



**SETTLEMENT AGREEMENT ON SUBSTANTIVE ISSUES
BETWEEN FOOD AND ALLIED WORKERS UNION (FAWU)**

&

**THE BEVERAGES BUSINESS, A SUBSIDIARY OF TIGER CONSUMER BRANDS LIMITED (THE COMPANY)
FOR PERIOD 1 AUGUST 2013 TO 31 JULY 2014**

1. SCOPE

The parties have reached an agreement on wages and substantive conditions of employment for all applicable employees falling within the bargaining unit. Any reference to "employees" in this agreement will mean employees within the bargaining unit.

2. COMMENCEMENT DATE AND DURATION:

The provisions of this agreement, unless specified differently, shall be effective from 01 August 2013 to 31 July 2014 or a later date upon which the parties, in writing, change this agreement.

3. WAGE INCREASE

The parties agreed to a wage increase of 7% across the board.

4. SHIFT PATTERN CHANGES

4.1 Shift Regulation

The parties are in agreement to the implementation of a 3 x 8 shift system as a standard flexible shift. The shift allocations and scheduling will be within management discretion depending on operational requirements provided reasonable notice and consultation (minimum of two weeks) is given to the employees. Employees are expected to come 15 minutes before start of shift in order for them to get hand over from the outgoing shift. There will also be one hour communication sessions per week, which can happen before or after the shift.

4.2 Employment of Seasonal Employees

Parties agreed as a result of the 3x8 shifts pattern, the Company would appoint 36 seasonal employees to identified permanent positions as per Tiger Brands normal recruitment policy (which includes criminal checks). These employees must possess the competencies required by the permanent positions that they are considered for. The permatization process of 36 seasonal employees should be completed by 30 November 2013.

4.3. Transport Allowance

Parties agreed that the Company would provide transport to employees coming to work at 22:00 and those leaving work at 22:00. The transport provision would be limited to employees residing in the following areas:

1 | Page

SAB

Buhle Park, Dawn Park, Eden Park, Germinston, Katlehong, Leondale, Phumula, Reiger Park, Rondebult, Roodekop, Spruitview, Thokoza, Tsietsie, Vilallsa, and Vosloorus. Employees residing outside these areas will be paid a travel allowance of R250 per month.

4.4 Shift Adjustment Allowances

The company shall pay all employees in the Bargaining unit R72 shift adjustment allowance per month.

4.5 Shift Allowances

Employees working a 3x8 shift pattern will receive shift allowance at the following rates: 0% for morning shift (06:00– 14:00), 15% for afternoon shift (14:00 – 22:00) and 30% for night shift (22:00 - 06:00).

5. STAGGERED BREAKS/SHIFT HANDOVERS

Parties agreed that staggered breaks/hot seating will be maintained in all shift patterns. The parties further agree that the application and changes that might be necessary from time to time will be discussed at plant level during monthly meetings between the parties.

6. CANTEEN SUBSIDY

The parties agreed that the Company would provide a subsidy of 25% of the costs of the main meal to all employees. This subsidy would apply to one meal per employee per day.

7. HOURS OF WORK

The parties agree that the normal working days and hours for Factories and Distribution will be 21.67 days per month (42.5 hours per week).

8. ANNUAL LEAVE

Employees shall be entitled to the following annual leave days per annum (determined in accordance with each employee's individual leave cycle):

EMPLOYEE TYPE	LENGTH OF SERVICE	ANNUAL ENTITLEMENT
Paterson A to B band	Less than 5 years	15 working days (5 day work week)
	5 years and more	20 working days

9. SICK LEAVE

Employees who absent themselves due to genuine medical incapacity or illness shall be entitled to the following sick leave provision entitlement:

3.1 In the case of an Employee who works a 5-day week, 30 days in a 3-year cycle provided that in the first year of employment the employee will be entitled to 1-day for every 5-week worked out of the 3 year cycle.

Handwritten signatures and initials are present at the bottom of the page, including a large signature, the initials "GP", "IS", and "SAR", and the text "21 Page" and "O.R".

- 3.2 In the case of an Employee who works a 6-day week, 36 days in a 3-year cycle provided that in the first year of employment the employee will be entitled to 1-day for every 4-week worked out of the 3 year sick leave cycle.
- 3.3 An Employee may apply to have unused sick leave from a previous sick leave cycle transferred for use during the current sick leave cycle provided it is genuinely required for illness and his performance has been satisfactory and there is a good attendance and sick leave record.
- 3.4 In the event of a Total Temporary Disability (TTD), as determined by the Company's insurers an Employee may use all his/her unused sick leave and any unused sick leave from his/her previous sick leave cycle during the 3 month waiting period, where after any additional paid sick leave will only be granted on merit.
- 3.5 Traditional Healers visits/certificates will be recognized if properly obtained after a personal visit and diagnosis by the healer. Certificates are to be obtained in the case of registered Healers or documentation from local authorities as proof.

10. FAMILY RESPONSIBILITY LEAVE – PERMANENT EMPLOYEES

8.1 COMPASSIONATE LEAVE

Parties agree that employees will be entitled to 10 days per year, to a maximum of five days per incident in circumstances as allowed by the Basic Conditions of Employment Act ("BCEA"). The Company agrees to extend the BCEA compassionate leave benefit to include employee's grandchildren

8.2 PATERNITY AND CHILD-CARE LEAVE

Five (5) days' leave per annum per employee will be granted to cover both paternity leave and child-care leave. Paternity leave will only be granted for children born in wedlock, and a birth certificate must be furnished upon returning from paternity leave. In the case of child-care leave, a doctor's note in respect of the child's illness must be furnished.

11. FAMILY RESPONSIBILITY LEAVE – SEASONAL EMPLOYEES

3 Days family responsibility per annum will be granted to all Seasonal employees, pro-rated according to the employee's length of service within the relevant calendar year. This leave will include compassionate, paternity and child-care leave as determined by the BCEA and this agreement and shall not be an addition to any such entitlements. The Company agrees to extend this family responsibility leave benefit granted to seasonal employees to apply in circumstances where the need to take leave results from the birth, death or childcare of grandchildren of the employee, in addition to the categories provided for in the BCEA.

12. MATERNITY LEAVE- PERMANENT EMPLOYEES

Sixteen (16) week's leave will be granted at 33% of basic wage to pregnant employees required to take maternity leave. The BCEA will supersede this agreement if the conditions are better.

13. MATERNITY LEAVE – SEASONAL EMPLOYEES

3 | Page

13. SAR

Maternity benefits for Seasonal employees will be handled in terms of the minimum requirements of the current BCEA. Contracts of Seasonal employees on maternity leave will not be terminated earlier due to maternity leave but will end in the normal course.

14. SPORTS LEAVE

Each case will be dealt with on its merits at the discretion of the company. The leave will only apply to amateur status sporting events.

15. STUDY LEAVE

Study leave of two days per subject will be allowed for training which was approved by the Company

16. ANNUAL BONUS- PERMANENT EMPLOYEES

A thirteenth cheque, equal to the normal monthly remuneration will be payable as annual bonus once a year. In the event of weekly paid employees, the thirteenth cheque will be calculated at a rate of 4.33 times the normal weekly remuneration.

17. EARLY CLOSURE

Employees in the Bargaining Unit will be entitled to early closure at 12h00 on the day before Christmas, New Year and Easter Friday without loss of pay. Skeleton crews of Bargaining Unit employees used during these closures will be paid at overtime rates for hours actually worked during these periods. Skeleton crews will be given two (2) weeks' notice of their requirement to work during the closure on these days, but Bargaining Unit employees will not be entitled to unreasonably withhold their services should a shorter notice period be required.

18. ACTING ALLOWANCE

When substituting for someone in a higher position, employees will earn the minimum rate of the new grade, except when filling in for salaried positions, where an acting allowance of 10% of the employee's own wage will be paid. This new rate or allowance will be paid after a period of three (3) hours has been worked in that position. Employees may be asked to perform functions of a lower grade without a loss of pay.

19. SEASONAL EMPLOYEES BONUS

The Company agrees to pay a pro-rata annual bonus to all Seasonal employees, employed for a period not less than two (2) weeks within a given year. An amount, calculated for the period worked since employment until December, will be paid out to Seasonal employees in December, with the balance paid on termination of contract of employment.

20. SEASONAL TO PERMANENT EMPLOYMENT

Parties agree that Seasonal employees will be considered for permanent positions (depending on the operational requirements of the company) where they meet the minimum competency requirements for that particular position.

21. LONG TERM SEASONAL CONTRACTS

CP
T.S.
4 | Page
SAB

The duration will be determined by operational requirements. Should (and only in the event that) operational requirements change requiring the reduction of the duration of the contract, the Employee shall be given notice of the termination of this contract as follows

- One week, if the Employee has been employed for four weeks or less; an
- Two weeks, if the Employee has been employed continuously for more than four weeks but less than one year.

22. SEASONAL EMPLOYEES FUNERAL COVER

Parties agree that Seasonal employees will be further entitled to a Funeral cover of R7500-00 per person in the event of their death, throughout the financial year and the employee will remain covered for the period of three months after termination of their employment.

23. FUNERAL TRANSPORT

The Company will provide transport to funerals of employees which cost will not exceed R12, 000 per annum.

24. MOURNING

Where a married Employee's spouse has passed on, the Company will be sensitive to a request by that Employee to work day shift. Where possible, the request will be accommodated in such a manner that there is no impact on the operation and a suitable replacement is found at the correct skill level. The Senior Site Manager will make the final decision.

25. STAFF SALES

The Company agrees to continue availing company beverage products at the National List Price (including VAT) less 40%, subject to any applicable tax provisions, up to a maximum amount for purchases per employee of R360-00 per month. This provision applies only where the product is bought in bulk.

26. GRADING COMMITTEE

The Grading Committee shall be responsible for grading evaluations and shall make recommendations to the Executive Committee (Exco) of the Company who will make a final decision regarding any changes in grades taking the recommendations into account.

27. ADMINISTRATION ASSISTANCE

- Parties agree that the Company will effect monthly stop order deductions from employees' salaries of a Trade Union administration fee. The amount of the fee will be provided by the Trade Union to the Company. The aggregate amount for such deductions will be remitted to the Trade Union bank account as advised.
- The purpose of the fund is to assist employees to participate in the Union activities that are not politically related.

26. PUBLIC HOLIDAYS

Handwritten signatures and initials are present at the bottom right of the page, including a large signature, "IS.", and "SAR".

Public Holidays as defined in the Public Holidays Act will be recognized.

27. SEVERANCE PAY

The company will pay three week's severance package for every year of completed service in the event of the retrenchment of an employee; Severance pay will be pro-rated according to Employee's months of service for any uncompleted year of service.

28. SHOP STEWARD COUNCIL

The company agrees to pay full reasonable cost of travelling and accommodation for the elected two (2) shop stewards and one (1) Union Official to attend an annual Shop stewards Council.

29. RIGHT TO SEARCH

The Company shall have the right to ad randomly search employees. All employees will be entitled to decent searching facilities and procedures.

30 BARGAINING UNIT EXTENSION

Bargaining unit" means employees employed in the workplace in grades Paterson A to B-Upper excluding supervisory staff, which at this point consists of three supervisor's positions at Roodekop, and the position known as the Distribution Administrator. The Bargaining unit will also exclude head office administrative staff/staff with access to sensitive wage information, (who would otherwise fall into the bargaining unit) which at this stage consists of the position of Payroll Clerk. The Bargaining unit will also exclude all employees in Patterson grades A to B upper whose salary increases are customarily performance based who are not members in good standing of FAWU.

31. LONG SERVICE AWARDS

The long service bonus would be as follows:

YEARS OF SERVICE	RAND VALUE
FIVE (05)	R1560 - 00
TEN (10)	R1775 - 00
FIFTEEN (15)	R1990 - 00
TWENTY (20)	R2097 - 00
TWENTY FIVE (25)	R2205 - 00

[Handwritten signatures and initials]
CP, TS, SAB

34. MEDICAL AID

The company agrees to avail Mvuzo and Sizwe Medical aid scheme.

35. IMPLEMENTATION OF GRADING RESULTS**35.1 GRADING RESULTS**

Parties agreed that the applicable hourly rates are as follows:

Job titles	New Grade	Old (Hourly) Rate	New (hourly) Rate
Bottle Feeder, Pallet & Table Packer, Cleaner, Barcode Applicator, General Worker, Stretchwrapper, Repacker	A1	R36.77	R39.34
Pickers, Traystichers	A2	R37.68	R40.32
Clerk: Completion Sticker	B1	R38.63	R41.33
Operators, Clerk Stores, Clerk Stock, Clerk: Receiving, Clerk: Factory, Forklift/Reach truck Driver	B2	R39.59	R42.36
Issuer, Mixer, Artisan Aide, Weigher, Production Clerk, Warehouse Clerk.	B3	R41.88	R44.81

35.2 GRADING ANOMALIES**35.2. 1 Less than 25% above the pay rate:**

All employees whose pay-rates are above the applicable pay rate, (but less than 25% above) will have their pay rates capped at that level until the other employees catch up.

35.2.2 More than 25% above the pay rate:

All employees whose pay rates are more than 25% above the applicable pay rates will be dealt with as follows:

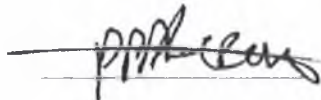
- In March 2013, the difference between their pay rates and the applicable pay rate will be dropped by 50%. In August 2013, they will not receive a salary increase.
- In March 2014, their pay rates will be dropped to 25% above applicable pay rate, In August 2014, they will not receive a salary increase

36 LEGAL STATUS

Parties have agreed that this agreement is legally binding on them and that the parties will have legal recourse to enforce the agreement.

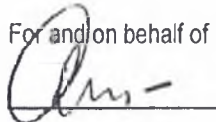
Thus signed at Roordekop, on this 21st August 2013

For and on behalf of Tiger Brands – Beverages

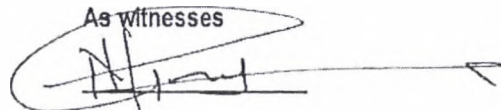


Phahle Phalane

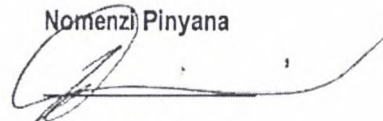
For and on behalf of FAWU




Sifiso Makhaye

As witnesses


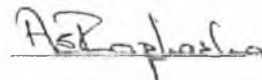
Nomenzi Pinyana



Charles Phiri



Oupa Radebe



Abel Raphasha



Fannie Tsotetsi