the medical subsidy will increase to R8,520 (eight thousand, five hundred and twenty rand) per annum [R710 (seven hundred and ten rand) per month] from 1 April 2013.

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YEAR 2: (2014-2015)

6.3 The value of the medical subsidy will increase to R9,840 (nine thousand eight hundred and forty rand) per annum [R820 (eight hundred and twenty rand) per month] from 1 April 2014.

7 HOUSING ALLOWANCE

7.1 The housing allowance is a fixed allowance that is paid to all permanent employees below grade level G (grade levels H to L) in the bargaining unit.

YEAR 1: (2013-2014)

7.2 The value of the housing allowance will increase to R9,840 (nine thousand eight hundred and forty rand) per annum [R820 (eight hundred and twenty rand) per month] from 1 April 2013.

YEAR 2: (2014-2015)

7.3 The value of the housing allowance will increase to R11,040 (eleven thousand and forty rand) per annum [R920 (nine hundred and twenty rand) per month] from 1 April 2014.

8 STANDBY AND NIGHTSHIFT ALLOWANCE

8.1 The standby and nightshift allowances are paid as circumstantial allowances to all bargaining unit employees, where applicable.

YEAR 1: (2013-2014)

8.2 The standby allowance will increase by 8.5% (eight point five percent).

8.3 The night shift allowance will increase by 8.5% (eight point five percent).

YEAR 2: (2014-2015)

8.4 The standby allowance will increase by 9% (nine percent).

8.5 The night shift allowance will increase by 9% (nine percent).

9 SUBSISTENCE ALLOWANCE

9.1 The subsistence allowance will increase from R65 to R70 per night, from date of signature of this agreement.

10 NON PENSIONABLE ALLOWANCE

10.1 The non-pensionable allowances will not be increased for the duration of this agreement.

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K.M.
M.D.
[Other illegible signatures]



11 OVERTIME

- 11.1 Overtime payable to all employees in the bargaining unit, below level G (FST) will be paid as per the Ministerial Determination as published in the Government Gazette, as and when amended.
- 11.2 The overtime rate for all level G (FST) Employees will increase by 8.5% (eight point five percent) in 2013/14 and by 9% (nine percent) in 2014/15.

12 FIXED TERM CONTRACT EMPLOYEES

- 12.1 Transnet Freight Rail will appoint at least 700 fixed term contract employees currently employed for maintenance work as permanent Transnet employees, effective 1 October 2013. The criteria for the selection of these 700 fixed term contract employees will be agreed by a task team (referred to in clause 12.2 below).
- 12.2 The task team, established as a subcommittee of the Transnet Bargaining Council, will consider and make recommendations to the main chamber of the Bargaining Council by 31 October on the following:
 - 12.2.1 The hourly rates of pay of fixed term contract employees;
 - 12.2.2 Other payments to fixed term contract employees;
 - 12.2.3 The employment, on a permanent basis, of those fixed term contract employees providing ongoing, regular work in Transnet as a whole; and
 - 12.2.4 Any matters concerning fixed term contract employees.

13 RETRENCHMENT

- 13.1 Transnet will not retrench during the currency of the two year wage agreement.

14 CONDITIONS OF EMPLOYMENT

- 14.1 This agreement is in full and final settlement of all terms and conditions of employment for the duration of the agreement (1 April 2013 to 31 March 2015), except for any changes contemplated in existing agreements or changes which may emanate from changes to agreements which the parties have agreed to review.

15 DISPUTE RESOLUTION

- 15.1 This agreement settles all demands and counter demands, whether agreed to or not, made by the parties during the wage negotiations for the years 1 April 2013 to 31 March 2015 and constitutes the entire agreement between the parties. This agreement may only be altered or varied in writing.

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15.2 Any dispute regarding the interpretation or application of this agreement will be referred to the Transnet Bargaining Council.

SIGNED AND DATED AT JOHANNESBURG on this 10th day of May 2013.

WITNESSES:

1. [Signature] _____

2. [Signature] _____

_____ Name Six Alberts

_____ For and on behalf of **TRANSNET SOC LTD**

SIGNED AND DATED AT JOHANNESBURG on this 10th day of May 2013.

WITNESSES:

1. [Signature] _____

2. [Signature] _____

_____ Name M. D. MPOFU

_____ For and on behalf of the **SATAWU**

SIGNED AND DATED AT JOHANNESBURG on this 10th day of May 2013.

WITNESSES:

1. [Signature] _____

2. [Signature] _____

_____ Name S. A. HARTIS

_____ For and on behalf of the **UTATU SARWHU**