



National
Substantive Agreement entered into between two parties, being:

Essential Foods: Grains, a division of Pioneer Foods (Pty) Ltd hereafter referred to as the:

Company

And

Food and Allied Workers Union (FAWU), a representative trade union of Essential Foods: Grainemployees, hereafter referred to as:

The Union

1. The Company and the Union agree that this document will not be valid until signed by both parties. The parties agree that this agreement replaces all other substantive agreements, which will automatically become null and void effective 10th July 2014.
2. The parties agree that the content of this document is the final outcome of the negotiation process concluded on 11th July 2014.
3. The parties agree and consent as follows:

A. Term of Agreement

1. This agreement will be in force from 1st July 2014 up to and including the 30th of June 2015.

B. Scope of Agreement

1. The agreement covers all permanent wage employees within Essential Foods: Grains. The wage minima for the following parts of the business are attached as



Annexure 1, 2, 3 and 4 respectively.

a) Rice and Legumes

b) The Wheaten Mills

c) The Maize Mills

d) The Depots

2. It is specifically recorded that no minima exists for the Pasta and Oats employees and their increase will be in line with the agreed increases until such time minima have been established for them or they have been incorporated into the applicable income streams as outlined above. This matter will be finalized when parties integrate and consolidate the respective agreements into this main agreement.

3. The agreement is applicable to all employees in the bargaining unit as defined in the Recognition agreement, signed on 10 September 2009.

4. The parties agree that the across the board increase as per C1 will be extended to all non-permanent employees that occupy positions that currently form part of the bargaining unit per the Job List. The parties furthermore agree non-permanent employees employed by Labour Brokers are excluded. It is specifically recorded that temporary workers are treated as a different category of workers within the bargaining unit and all other terms and conditions are regulated by temporary contracts of employment.

C. Wage increase

1. The wages of all bona fide permanent employees of Essential Foods: Grains shall be adjusted by 7.5% + 0.5% (equaling 8%) of basic pay as at 31st June 2014. The increase will therefore commence on the 1st July 2014 for the duration of this agreement.

2. All employees will be paid at least the new adjusted minimum with effect from 1st July 2014 except those employees that were appointed permanently



during June 2013 at the Durban Rice Plant and for which a separate agreement has been concluded. This matter will be finalized when parties integrate and consolidate the respective agreements into this main agreement.

3. All existing employees transferred in from the Pasta division and Oats, previously part of Bokomo, will also receive an across the board increase of 7.5 + 0.5% (equaling 8%).

D. Annual Wage Reviews

1. Annual wage reviews shall be negotiated annually and implemented on the 01st of July every year unless otherwise agreed.

E. Matters excluded in this agreement

1. All matters, which do not form part of this agreement, will be implemented in line with provisions of relevant legislation, Essential Foods: Grains Policies or as negotiated in other appropriate forums.

F. Staff Price

1. The "Staff Price" system is defined in a separate agreement. Annexure B

G. Housing Loans

1. The parties agree to follow the rules of the Provident Fund.

H. Ordinary Hours of Work

1. Normal hours of work shall be 45 hours per week. All employees of Essential Foods: Grains are required to work full 45 hours on the shift systems applicable in each operating unit. P

2. Guaranteed earnings shall be calculated and based on a 45-hour week. Short time shall refer to hours not worked and this shall be deducted from normal time as defined.    

3. It is specifically recorded that tea breaks shall be limited to 15 minutes per shift. Lunch breaks shall be limited to 30 minutes per shift.



4. Scheduling of working times or shifts shall remain a responsibility of each operating point.

I. Overtime work and Public Holiday payment rates

1. Overtime shall be worked in accordance with the provisions of the Basic Conditions of Employment Act number 75 of 1997 and its subsequent amendments. As a derivative of the Act, it is recorded that overtime shall be administered as follows:

- a) Overtime worked between or from Monday to Saturday shall be paid at one and a half time of basic pay (1.50 times).
- b) Overtime worked on Sundays shall be paid at two times of basic pay (2.00 times).
- c) Overtime worked on public holiday shall be paid at three times (3 times) of basic pay. Employees must be at work on the day preceding the public holiday as well as on the actual public holiday.
- d) Parties acknowledge that work on public holidays is not compulsory. Parties accept that an individual employee has the right to exercise his choice without the fear of victimization and/or intimidation. Employees' refusal to work on public holidays should not be construed as Industrial action.

J. Work Schedules

1. Work Schedules shall be determined by functional area in consultation with Shop Stewards in order to accommodate additional hours of normal time.

K. Annual Bonus

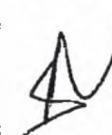
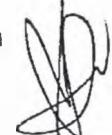
1. The annual bonus shall be paid to all permanent employees at the rate of 1-month basic pay. This bonus shall be paid on the 15th of December together with December normal earnings. If the 15th falls on a weekend, the bonus shall be paid on the nearest Friday. The normal earnings of December and the annual bonus will reflect separately on the remuneration statements of employees. Employees leaving or joining the company in the course of the year calendar shall be paid a pro rata bonus.

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L. Long Service Awards

1. A long service award shall be paid to all qualifying employees after every 10 years of completed service. The payment shall be equal to one-month total package of guaranteed earnings.
2. Parties agree to a long service award that recognises the employees' completion of five years continuous service intervals with the company for which a certificate of service will be issued. (5, 10, 15, 20, 25, 35, 40 and 45 years of completed years of service)
 - a) The service certificate will reflect the name, total service and current job title effective from September 2013.
 - b) The service history (positions occupied) will be reflected from 1 August 2014.

M. Annual Leave

1. Employees with 1 to 10 years in service shall qualify for 22 working days of annual leave. This leave can be accumulated to a maximum 42 days.
2. Employees with over 10 years in service shall qualify for 24 working days of annual leave. This leave can be accumulated to a maximum of 44 days.

N. Sick Leave

1. Employees shall qualify for sick leave as follows: 36 days in a 3 year cycle for 6 day workers & 30 days in a 3 year cycle for 5 day workers. A valid medical certificate is a prerequisite for sick leave approval.
2. Sick notes: Company undertakes to accept sick notes from registered Traditional Healers.

Traditional Healers.



O. Maternity Leave

1. All female employees shall qualify for 4 months of maternity leave on receipt of the application. Remuneration on maternity leave shall be handled in line with the current Company policy.

P. Family Responsibility Leave

1. Employees are entitled up to a maximum of five days paid family responsibility leave (3 days normally and a further 2 days subject to the unit manager's discretion) per year which can be taken when:

- a) An employee's child is born;
- b) The employee's child is sick;
- c) The employee's spouse is hospitalized;
- d) In the event of the death of the employee's spouse, life partner, parent, adoptive parent, grandparent, child, adopted child, grandchild, brother or sister and parents in-law.
- e) The Company requires reasonable proof of the event for which the leave was required, after the unit manager has familiarized himself with the outstanding balance available. A shop steward may be involved in determining the merits for the additional 2 days, discretionary.
- f) Family Responsibility leave will not accumulate on an annual basis.

Q. Customary Leave

1. Customary leave shall be three months of unpaid leave.

R. Study leave

1. Paid study/ examination leave is only applicable to courses which have been officially approved by the responsible Business Unit Manager.

2. The days of leave granted may vary from one case to another depending on the circumstances. The general guideline is a maximum of 12 (twelve) days per year, with two days per 3 (three) hour examination paper. Where two examination papers are written in 1 (one) day, three days may be granted.



S. Union Committee Leave

1. Refer to the Recognition Agreement

T. Early Closing \ Time Off (Specific to Accolade)

1. Applications from employees requesting early closing or days off prior or after public holidays will only be considered by management conditional upon agreement to work in the relevant number of hour's prior requested time off. (This shall be on an hour for hour basis)

U. Shift Allowance

1. Rice and Legumes - Shift allowance shall be 7.5% of basic pay for employees working on a 2 shift pattern and 8% for employees working on a 3 shift pattern.
2. Wheaten - Shift allowance shall be 7.5% of basic pay for employees working on a 2 shift pattern and 8% for employees working on a 3 shift pattern.
3. Maize - Shift allowance shall be 7.5% of basic pay for employees working on a 2 shift pattern and 8% for employees working on a 3 shift pattern.

V. Acting Allowance

1. If an employee acts in senior position within the bargaining unit, a difference in pay shall be paid.
2. If an employee acts in a senior position outside the bargaining unit, management shall decide on relevant compensation in consultation with the employee concerned.

W. Notice Period

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1. Notice period on termination of employment shall be aligned with the provisions of Basic Conditions of Employment Act of 1997 and its subsequent amendments.

X. Bin Allowance

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1. The bin allowance shall be R60 per bin including a case where the bin is

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loaded by a dolly.

Y. Sleep out Allowance

1. A daily allowance of R60 per night shall be paid to employees who have spent a night away from their operating points due to business requirements.

Z. Overtime Meal Allowance

1. A meal shall be provided to the value of R35 at least after two hours of overtime worked regardless of planned or unplanned over time.

AA. Year end functions

1. Business units shall hold a year-end function or the equivalent arrangement at the end of each calendar year.

2. In order to recognise contributions of employees over the period of the past 12 months, Essential Foods: Grain Management will provide for funds to be set aside on the following basis:

2.1 Essential Foods: Grain Management will allocate funds on a cost per employee basis. The funds will be determined by business performance and will be communicated by no later than end October of each year.

2.2 Site working committees will be established at Essential Foods: Grain sites

2.3 Site working committees will include Management and employee representative including Shop stewards.

2.4 Site working committee will determine the basis on which the allocated funds will be used. *(initials)* *(initials)*

2.5 Where funds are used for the purposes of a function, such functions will exclude (for reasons of safety) alcohol being available on site.

2.6. Where funds are used to cover the cost of gifts and/or company products will be subjected to tax.

2.7 Where funds are paid to employees in cash, it will be



subjected to tax.

2.8 Where site committees are unable to reach consensus, a default function will be a Braai where meat, fish, salad, pap, rolls and soft drinks will be served.

BB. Transport Arrangements

1. Local Management shall ensure that necessary transport arrangements are in place.

CC. Agency Shop

1. Refer Agency Shop Agreement.

DD.FAWU Funeral Scheme

1. The company undertakes to provide a direct stop order facility in respect of the FAWU Funeral Scheme for all FAWU Members within the Bargaining Unit as a condition of employment.
2. The scope of the SLA (Service Level Agreement) must at least contain the following:
 - a. Administration of the claims
 - b. Cost of the deductions
 - c. Standard / Basic plans
 - d. Underwriter agreement
 - e. Definition of roles and responsibilities of SAFRICAN, Babereki Dignity Plan, the Union and the company.

EE. Labour Brokers

1. The company undertakes not to utilize labour brokers in substantive positions as per the organization structure and job list.

2. The use of Labour brokers will be for the specific purpose of flexibility in relation to absenteeism, leave, fixed projects, seasonal fluctuations and volatility in demand. It is specifically recorded that discussions around the usage of Labour Brokers at Accolade (Popping) and Crossbow (Durban) are deferred to the



participative forum.

FF. Revolving Fund

1. The company agrees to increase the "Revolving Fund" amount to R3000 repayable over six months in accordance with the rules of the scheme. In addition, the parties agreed that the "kitty" amount will be adjusted in the same proportion.
2. The loan will attract interest at the Prime lending rate.

GG. Continuous shifts

While the Parties agree that work schedules are agreed at the various Operating Points as contained in clause H. subsection 4 and clause J of the main agreement, they hereby acknowledge that the conditions of employment linked to a continuous shift operation are different from any other shift pattern that we have had thus far.

The Parties agree to the following principles:

NSA negotiations

- shifts allowances
- payment for work on public holidays
- payment for work on Sundays
- the duration of shifts and shift patterns
- average hours of work
- Meal Allowance

Plant level negotiations

- starting and finishing times
- duration of meal breaks
- detail around specific patterns
- provision of transport

The following terms of conditions will apply with effect from 1st July 2014 to 30th June 2015.

- Shifts allowances – 10.5%
- Payment for work on public holidays – double time
- Payment for work on Sundays – 1.5 time
- The duration of shifts and shift patterns – shift of equal value i.e. 8 hours and 12 hours on weekends
- Employees will work an average of 45 hours.

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- Where employees work 44 hours or more they will be deemed 45 hours per week workers and any time over and above 45 hours shall be regarded as overtime. No employee will be penalised for working less than 44 hours per week due to no fault of his/hers as management will ensure that employees are scheduled such that they do not work less than 44 hours per week
- Continuous shift workers are classified as 6-day workers.

HH. BEE SHARE SCHEME

Discussion Forum

The parties agree to a Discussion Forum whereby issues pertaining to BEE Share Scheme will be addressed. Essential Foods: Grain has no jurisdiction to discuss issues pertaining to BEE shares; however, both parties agree that any issues relating to BEE Share Scheme will be dealt with at the Discussion Forum, whereby the people who have the jurisdiction will be invited to address those issues. FAWU will furnish the proposed agenda to Essential Foods: Grain no later than 31 July 2012. The details as to the composition, form, content and context thereto will be discussed in the Participative Forum.

II. The Parties agree to defer the following items to the Participative Forum and Special NSA forum:

- Precarious Employment
- Transport/Accommodation and Meals for Union Officials,
- Sick Note and acceptance thereof
- Taxi and transport arrangements
- DC income stream
- Cost saving issues
- Central bargaining
- Bargaining for members outside the bargaining unit
- In addition for the 2014 Substantive negotiations, the following matters are referred to the Participative Forum and the Special NSA Forum:
 - a. Improvement on Severance pay
 - b. Medical Aid Fund
 - c. Ration
 - d. Guaranteed Backpay
 - e. Moratorium on retrenchment

The Collective agreements of Oats Epping (NRA & NSA), Pasta Malmesbury(NSA),& Durban Rice Plant (Section 189 Agreement) agreement will be finalized when parties integrate and consolidate the respective agreements into this main agreement.

KK. Issuing of White Star Quick (WSQ)



The parties agree that each employee will be issued with 2x2.5kg of WSQ for the period of 12 months starting 01 July 2014 subject to the following conditions:

- Product issue will be at the Security Gate outside the premises at the end of employee's shift for a period from the 25th to the last day of the month.
- Employees found in possession of WSQ on site will not be deemed as issued product.
- The company will be conducting marketing surveys to assist in the improvement of the quality of the product. Employees may participate in these surveys on a voluntary basis.

LL. Severance Pay

- Employees will be paid the equivalent of one week for every year of completed service as per the BCEA.
- Notwithstanding the above:
 - Employees with less than five years of completed service will receive the equivalent of 1 month salary as severance pay.
 - Employees with 10 years or more of completed years of service will receive an additional 1 month ex-gratia payment.

Parties agree that all other terms and conditions of employment that were not subject to these negotiations will remain in force and unchanged. This main agreement incorporates the settlement agreement that was signed at Shumba Valley Lodge on 11th July 2014.

SIGNED at Heia Safari Lodge on 11th September 2014.

AS WITNESSES:

1. B. M. John
2. A. Matty
3. John Chose

THE COMPANY

D. Maloba
- who warrants his/her authority to sign

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D. Maloba

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SIGNED at Heia Safari Lodge on the 11th day of September 2014

AS WITNESSES:

FAWU

- 1.
2. Malobwa
- 3.

- who warrants his/her authority to sign

Parties must initial every page of this agreement and, if necessary, at all changes made in ink.

Initials and signatures of parties involved in the agreement, including JM MALOBWA, M.B.L., and B.I.S.P.

ANNEXURE 1

RICE & LEGUMES

Job Grade	Annual Package (2013/14)	Increase (7.5% + 0.5%)	Annual Package (2014/15)
1	69,629	5,570	75,200
2	73,773	5,902	79,675
3	75,032	6,003	81,034
4	79,867	6,389	86,257
5	88,901	7,112	96,013
6	97,965	7,837	105,802

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ANNEXURE 2

WHEATEN MILLS

Job Grade	Annual Package (2013/14)	Increase (7.5% + 0.5%)	Annual Package (2014/15)
1	97,112	7,769	104,881
2	97,690	7,815	105,506
3	98,315	7,865	106,180
4	99,367	7,949	107,317
5	101,598	8,128	109,726
6	106,869	8,550	115,419

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MAIZE MILLS

Job Grade	Annual Package (2013/14)	Increase (7.5% + 0.5%)	Annual Package (2014/15)
1	81,246	6,500	87,746
2	82,107	6,569	88,676
3	82,191	6,575	88,766
4	85,553	6,844	92,397
5	88,902	7,112	96,014
6	97,964	7,837	105,802

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ANNEXURE 4

DEPOTS

Job Grade	Annual Package (2013/14)	Increase (7.5% + 0.5%)	Annual Package (2014/15)
1	71,386	5,711	77,097
2	71,989	5,759	77,749
3	72,459	5,797	78,256
4	73,660	5,893	79,553
5	75,164	6,013	81,177
6	80,125	6,410	86,536

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