

REMUNERATION AND CONDITIONS OF EMPLOYMENT
AGREEMENT

between

McCAIN FOODS (SA) (PTY) LTD.

and

THE FOOD AND ALLIED WORKERS UNION

For the period

1 JULY 2013 to 30 JUNE 2014



REMUNERATION AND CONDITIONS OF EMPLOYMENT AGREEMENT

Between

McCAIN FOODS (SA) (PTY) LTD.
(Hereinafter called "the Company")

In respect of the

SPRINGS AND DELMAS WORKPLACES

And

THE FOOD AND ALLIED WORKERS UNION
(Hereinafter called "the Union")

1. DURATION

This Agreement between the Company and the Union shall operate from 1 July 2013 to 30 June 2014, in respect of all conditions of employment, set out hereunder, unless otherwise stated. This agreement replaces all previous remuneration and conditions of employment agreements between the Company and the Union.

2. SCOPE

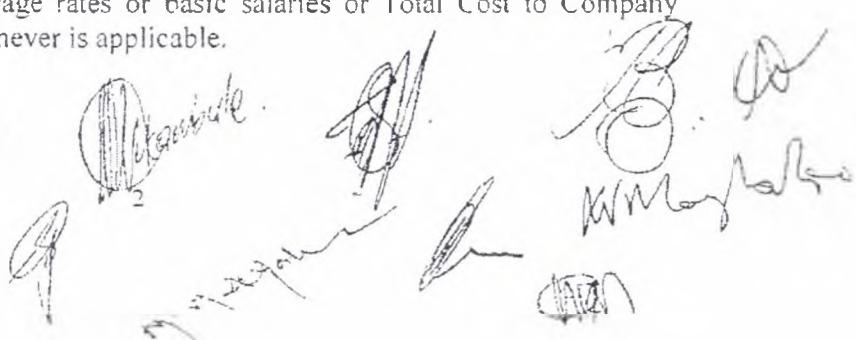
This Agreement applies to full time permanent employees in the bargaining unit who in the job grades A1 to B3, at the above workplaces of the Company, where the Union is recognised as the representative trade union, in terms of the Collective Agreement on Recognition between the Company and the Union, and applicable amendments to it.

This Agreement also applies to categories of B4 and B5 occupations which will be included into the bargaining unit, provided the Union has obtained representation in those categories in accordance with the Addendum to the Collective Agreement on Recognition between the Company and the Union, as at 1 July annually.

The Company and the Union agree not to negotiate on any issues dealt with in this Agreement for the duration of the Agreement.

3. REMUNERATION INCREASE

With effect from 1 July 2013, employees in the bargaining unit at the Springs and Delmas workplaces will receive an eight and a half percent (8.5%) increase on their existing hourly calculated wage rates or basic salaries or Total Cost to Company remuneration packages, whichever is applicable.



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The minimum pay rate for the B3 job grade shall be increased from R7178 to R7278 per month, prior to the above increase being implemented. This increase in the job grade B3 minimum rate will only apply to employees earning less than the new minimum rate.

4. HOURS OF WORK

Employees in the job grades A1 to B4 and employed in the Departments relating to Intake, Processing, Quality, Packing, Cold stores, Maintenance, Services, Materials, Warehousing and Distribution will work for a minimum period of 45 hours per week.

5. ALLOWANCES

There will be no allowances applicable to employees in the bargaining unit, other than those detailed in this Agreement.

5.1 NIGHTSHIFT ALLOWANCE

The shift worked from 22h00 to 06h00 is considered to be night shift for employees working the rotating three shift system, namely morning, afternoon and night shifts.

The shift worked from 18h00 to 06h00 is considered to be night shift for employees working rotating 12 hour shifts, namely day and night shifts.

A night shift allowance of 10% of normal basic pay per shift will be paid to employees who work the night shifts.

5.2 AFTERNOON SHIFT ALLOWANCE

The shift worked from 14h00 to 22h00 is considered to be afternoon shift. An afternoon shift allowance of 5% of normal basic pay per shift worked will be paid to employees who are required to work rotating three shifts and therefore an afternoon shift, in addition to a morning and night shift.

5.3 COLD STORE ALLOWANCE

A Cold Store Allowance equal to 10% of normal basic pay per shift worked will be paid to employees who are directly exposed to temperatures of minus twenty degrees Celsius (-20°C) while working permanently in the Cold store of the Company.

All such employees must spend a minimum of 4 (four) hours in the Cold store per shift to qualify for the Cold Store Allowance.

5.4 FREEZER TUNNEL ALLOWANCE

A Freezer Tunnel Allowance equal to 10% of normal basic pay per shift worked will be paid to employees who work in and are directly exposed to temperatures of minus

A *3* *H. G. J. J. B.*
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D. J. M. J. B. *W. M. J. B.*
W. M. J. B. *W. M. J. B.*
W. M. J. B. *W. M. J. B.*

twenty degrees Celsius (-20°C) while working in the Freezer Tunnels of the Company.

6. ANNUAL LEAVE

“Annual leave cycle” means the period of 12 months’ employment with the Company immediately following the completion of that employee’s prior leave cycle.

The annual leave entitlement is calculated according to length of service in accordance with the Company's policy on annual leave, as follows:

	<u>5-day worker</u>	<u>6-day worker</u>
• From the first year's service to completion of 5 years:	15 working days leave per annum;	18 working days leave per annum;
• From the beginning of the 6 th year leave will accumulate to:	20 working days leave per annum.	24 working days leave per annum.

Leave will accrue on a pro rata basis where applicable. Qualifying employees may accumulate annual leave or have it paid out in terms of the Annual Leave Policy of the Company.

7. PUBLIC HOLIDAYS

- 7.1 A public holiday is any one of the days defined in terms of the Public Holidays Act, 1994, as amended.
- 7.2 The Company may require employees to work on a public holiday and employees will be required to do so in accordance with clause 13.5. set out hereunder.
- 7.3 The public holidays referred to in the Public Holidays Act may be exchangeable for any other day agreed to by the Company and the employee.

8. SICK LEAVE

- 8.1 "Sick leave cycle" means the period of 36 months' employment with the Company immediately following:
 - An employee's commencement of employment; or
 - The commencement of that employee's prior sick leave cycle.
- 8.2 During every sick leave cycle an employee is entitled to an amount of sick leave equal to the number of days the employee would normally work during a period of six weeks.
- 8.3 Despite section 8.2, during the first six months of employment, an employee is entitled to one day's sick leave for every 26 days worked.

first six months of employment, an employee
will receive a double day off for every 26 days worked.

- 8.4 In the case of an employee who works a 5 day week, such employee will be entitled to not less than 30 working days; and sick leave on full pay during each period of 36 consecutive months of employment.
- 8.5 In the case of any other employee working more than 5 days per week, such employee will be entitled to not less than 36 working days during each period of 36 consecutive months of employment.
- 8.6 Employees may accumulate 5 (five) days per annum to a maximum of 15 days (fifteen) days in every three-year cycle.
- 8.7 The Company is not required to pay an employee sick leave if the employee has been absent from work for more than two consecutive days or on more than two occasions during an eight week period and, on request from the Company does not produce a medical certificate stating that the employee was unable to work for the duration of the employee's absence on account of sickness or injury.
- 8.8 The medical certificate must be issued and signed by a medical practitioner or by any other person who is certified to diagnose and treat patients and who is registered with a professional council established by an act of parliament.

9. TB LEAVE

Employees contracting Tuberculosis while employed by the Company will be entitled to two months Tuberculosis leave on full pay if they are hospitalised under the following conditions:

- 9.1 They must have passed a pre-employment medical examination by a medical practitioner appointed by the Company.
- 9.2 Payment will be for the first instance of TB leave only.
- 9.3 They must adhere to the medical advice given.

10. STUDY LEAVE

Paid study leave may not exceed 2 days per examination subject, with a maximum of 10 days per annum and only if the Company has approved the course of study prior to commencement of study. If the employee fails the subject, then study leave will not again be granted for the same subject.

11. DISCRETIONARY CHRISTMAS BONUS

A Christmas bonus may be paid to all employees who qualify in terms of the following:

- 11.1 They must be in the Company's employ on 15 December of the year in question.
- 11.2 They must have had a minimum of 3 months service to qualify for a pro rata share of the bonus.

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G. J. G. B. B.
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K. M. J. B. B.

11.3 All parties accept that while the practice in the past has been to pay such a bonus, payment is entirely dependent upon the Company's financial position at the time and payment will be as follows:

- 0 to 5 years' service: 3 weeks' basic pay or seventy percent (70%) of one month's pensionable salary for job grades A1 to B3 and 65% of one month's Total Cost to Company for job grades B4 and B5; or
- 6+ years' service: 4.33 weeks basic pay or one month's pensionable salary for job grades A1 to B3 and 85% of one month's Total Cost to Company for job grades B4 and B5.

12. TERTIARY EDUCATIONAL BURSARIES TO CHILDREN OF EMPLOYEES

Employees may apply to the Group HR Department for tertiary educational bursaries to their children, to fund the cost of studying at college/technikon and university level, provided such employees have completed a minimum of six months service with the Company. Such applications must be made by the closing date for applications, as advised and applications will be evaluated in terms of the appropriate Company policy and available bursary funds.

13. OVERTIME

Payment for overtime normally worked at the workplace will be as follows for employees who qualify in terms of the provisions of the Basic Conditions of Employment Act:

- 13.1 The overtime rate will be one and a half (1.5) times the basic rate of pay for every hour of overtime worked.
- 13.2 Reasons for working the overtime will be given to the employees at the same time they are given instructions regarding overtime to be worked.
- 13.3 A free meal will be provided by the Company to employees required to work overtime if they have not been notified by 13h00 or 01h00 on the day or night in question of the Company's intention to work overtime.
- 13.4 If the employee in all shifts is required to work on a Sunday, the Company will pay the employee at double the employee's basic rate of pay for each hour worked. If a shift worked by an employee falls on a Sunday and another day, the whole shift is deemed to have been worked on the Sunday, unless the greater portion of the shift was worked on the other day, in which case the whole shift is deemed to have been worked on the other day.

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13.5 Employees agree to work on public holidays if the stock situation and market demand require working on a public holiday.

The employees will be advised during consultations at least ten (10) working days prior to the requirement to work overtime on the forth coming Public Holiday, and at least half of the employees will be required to work overtime on such days.

However, employees at both these plants who are engaged in processing and the manufacturing processes will be given a minimum of two days' advance notification of the requirement to work on the forthcoming Public Holiday.

13.6 If a public holiday falls on a day on which the employee would ordinarily work, the Company will pay:

- (a) An employee who does not work on the public holiday, at least the basic pay that employee would ordinarily have received for work on that day;
- (b) An employee who is required to work on the public holiday, the amount referred to in 13.6(a) plus one and a half (1.5) times the basic rate of pay for every hour worked on the public holiday.

13.7 If an employee works on a public holiday on which the employee would not ordinarily work, the Company must pay that employee an amount equal to:

- (a) The employee's basic daily wage; plus
- (b) The amount earned by the employee for the work performed that day, whether calculated by reference to time worked or any other method.

13.8 Employees accept that the perishable nature of the Vegetable and French fry Business requires that overtime be worked on a regular basis. To this end employees agree to work overtime when required to do so. Where individual problems arise, they will be handled by the appropriate Manager or Superintendent.

13.9 In terms of this Collective Agreement the maximum permitted overtime for employees may be increased to 15 hours per week for no more than two months in any period of twelve months.

14. JOB INTERCHANGEABILITY

Employees in the bargaining unit agree that from time to time this will be necessary and agree to comply with this section of the Agreement.

If the transfer is to a higher graded job, the employee will receive the basic pay at the higher grade provided the employee works at the higher graded job for a period of one full day or longer.

The Company will disclose the minimum rates applicable to job grades A1 to C3 to the Union in order to ensure employees are paid the correct acting allowances.

15. MATERNITY BENEFITS

Female employees who have 12 months continuous service will qualify for the following benefits provided they undertake to remain in the service of the Company for a period of twelve months following the maternity leave period:

15.1 An employee taking maternity leave shall be guaranteed the right to return to work up to a period of 6 months after the birth, of which four months will be paid and two months unpaid.

15.2 The employee shall be placed in the same or similar position on returning from maternity leave and will be entitled to any increases awarded during her leave period.

15.3 The Company undertakes to fill her position on a temporary basis, on the understanding that the employee filling the job temporarily will revert to his/her original position when the previous incumbent returns.

15.4 Females will be paid their normal pay (excluding any overtime) during the first four months maternity leave period. It will be the employee's choice when to activate this benefit but this choice will not be earlier than 1 week before going on maternity leave. Female employees will be entitled to this benefit for 4 weeks should the child be stillborn (provided the employee has carried for a minimum period of 7 months).
Employees who have less than twelve months service when taking maternity leave will be paid at a rate of thirty percent (30%) of their normal basic pay for a maximum period of four (4) months.

15.5 The period of up to six months will be regarded as continuous service for the purpose of the accrual of standard benefits.

15.6 The Company undertakes to assist employees where possible in the claiming of UIF benefits.

15.7 Employees shall have the right to attend clinics and medical practitioners of their own choice.

15.8 Pregnant women shall have the right to visit antenatal clinics when recommended. Recommended visits are usually on the following basis:

- 1- 30 weeks: once per month;
- 31 – 36 weeks: once every two weeks;
- 37 - 40 weeks: once per week.

These visits will be on an unpaid basis and time lost will not be deducted from sick leave entitlements. However the facility to have such on site examination exists on predetermined days and employees are encouraged to use such facilities.

15.9 No employee will be dismissed on the grounds of pregnancy or for any reason connected with her pregnancy.

missed on the grounds of pregnancy or for any reason
pregnancy.

15.10 Where health and safety considerations make it undesirable for a pregnant woman to do a particular job, where possible she will be offered suitable alternative employment on terms and conditions no less favourable than those enjoyed by her prior to her pregnancy. As far as night shift is concerned, females with problems must make prior arrangements to swap with another employee and inform management timely.

16. FAMILY RESPONSIBILITY LEAVE

16.1 This will apply to an employee:

- Who has been in employment with the Company for longer than 4 months; and
- Who works for at least 4 days a week for the Company.

16.2 The Company will grant an employee during each annual leave cycle, six (6) days' (45 hours) paid leave, which the employee is entitled to take:

- When the employee's child is born;
- When the employee's child is sick; or
- In the event of death of:
 - The employee's spouse or life partner; or
 - The employee's parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling.

16.3 Before paying an employee for leave in terms of this section the Company will require reasonable proof of an event as listed above for which the leave was required.

16.4 An employee's unused entitlement to leave in terms of this section lapses at the end of the annual leave cycle in which it accrues".

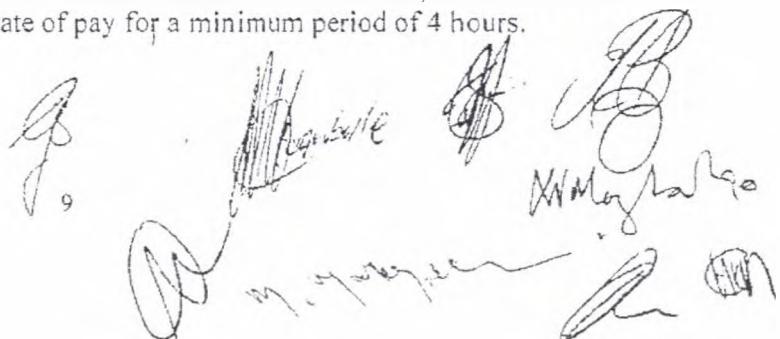
17. SHORT TIME

Whenever the possibility of short time at any workplace to this agreement arises, the local trade union representatives will be advised during the previous shift worked, of the Company's intention to work short time, with effect from the same shift on the following day.

Management will communicate the reasons for the implementation of the short time to the trade union representatives.

Management will place a notice on the notice boards advising employees of the intended short time. Where practical and possible, longer advance notice of intended short time will be given.

When employees are advised at the commencement of a shift of the immediate need for short time to be implemented with effect from that same shift, such affected employees will be paid their basic rate of pay for a minimum period of 4 hours.



Handwritten signatures of management and trade union representatives, including "A. J. Hargreaves", "A. B. Mayhew", "P. M. Mayhew", and "J. M. Mayhew".

It is at the discretion of management whether the affected employees who are being laid off immediately would be required to perform any other work for the 4-hour period.

18. MEDICAL AID

The Company and the Union agree that employees will have a choice of joining any medical aid existing at the plant. Further, the Company agrees to pay a monthly medical aid subsidy of R250 per month for the principal member who has joined such medical aid, with effect from 1 July 2013, or from the date the employee joins subsequent to 1 July 2013.

The Company agrees to pay a monthly medical aid subsidy of R70 for one dependant of any principal member of the fund with effect from 1 July 2013 or from the date the dependant of the employee joins subsequent to 1 July 2013.

The Company accepts the appointment of a Union designated Medical Aid Broker for employees in the bargaining unit. Such appointment shall not have any cost implications on the Company's contribution to the applicable medical aid scheme(s).

19. NOTICE OF TERMINATION OF EMPLOYMENT

A contract of employment may be terminated at the instance of a party to the contract only on notice of not less than the applicable period required in terms of the Basic Conditions of Employment Act, as amended.

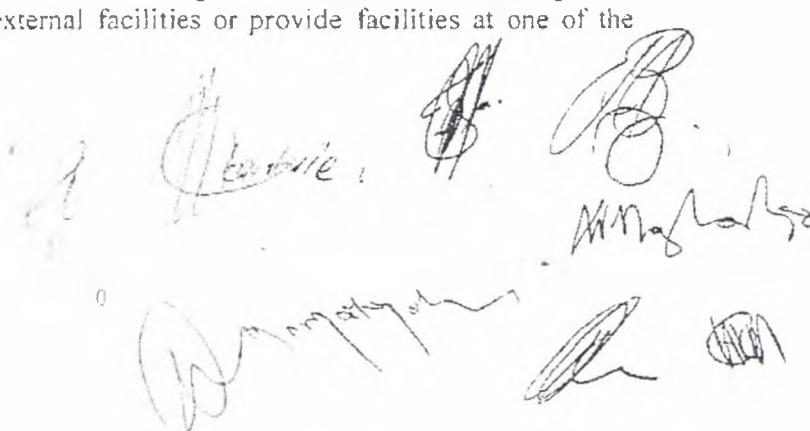
20. NATIONAL TRADE UNION REPRESENTATIVE COUNCIL

The Company and the Union agree that for the duration of the Collective Agreement for the Establishment of a Centralised Forum between the Company and the Union, the Union and a maximum of two trade union representatives from each of the Delmas and Springs workplaces will be entitled to hold an annual national trade union representative council meeting.

Such meeting will not last more than one day and management representatives from the Company will be entitled to address the trade union representatives on the state of the Company for a period of one hour.

This national trade union representative council meeting will take place prior to June each year.

The Company will bear the cost of travelling to and from such meeting. The Company may either pay for external facilities or provide facilities at one of the workplaces for such a meeting.



21. LONG SERVICE AWARD

The following Long Service Award will be made:

- 10 Years – a R1000 once off payment
- 15 Years – a R2000 once off payment
- 20 Years – a R3000 once off payment
- 25 Years – a R4000 once of payment
- 30 Years – a R5000 once off payment
- 35 Years – a R6000 once off payment
- 40 Years – a R7000 once off payment
- 45 Years – a R8000 once off payment

22. EMPLOYMENT OF EMPLOYEES IN THE BARGAINING UNIT

The Company and the Union reaffirm adherence to the Company's employment policy on new employment. One shop steward will be capacitated with the necessary interview requirements, attend interviews as observer and be allowed to comment.

Such a shop steward will at least be given 3 days prior notice for the interviews. It remains a management prerogative to appoint. However, no interview will be hampered by the shop steward's failure to attend due to unjustifiable reasons.

23. RETIREMENT FUNCTION OR GIFT TO RETIRING EMPLOYEES

The Company agrees to apply its Policy on the granting of a function or gift to employees in the bargaining unit, when they retire.

24. MEETING TO DISCUSS PAY RANGES FOR JOB GRADES B3, B4 AND B5

The Company and the Union agree to meet subsequent to the conclusion of the 2013 annual substantive negotiations, to discuss possible processes and procedures applicable to the pay ranges in the above job grades. Such discussions will not culminate in additional pay increases, but to create better understanding of the causes and procedures of such pay ranges.

25. ESTABLISHMENT OF A FOOD INDUSTRY BARGAINING COUNCIL

The Company will in principle support any attempts by the Union to establish a Bargaining Council for the Food Industry, provided the larger Food Manufacturers in the Food Industry, namely Tiger Brands, Pioneer Foods and AVI, etc., support this.

25. PROCEDURAL NEGOTIATIONS

The Company and FAWU will meet during the year to negotiate on the Union's two procedural proposals, namely Agency Shop Agreement and that employees graded C1 should be included into the bargaining unit.

Signed at SPRINGS this 12th day of August 2013.

For: McCain Foods (SA) (Pty) Ltd.

As witnesses:

1. W. M. Smith

2.

For: Food and Allied Workers Union

As Witnesses:

1. W. M. Smith

2.