



WAGE SETTLEMENT AGREEMENT

between

**TRANSNET LIMITED
("TRANSNET")**

AND

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

AND

**UNITED TRANSPORT AND
ALLIED TRADE UNION
("UTATU")**

MADE IN THE MAIN CHAMBER OF THE TRANSNET BARGAINING COUNCIL

**IN RESPECT OF TERMS AND CONDITIONS OF EMPLOYMENT FOR THE FINANCIAL YEAR
1 APRIL 2010 TO 31 MARCH 2011**

A collection of handwritten signatures in black and blue ink, located in the bottom right corner of the page. The signatures are stylized and appear to be from multiple individuals.



1 PURPOSE AND SCOPE

- 1.1 The purpose of this agreement is to record the wage agreement for bargaining unit employees' in Transnet Limited for the financial year 1 April 2010 to 31 March 2011.
- 1.2 The parties agree to extend the conditions of this agreement to non-parties to this agreement.
- 1.3 This agreement amends the terms and conditions of employment of bargaining unit employees in Transnet and supersedes existing agreements on the issues covered in this agreement.
- 1.4 This agreement will be implemented on 1 April 2010 in respect of employees in service on date of signing of the agreement.
- 1.5 Employees will receive the across the board increase on their basic pay for April and May as an advance payment, which will be paid on or before 7 June 2010. Retrospective calculations on all other salary related elements will be implemented with the June 2010 payroll run.

2 PARTIES TO THE AGREEMENT

The parties to this agreement are:

- 2.1 Transnet 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, Transnet Foundation and Transnet Fuel Solutions); Transnet National Ports Authority; Transnet Pipelines; Transnet Port Terminals; Transnet Freight Rail and Transnet Rail Engineering;
- 2.2 South African Transport and Allied Workers Union ("SATAWU"); and
- 2.3 United Transport and Allied Trade Union ("UTATU").

3 WAGES

- 3.1 The basic pensionable salary of Transnet employees falling within the bargaining unit will be increased by an across the board increase of eleven percent (11%).
- 3.2 The new minimum pensionable salary after the implementation of the 11% increase will be R50 000 (fifty thousand rand) per annum.
- 3.3 The cost to company package of First Line Managers, Specialists and Technicians (FST) will be increased by an average of the across the board increase of eleven percent (11%) according to the principles set out in the FST Agreement.



4 13TH CHEQUE OF BARGAINING UNIT EMPLOYEES

- 4.1 The 13th cheque to bargaining unit employees is payable in December of each year;
- 4.2 The value of the 13th cheque will be calculated as one twelfth (1/12) of an employee's monthly basic salary for each month of the calendar year;
- 4.3 All employees for whom an accrual has been made will qualify for the total value of the accrual in December of that year;
- 4.4 If an employee's employment is terminated, the value of the monthly accrued amount will be paid out to the employee upon termination of employment;
- 4.5 Absenteeism will not impact on the value of the 13th cheque.

5 NEW TRANSNET MEDICAL DISPENSATION

- 5.1 Employees who are Transmed members as at 31 March 2010 will receive the difference between their Transmed subsidy and R4 800 (four thousand eight hundred Rand) per annum. This amount will be converted into a new, Protected Non-Pensionable Allowance. This element of the Protected Non-Pensionable Allowance will not be less than R 3 600 (three thousand six hundred rand) per annum.
- 5.2 Employees who were not members of Transmed as at the date of signing of this agreement will receive a Non-Pensionable Allowance of R 3 600 (three thousand six hundred rand) per annum.
- 5.3 All employees are eligible for a standardized Medical Subsidy of R 4 800 (four thousand eight hundred Rand) per annum if they join an accredited Transnet medical scheme as a principal member.
- 5.4 On date of signature of this agreement Transmed is an accredited Transnet medical scheme.
- 5.5 Transnet will run a consultative process with the unions to identify additional medical schemes for accreditation by no later than 30 November 2010.
- 5.6 All existing disputes relating to the payment of a medical subsidy will be settled on the basis that the dispute is hereby withdrawn and the parties concerned will be responsible for the payment of their own legal costs.
- 5.7 In respect of FST's the same conditions will apply and the Protected Non-Pensionable Allowance will remain outside of the cost to company package.



6 HOME OWNERSHIP ALLOWANCE (HOA)

- 6.1 The value of an employee's Home Ownership Allowance as at 31 March 2010 will be converted into a Protected Non-Pensionable Allowance.

7 STANDBY AND NIGHTSHIFT ALLOWANCE

- 7.1 For Employees below G-role (FST):

7.1.1 The standby allowance will increase by eight percent (8%).

7.1.2 The night shift allowance will increase by eight percent (8%).

- 7.2 For FSTs, the standby allowance and the night shift allowance will increase by the agreed percentage increase set out in the FST agreement

8 SUBSISTENCE ALLOWANCE

- 8.1 The subsistence allowance will increase to sixty five rand (R65.00) per night out.

- 8.2 The subsistence allowance will be paid through the payroll in arrears and no reasons will be required.

9 OVERTIME

- 9.1 A new overtime threshold will apply to Transnet. This threshold is determined by the threshold set in accordance with the Basic Conditions of Employment Act (BCEA), which is currently one hundred and forty nine thousand seven hundred and thirty six rands (R149 736.00) per year.

- 9.2 Any changes to the overtime threshold in the BCEA will be adjusted on 1 April of each year following the adjustment.

- 9.3 The current overtime thresholds in Transnet Port Terminals (TPT) which is R165 883 (one hundred and sixty five thousand, eight hundred and eighty three rands), Transnet National Port Authority (TNPA) which is R155 034 (one hundred and fifty five thousand and thirty four rands) and in Transnet Pipelines (TPL) the rate at which an employee earned overtime as at 31 March 2010, will remain in force until such time that it is aligned with the BCEA.

- 9.4 Where the current overtime (salary rate at which overtime is paid), as at 31 March 2010, is greater than the new threshold in clause 9.1., incumbents will retain their current overtime threshold.

- 9.5 The overtime rate for FSTs will increase with 11%.



10 NON-PENSIONABLE ALLOWANCES

10.1 There will be no increase in the non-pensionable allowances.

11 INCENTIVE SCHEME

11.1 Transnet will meaningfully engage labour on the incentive and gain share scheme, for bargaining unit employees including the CTOC agreement and TRE gain share, after the wage negotiations have been completed for any changes to the scheme to be implemented for the 2011/12 financial year.

12 FIXED TERM CONTRACT EMPLOYEES IN TRANSNET CAPITAL PROJECTS' (TCP) REHABILITATION, MAINTENANCE AND EMERGENCY (RME) DIVISION

12.1 All Transnet Capital Project fixed term contract bargaining unit employees, paid through the payroll system HR Focus who were in employment on 1 April 2010 and are still employed in date of signature of this agreement, will receive the increase set out in paragraph 3.1 above (the wage increase of 11%, backdated to 1 April 2010).

12.2 Contract workers in Transnet Capital Projects (TCP) will be dealt with in accordance with three categories of employment:

12.2.1 permanent employment,

12.2.2 project employment, and

12.2.3 ad hoc employment.

12.3 By no later than 31 October 2010 TCP would have selected and placed 1000 (one thousand) fixed term contract employees into permanent positions. The criteria for selection and placement will be consulted upon.

12.4 The remainder will be dealt with through a consultative process within eighteen (18) months starting 1 October 2010.

12.5 If a fixed term contract of employment is due to expire, but the tasks for which the employee was contracted for is to continue, the employee's contract will be extended to coincide with the completion of the task.

13 EX GRATIA PAYMENT

13.1 All employees in the bargaining unit will receive an ex- gratia payment of R1000 (one thousand rands) on or before 7 June 2010.



14 RETRENCHMENTS

14.1 Transnet will not, from the date of signing this agreement until 30 September 2010 forcefully retrench.


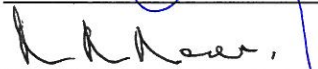
15 DISPUTE RESOLUTION

15.1 This agreement settles all demands and counter demands, including the dispute that gave rise to the present industrial action, whether agreed to or not, made by the parties during the wage negotiations for the year 1 April 2010 to 31 March 2011 and constitutes the entire agreement between the parties. This agreement may only be altered or varied in writing.

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 21st day of May 2010.

WITNESSES:

1. 
2. 


For and on behalf of **TRANSNET LIMITED**

SIGNED AND DATED AT JOHANNESBURG on this _____ day of May 2010.

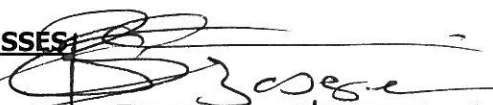
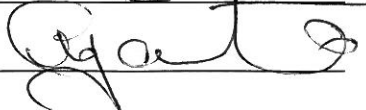
WITNESSES:


3. _____
4. _____

For and on behalf of the **SATAWU**

SIGNED AND DATED AT JOHANNESBURG on this 21st day of May 2010.

WITNESSES:

5. 
6. 


For and on behalf of the **UTATU**

