

## NATIONAL SUBSTANTIVE AGREEMENT

ENTERED INTO BETWEEN

**PARMALAT SA (PTY) LTD**

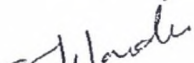


(Hereinafter referred to as "THE COMPANY" as represented

And

## THE FOOD AND ALLIED WORKERS UNION

(Hereinafter referred to as "THE UNION" as represented)

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#### **4. POINTS OF AGREEMENT**

##### **4.1 Annual Leave**

- (1) All employees are appointed on a 6 day work week and are entitled to receive 26 days leave per annum irrespective of the length of service.
- (2) All annual leave will be granted subject to operational requirements. All leave must be taken in the cycle in which it accrued but not later than twelve months into the next cycle. Leave not taken will be forfeited.
- (3) Employees are entitled to sell 6 days annual leave per leave cycle.

##### **4.2 Maternity Leave**

- (1) Female employees shall be entitled to 2 months basic salary, which may be paid on the commencement of their maternity leave or alternatively paid over a maximum period of 6 months.
- (2) Such female employee shall be entitled to her job/position back upon her return from the maternity leave.
- (3) Maternity leave will be regarded as pensionable service and annual leave will accrue as usual.
- (4) The parties agree to comply with Section 25, sub-sections 2, 3, 4, 5 and 6 of the Basic Conditions of Employment Act and its subsequent amendments

##### **4.3 Study Leave**

Employees will be entitled to two days per subject (examination date included) to a maximum of 14 days per annum. Employees must submit documentary proof of examination dates and results.

##### **4.4 Family Responsibility Leave**

A R750 once-off pay-out per member to remove per occasion stipulation on a voluntary basis is offered to the Union members. Employees selecting this option must submit their request to their local HR Office effective as of 7<sup>th</sup> September 2012. For those members opted for the above the family responsibility leave (inclusive of compassionate and paternity leave) to the maximum of seven working days granted during the annual leave cycle (based on a 6 day week), in respect of employee's

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Alternatively the company will provide dinner; bed & breakfast and no allowances are paid.

This will be administered in terms of the company Travel Policy.

#### **4.8 Business Travelling for Employees**

Where company transport is not provided and an employees is required to travel for business purposes between destinations at own cost, the company will refund this costs in terms of the company Travel Policy.

#### **4.9 Annual Bonus**

A 13<sup>th</sup> cheque payable in November will be guaranteed to all employees. The pro rata principle will be applicable where an employee has less than one year service as at 30 November.

#### **4.10 Incentive Bonus**

The company shall pay an amount of a maximum R1000 of which R750 is a fixed amount and of which R250 is conditional upon the employee meeting set performance criteria. The incentive bonus payment is subject to the Company achieving its profit objectives for the previous financial year. It is recorded that the annual profit objectives for the Company are determined by the holding company of the Parmalat International Group. The auditors of the Company will advise the Company whether or not the Company has achieved the profit objectives for the previous financial year. Taking this notification into account the holding company of the Parmalat International Group will determine whether or not the incentive bonus is payable.

With regards to the incentive bonus mentioned above the status quo will remain and applied as per above until such time the parties conclude the revised performance management system to increase productivity.

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As defined in the Recognition Agreement

#### **4.17 Conditions of Service**

The conditions of service within categories in the company are standard and should be applied consistently.

#### **4.18 Meal Allowance**

A Meal allowance shall be paid to a person for unscheduled overtime, at a rand value of:

R40 for 1 May 2014

R40 for 1 May 2015

R50 for 1 May 2016 until 30 April 2017

No cash refunds will be made.

#### **4.19 Transport and accommodation of Shop Stewards**

- (a) The company agrees to arrange, fund and provide for accommodation (dinner, lunch, room, bed and breakfast) and transport for Shop Stewards travelling and attending National meetings between the Union and the Company or any meeting or related CCMA hearings which may arise from the signing of this agreement;
- (b) The company further agrees to arrange fund and provide for accommodation (dinner, lunch, room, bed and breakfast) and transport for the Shop Stewards travelling and attending a National Shop Stewards Council to a maximum of three Council meetings per annum. One Shop Steward per branch of which FAWU has the majority membership of employees will attend
- (c) One conference meeting per annum, normally held in January/February over two days and attended by representatives of the Human Resources Department, union officials and one Shop Steward per branch of which FAWU has the majority membership of employees and the branch consists of more than 50 employees

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As defined in the Recognition Agreement.

#### **4.23 Closure of Wage Gaps**

Will be implemented over the period of five years (1 July 2010 to 30 June 2015) as follows:

##### Period 1 July 2010 to 30 June 2011

To reach a minimum of 80% of the Median salary determined per identified job category after the negotiated July 2010 wage increases.

This amount will become the minimum salary for the identified job category.

##### Period 1 July 2011 to 30 June 2012

To reach a minimum of 85% of the Median salary determined per identified job category after the negotiated July 2011 wage increases.

##### Period 1 July 2012 to 30 June 2013

To reach a minimum of 90% of the Median salary determined per identified job category after the negotiated July 2012 wage increases.

This amount will become the minimum salary for the identified job category.

##### Period 1 July 2013 to 30 June 2014

To reach a minimum 95% of the Median salary determined per identified job category after the negotiated July 2013 wage increases

This amount will become the minimum salary for the identified job category

##### Period 1 July 2014 to 30 June 2015

To reach 100% of the Median salary determined per identified job category after the negotiated July 2014 wage increases.

This amount will become the minimum salary for the identified job category

#### **4.24 Monthly deductions in respect of 13<sup>th</sup> Cheque**

In order to minimise the impact of income tax deductions on the 13<sup>th</sup> cheques payable to members in November each year, the company shall deduct an amount as requested by the employee. The amount shall bear interest at a rate equivalent to interest on deposits received by the company from its bankers from time to time. The aggregate of the amounts so deducted will be paid to the employee together with the November wage and 13<sup>th</sup> cheque

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company to deduct full amount from the member and pay the amount to the Fund Administrator of FAWU.

## **5. POINTS NOT REACHED AGREEMENT AT THE CONSOLIDATION OF AGREEMENTS PROCESS**

### **5.1 Sick Leave**

#### Agreement

5 day workers - 12 days per annum

6 day workers - 14 days per annum

Accumulating to 36 (5 day) or 42 (6 day) days in a three year cycle. Sangoma leave treated as sick leave.

#### Current Practice

*All employees appointed on a 36 days in a 3-year cycle inclusive of Sangoma leave that is treated as sick leave.*

### **5.2 Housing**

#### Agreement

A committee will be set up between Management and FAWU to look into housing matters. This committee will investigate housing possibilities.

#### Current Practice

*No committee currently but opportunities created via changes to the rules of the Parmalat Provident and Parmalat Group Retirement Funds to allow for housing loans*

### **5.3 Agency Shop Agreement**

#### Agreement

The parties agree to negotiate an agreement known as an Agency Shop Agreement in terms of Labour Relations Act No 66 of 1995.

#### Current Practice

*Negotiation did not take place at the background of FAWU not having majority representation of total Parmalat employees.*

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the appropriate provisions of the Labour Relations Act, 66 of 1995, as amended.

SIGNED AT STELLENBOSCH ON THE 8th DAY OF MAY 2014

AS WITNESSES:

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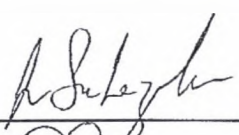
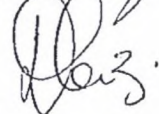
THE COMPANY



- who warrants his/her authority to sign

SIGNED AT STELLENBOSCH ON THE 8th DAY OF MAY 2014

AS WITNESSES:

1. S. Hlender  
2.   
3. 

FAWU

M. PUKWANA

- who warrants his/her authority to sign