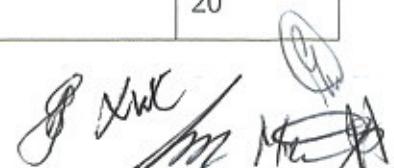


AGREEMENT ON CONDITIONS OF SERVICE FOR TRANSNET ENGINEERING

01 JULY 2013 – 30 JUNE 2015

INDEX

	Description	Page No
A	Area and Scope of Agreement	4
B	Objective of the Agreement	4
C	Validity	4
D	Interpretations	4-6
E	Funding of the Transnet Bargaining Council	6
F	Remuneration	7
1	Salary Increases and Remuneration (General)	7
2	Basis of Calculating Salary	7
G	Regulation of Working Time	7
1	Hours of Duty	7 - 8
2	Rules Relating to the Introduction/Changing of Shifts	9 - 10
3	Regulations on the Arrangements and Design of Shifts	10 - 11
4	Control Principles on Working Hours	11
5	Payment for Overtime, Sunday Time & Public Holidays	11 - 13
6	Meal Intervals	13
7	Daily Rest Periods (Applicable to 24/7 shift workers)	13
8	Weekly Rest Periods	13
9	Night Work	14
10	Standby	14
11	Guidelines for Standby	15
11.2	Remuneration for Standby	16
12	Call Outs	16
13	Rest Without Loss of Salary	17 - 18
14	Emergency Work (Breakdown Work)	18
14.3	Emergency Work (Breakdown Work) Stoppages	19
14.4	Emergency Work (Breakdown Work) Does Not Include	20
14.5	Authority to Perform Emergency Work (Breakdown Work)	20



14.6	Emergency Work (Breakdown Work) Payment	20 - 22
14.7	Penalty Time Payment	22
14.8	Rounding Off of Time for Payment	22
14.9	Employees Called Out for Short Periods	22
14.10	Service Drivers	22
14.11	Drivers and Co-Drivers of Breakdown Vehicles	22
14.12	Food Supply	23
14.13	Own Transport	23
14.14	Resuming Duty After Performing Emergency Work (Breakdown Work)	23
15	Overtime	24 - 25
H	Leave	25
1	Annual Leave	25
2	Leave for Sporting Competitions	28
3	Unpaid Leave	28
4	Long Service Leave	28
5	Study Leave	28
6	Conditions for Encashment of Leave	29
7	Family responsibility Leave	29 - 30
8	Maternity Leave	30 - 31
9	Sick Leave	31 - 33
I	General	33
J	Dispute Procedures	34
K	Collective Bargaining	34
Appendix A	DISMISSAL ON GROUNDS OF OPERATIONAL REQUIREMENTS (REDUCTION IN OR RE-ORGANISATION OF PERSONNEL)	
Appendix B	Annexure B: Payment for Standby Work: Form	
Appendix C	Annexure C: Payment for Call-out Work: Form	

TRANSNET BARGAINING COUNCIL

CONDITIONS OF SERVICE AGREEMENT FOR TRANSNET ENGINEERING

In accordance with the provisions of the Labour Relations Act, 1995, made and entered into by and between

A Division of **TRANSNET LIMITED SOC** trading as **TRANSNET ENGINEERING**
(hereinafter referred to as "Transnet Rail Engineering")

and

South African Transport and Allied Workers Union (SATAWU)

and

UTATU SARWHU

(hereinafter referred to as "the Unions")

(hereinafter referred to as the "employees" or the "trade unions"), on the other part, being parties to the Transnet Engineering chamber of The Transnet Bargaining Council

PREAMBLE

In recognition of the importance of health and safety of employees, our customers and the public, the parties hereby conclude this agreement on the following terms and conditions;

A AREA AND SCOPE OF AGREEMENT

Unless otherwise specified in this or any other subsequent agreement, the terms of this agreement shall be applicable to all bargaining unit employees who are employed by Transnet Engineering in the Republic of South Africa, irrespective of whether they are represented by a Trade Union or not. Employees in the Management cadres (pay grade F to A) are excluded from this agreement.

B OBJECTIVE OF THE AGREEMENT

This agreement is aimed at establishing mutually acceptable basic conditions of employment with due regard to legislative requirements and to vary by agreement those areas of the Basic Conditions of Employment Act (Act 75 of 1997) (as amended) in terms of Section 49 that will allow operational flexibility without compromising the health and safety of employees, bearing in mind that Transnet Engineering is a 24/7 continuous operation, as such all employees may be required to perform shifts due to operational requirements and in line with shift patterns as per, but not limited to, and according to shift pattern rules/guidelines.

C VALIDITY

This Agreement shall come into operation with effect from 01 July 2013 to 30 June 2015 and will remain in force until 30 June 2015.

D INTERPRETATIONS

- (1) Any expressions used in this Agreement which are defined in the Labour Relations Act, 1995 (as amended) shall have the same meaning as in that Act and any reference to an Act shall include any amendments to such Act, further –
- (2) In this Agreement, unless the context otherwise indicates -
- (3) the masculine includes the feminine and vice versa; and
- (4) the singular includes the plural and vice versa.

"Accumulative Leave" means – A portion of an employee's annual leave that may be accumulated.

"Bargaining council" means – The Transnet Bargaining council registered in terms of the Labour Relations Act, 1995 (as amended).

"Bargaining unit employees" means – All junior employees below the pay grade F. "BCEA" means - The Basic Conditions of the Employment Act (Act 75 of 1997) (as amended)

"Compulsory leave" means – The 14-day portion of the annual leave which has to be taken during the 12 month period that follows on the leave cycle (year) in which it was earned.

"Day" means – A period of 24 hours measured from the time when an employee normally commences or actually commences his shift/work.

"FST's" means – First line Manager's, Specialists and Technicians

"Life partner" means – a person who cohabits with the employee and is registered with the Company as such.

"LRA" means – the Labour Relations Act (Act 66 of 1995) (as amended).

"Night work" means – Work performed between 18:00 and 06:00.

"Ordinary hours of work" means –

(a) An employee may not be required or permitted to work more than: -

- (i) 40 ordinary hours in any week;
- (ii) eight hours in any day if the employee is scheduled to work for five days in a week; or

"Overtime" means – The time in excess of ordinary hours of work that an employee works during a day.

"Public holiday" means – Any day that is a public holiday in terms of the Public holidays Act, 1994 (Act No. 36 of 1994) (as amended).

"Recognition Agreement" means – A collective agreement regulating the relationship between recognized labour and management, signed on 16 November 2007 between management and representative unions in Transnet.

"Remuneration" means – Any payment in money or in kind, or both in money and in kind, made or owing to any person in return for that person working for any other person.

"Salary" means – The employee's fixed basic annual income.

"Transnet Engineering" means – A Division of Transnet Limited.

"Standby" means – a requirement for an employee to be available to possibly perform duty outside of his normal working hours.

"Straight time rate" means – An hourly rate which is determined by dividing the annual basic salary by the total ordinary hours of duty per annum. The total of ordinary hours of duty per annum is calculated by 260 work days per annum divided by 12 months multiplied by 8 hours per day.

Average 260 work days \div 12 \times 8 = 173 hours per month

Example: $(260 \div 12 \times 8) = 173$ pm R30 000 \div 12 \div 173 = R 14.45 rate per hour.

"Wage" means – The amount of money paid or payable to an employee in respect of ordinary hours of work, or, if shorter, the hours an employee ordinarily works in a day or week.

"Week" in relation to an employee, means – The period of seven days within which the working week of that employee ordinarily falls.

"Workplace" means – any place where employees work.

E FUNDING OF THE TRANSNET BARGAINING COUNCIL

The funding of the Transnet Bargaining Council takes place on an equal basis through Transnet (Transnet Engineering) and the employees of Transnet (Transnet Engineering). The portion of the budgeted amount for which the employees are accountable is divided among the total number of employees, and the amounts so determined by the Transnet Bargaining Council at the Annual General Meeting are recovered annually from employees pay vouchers during the December pay month of every year.

F REMUNERATION

1 Salary Increases and Remuneration (General)

Salary /remuneration increases shall be negotiated in the Transnet Bargaining Council Main Chamber.

2 Basis of Calculating Salary

- (i) All salaries are calculated on an annual basis. The monthly salary paid to an employee shall be calculated as one twelfth of annual salary (excluding allowances).
- (ii) The pay month shall extend from the 1st day of any month to the last day of the month.
- (iii) Salaries will normally be paid out by the 27th day of the month, but not later than the last day of a month should there be technical problems. However, should the 27th fall on a Saturday, Sunday or public holiday, payment will be made on the date immediately preceding the 27th which does not fall on one of the aforementioned days.

G REGULATION OF WORKING TIME

1 Hours of duty

The working time is 40 hours per week for all employees (shifts or no shifts)

1.1 Normal/day shift employees only (not shift workers)

07h00 -15:30 or 07:30 -16:00 (8hrs),

It can be worked as: 07h00 to 9h00 (tea break, 09:00 to 09:20) (10 minutes time worked in for half day last Friday of the month, 09:20- 09:30) 09:20 to 12h30, (12:30 to 13:00 lunch break), 13:00 to 15:30 or same breaks for those starting at 07:30 to 16:00.

1.1.2 Normal/ day shift bargaining employees shall sign off at 12:00 on the last Friday of the month (pay week).

1.2 Rules for employees working 24/5 shift; working times:-

1.2.1 It should be worked as: 2x12 (06:00 to 18:00) (18:00 to 06:00) or (07:00 to 19:00) (19:00 to 07:00). The break times are same as above in clause 1.1 except for 07:00 to 19:00 shift where lunch time should be from 13:30 to 14:00.

1.2.2 Employees also qualify for 3 hours overtime which is part of the shift.

1.2.3 Employees qualify for half day on a rotation basis i.e. the employees working night shift on the last Friday of the month should take their half day on the Friday of the following week when they are on day shift.

1.3 Rules for employees working 3x8hour shift; working times:

1.3.1 Work for 5days (Monday – Friday):- 06:00 to 14:10, 14:00 to 22:10 and 22:00 to 06:10. Additional 10 minutes is time worked for half day last Friday of the month

1.3.2 Lunch breaks are at: - 10:00 to 10:30 (morning shift), 18:00 to 18:30pm (afternoon shift) and 02:00 to 02:30 for the night shift. There are no tea breaks for the 3X8 shift system.

1.3.3 Employees qualify for half day on a rotation basis i.e. the employees working night shift on the last Friday of the month should take their half day on the Friday of the following week when they are on day shift.

1.4 Rules for employees working 2x8 shift system:-

1.4.1 Work for 5days (Monday – Friday):- 06:00 to 14:10, 14:00 to 22:10 and Additional 10 minutes is time worked for half day last Friday of the month with the same breaks and conditions as above.

1.4.2 Lunch breaks are at: - 10:00 to 10:30 (morning shift), 18:00 to 18:30 (afternoon shift).

1.4.3 Employees qualify for half day on a rotation basis i.e. the employees on afternoon shift on the last Friday of the month should take their half day on the Friday of the following week when they are on morning shift.

1.5 Rules for employees working in a 24/7 shift system:-

- 1.5.1 The break times should be the same with those in clause 1.1 except that the tea break is 30 minutes and the 10 minutes need not to be worked in.
- 1.5.2 The 24/7 shift employees are not entitled to half day due to operational requirements and they should not work 10 minutes time in to qualify for half day.
- 1.5.3 A shift cycle may commence on any day of the week.

1.6 Any other shift as per operational requirements as long as it complies with this agreement in particular with the shift rules.

2 Rules relating to the introduction/changing of shifts;

2.1 Consultation at Local Business level

- 2.1.1 A Local Business will choose and adopt shift pattern that is suitable for its operational requirement.
- 2.1.2 Any changes to the shift system adopted by the Local Business shall be introduced and consulted at the level of the LBC.
- 2.1.3 (a) The chosen shifts by the Local Business committee must be submitted to the National Operations Committee (NOC) for ratification.
(b) In the event that the Local Business Committee (LBC) does not reach consensus, that LBC shall submit all the issues to the NOC for consideration before implementation of such shifts.
(i) The Chairperson of the NOC must ensure that consultation with the NOC members from Labour (FTUR's) have taken place before decision is made.
- 2.1.4 (a) During the LBC consultation on the shift patterns, the parties should amongst others consult on practical challenges of transport that may face them.

- (b) Management should arrange shifts in such a way that it coincides with the availability of transport on the start and end of the shift. This must be in line with the BCEA.
- 2.1.5 In circumstances where there is work which was not anticipated, that cannot be left unattended; or for which Transnet Engineering could not have foreseen or planned, which shall exclude breakdown work; such work shall be carried out under the following conditions;
 - (a) Observance to safety
 - (b) Subject to minimum rest periods
 - (c) Prior emergency consultation with Labour, i.e. the relevant FTUR from both unions plus an official from the Union Head Office, Corporate Employee Relations, National Business Manager and/or General Manager concerned. Such consultations to be preceded by approval by the Chief Operations Officer.
 - (d) Such consultations shall include relevant members of the Local Business Committee

3 Regulations on the arrangements and design of shifts

- 3.1 Overtime should be avoided, especially in occupations involving special hazards or heavy physical strain.
- 3.2 Shift rosters are to be planned well in advance and to be displayed on a weekly or monthly basis for easy access for all employees.
- 3.3 The personnel establishment of each Local Business shall take cognizance of leave, sick leave, rest periods, training etc.
- 3.4 Arrangements must be considered to accommodate special needs such as pregnant and breastfeeding workers, disabled workers and workers with health problems.

- 3.5 The frequency of weekend work and work on public holidays should be limited as much as possible for each worker.
- 3.6 A balance should be sought between morning, afternoon and night shifts. Successive long night shift should be avoided at all costs.
- 3.7 Rest periods for shift workers should be scheduled to fall on weekends where it is practicable and possible.

4 Control Principles on Working Hours

- 4.1 Any hours worked in excess of 40 hours in a week (8 hours in a day) shall be paid as overtime, subject to prior approval from competent authority, except where such overtime forms part of 12 hour shifts.
- 4.2 No employee(s) shall be required to work longer than 12 hours per shift. Should an employee(s) for whatever reason be required to work hours longer than the rostered shift, it may only be done by agreement.
- 4.3 An employee shall have a rest period of a minimum of 12 hours before the commencement of night shift.
- 4.4 Whenever an employee works more than 12 hours continuously due to unforeseen circumstances, he will receive additional payment of Penalty Time*. (* Penalty time is 1.5 X hourly rate over and above the overtime rate)

5 Payment for Overtime, Sunday Time and Public Holidays

- 5.1 The determination of the ceiling on overtime by the Minister of Labour and as updated in the Wage Agreement from time to time shall apply.
- 5.2 The first eight (8) hours of every shift worked will be remunerated at ordinary rate per hour. Any hours worked in excess of the ordinary hours shall be remunerated at the overtime rate.

- 5.3 Saturday when worked as part of ordinary shift will be remunerated at the normal rate of pay.
- 5.4(a) Sunday when worked as part of the ordinary shift will be remunerated at the normal rate of pay plus 0.5 of the rate.
- 5.4(b) An employee who does not ordinary work on a Sunday, but is required to work on a Sunday, shall be paid at double the straight time rate for each hour worked on a Sunday.
- 5.5 An employee who has worked overtime may on request be granted time off in lieu of payment for such overtime worked at a rate of 90 minutes, for each hour of overtime worked, within a period of 30 days. In such instances no overtime will be paid. If however, time off cannot be granted within 30 days payment shall be made.
- 5.6 Due to Transnet Engineering's operations employees may be required to work on a Public Holiday to meet Business needs and shall be rostered / scheduled at least seven days in advance.
- 5.7 Provided his duties permit; an employee may be released from duty on a Public holiday without loss of pay.
- 5.8 If a Public holiday falls on a day on which an employee would ordinarily have worked and the employee works on such Public holiday:
 - (a) The employee will be paid the wage that he would ordinarily have received for work on that day plus his ordinary hourly rate for every hour actually worked on such public holiday, subject to a minimum of a day's pay.
 - (b) Hours in addition to or outside of the normal hours of his shift he would ordinarily have worked on such day, will be paid for at the normal overtime rate.

- (c) If an employee works on a Public holiday on which the employee would not ordinarily have worked the employee will be paid at double the ordinary hourly rate. Hours in addition to or outside of the normal hours of his shift will be paid for at the normal overtime rate.
- (d) An employee acting in a higher grade will be paid for the Public holiday, which falls within the period during which he is acting, at the rate of pay applicable to the acting position (Subject to the conditions of the Transnet acting policy).
- (e) All employees are entitled to the public holidays as declared in the Public Holiday Act (1994) and/or as gazetted by the Government.

6 Meal Intervals

- 6.1 Subject to the stipulations of this clause, employees who work continuously for more than 5 hours per day shall have a meal interval of at least 30 continuous minutes.
- 6.2 Employees may be required during a meal interval to perform duties which cannot be left unattended. In such instances and in instances where an employee has been requested to be available for work during a meal interval, the employee will be paid accordingly.

7 Daily Rest Periods (applicable to 24/7 shift workers)

- 7.1 If an employee is required to work on a day on which the employee would not ordinarily have worked, then:
 - (a) The employee shall be paid at double the ordinary hourly rate, and
 - (b) It shall be by agreement, taking cognisance of the health and safety of the employee and the effect that fatigue may have on the employee's health.

8 Weekly Rest Periods

8.1 Employees working shift work shall be granted a weekly rest period of at least 36 hours which shall include at least one full Sunday per shift cycle.

9 Night Work

9.1 Where an employee is required to perform work on a regular basis between the hours 23:00 and 06:00 the next day, the following will apply:

(a) Such employees shall be informed verbally or in writing on entry to the grade and annually thereafter but no later than five working days before the commencement of the shift, by the employer of:

(i) The Health and Safety hazards associated with the work that the employee is required to perform; and

(ii) The employee's right to undergo a medical examination.

(b) (i) Employees/applicants will be subjected to a medical examination on appointment and thereafter at their request or at appropriate intervals, but at least once every three years.

(ii) Transnet Engineering may refer an employee to a registered Occupational Health Practitioner / Medical Practitioner of its choice for the account of the Employer and such a report shall be submitted to the Company.

9.2 In the event that an employee is unable to perform night work due to health reasons, and it is practicable to do so, reasonable efforts shall be made to transfer the employee to suitable day work.

10 Standby

- 10.1 Standby allowance will only be paid to any employee who possesses specific expertise and is instructed by a competent authority to be on standby duty outside his/her normal hours of duty.
- 10.2 Call-out payment will only be paid to any employee when he/she is instructed by a competent authority to do emergency work outside his normal working hours.
- 10.3 The intention is not such that an employee should be confined to his or her home. However their controlling officers should be aware of the movements and they should be available for duty within a reasonable period of time approximately one (1) hour.

11 Guidelines for Standby

- 11.1.1 Standby will be paid after completion of a daily shift, before commencement of the next shift, over weekends, rest days and on Public Holidays to an employee who performs authorized duties outside his or her hours of work.
- 11.1.2 An employee shall not be placed on standby duty for more than two consecutive weeks except by agreement but not more than 4 consecutive weeks.
- 11.1.3 Standby duties/rosters should be compiled and monitored and only where there is justification for standby duty, the absolute minimum number of employees should be rostered according to operational needs. Employees who have been rostered must be informed in writing and be paid the standby allowance.
- 11.1.4 If an employee is called out while on standby duty the payment of the allowance is not affected and must be paid until the end of the shift.

- 11.1.5 When an employee is rostered to work overtime or Sunday time on a weekend, the standby allowance is reduced by the hours scheduled in respect of the time of overtime/Sunday time.
- 11.1.6 A full day's official absence constitutes twenty four (24) hours and in this case NO standby allowance is payable if an employee is on a full day's leave, Sick leave, AWOL, or AX.
- 11.1.7 An employee who is placed on standby duty after working a short shift should not be placed on standby while his normal hours of duty are paid to him/her and whilst available for duty but not physically present at work. Standby can only be paid after completion of ordinary hours of duty or scheduled overtime (this excludes time worked in for half day off at the end of the month)
- 11.1.8 The allowance is reduced by the hours scheduled if an employee is rostered to work overtime or Sunday time on a weekend.

11.2 Remuneration for standby

- 11.2.1 Employees who are rostered on authorised standby will receive a standard allowance per hour as agreed in the annual wage negotiations in the Transnet Bargaining Council.
- 11.2.2 All payments made in respect of this agreement are to be effected via the employee's payroll office. Employees must ensure that the time for standby is correctly booked on their attendance registers.
- 11.2.2 The daily payment form for standby payment compiled by the Supervisor and signed off by the Business Manager must be accompanied by the employees' attendance register for payment. (Appendix B – *to be inserted*)

12 Call Outs

12.1 Time worked by an employee as a result of an emergency when called out for duty outside his normal working hours, is subject to the following minimum time payments;

For one or more periods of duty not exceeding 3 hours	Minimum payment of 3 hours
Where a second call out falls within 3 hours of the first call out, it will be treated as 1 call out	Minimum payment of 3 hours
Where call outs overlap	Actual time in excess of 3 hours for the full period

12.2 These minimum time payments are subject to the proviso that no payment shall be made for two or more periods of duty than would have been made if the employee had been continuously on duty for the overall period, which includes call-outs prior to commencement of / or after completion of ordinary hours of duty.

12.3 An employee shall be paid from the time of departure at home until the completion of the work at the workplace where time runs into his normal shift / arrival back home where he does not continue with normal duties.

12.4 Transportation of employees on standby / call outs will be the responsibility of Transnet Engineering unless otherwise agreed.

13 Rest without loss of salary

13.1 When an employee is called out after the completion of his/her normal shift and must work till after midnight, or if he/she is called out after midnight, and request to rest after such call-out, each case shall be considered on merit on the basis of local circumstances. If the circumstances warrant a

period of rest, the employee must be allowed reasonable time (maximum time of half a day) to rest within his normal shift without any loss of salary. This concession is aimed exclusively at offering the employee an opportunity to recover his strength.

- 13.2 The time off granted to the employee within his normal hours to rest, must be indicated in the time summary as "Rest without loss of salary".

14 Emergency work (Breakdown Work)

The Basic Conditions of Employment Act (BCEA), Chapter 2 Section 6 subsection 2 states that "Sections 9, 10 (1), 14 (1), 15 (1), 17 (2), and 18 (1), do not apply to work which is required to be done without delay owing to circumstances for which the employer could not reasonably have been expected to make provision and which cannot be performed by employees during their ordinary hours of work"

- 14.1 Emergency Work (Breakdown Work) is normally performed under the following circumstances:

- 14.1.1 A derailment, collision, wash-away, landslide or snow storm took place or a set of points has been run through and the railway line is obstructed and/or damaged and the train service is completely or seriously delayed / halted as a result thereof.

- 14.1.2 A locomotive fails in the section, or a truck, vehicle or van is damaged or fails in the section and cannot be hauled or pushed to the nearest station, siding or loop to be repaired or if it is hauled or pushed to the nearest siding or loop but still seriously hampers the flow of traffic whilst being repaired;

- 14.1.3 An obstruction of the entrance to or exit from arrival yards, hump yards, marshalling yards, shunting yards or exchange yards, or a goods or locomotive shed, harbour area, etc., due to a derailment, collision or similar occurrence through which the train service is forced to a standstill or is seriously disrupted.

- 14.1.4 Any railway line is obstructed and the train service on that particular line is forced to a standstill or even where one line of a double line is obstructed but the train service is continued on the unobstructed line by means of pilot working.
- 14.2.1 Employees at the scene or returning to the scene of the accident at a later stage to re-rail or remove damaged vehicles, i.e. interim emergency measures were taken to clear the line of obstructions and due to circumstances the work can only be continued at a later stage. (UNTIL THE TOTAL SCENE IS CLEARED!!!!)
- 14.2.2 The limitations imposed by the Basic Conditions of Employment Act in respect of night work, meal intervals, overtime and ordinary hours of work on working time, do not apply to work if the work :
- 14.2.3 Must be done without delay because of circumstances for which the employer could not reasonably have been expected to make provision;

14.3 Emergency Work (Breakdown Work) Stoppages

- 14.3.1 Where circumstances necessitate a stoppage of Emergency Work (Breakdown Work) but it is important that the work be continued / finalised because it constitutes a hazard or prevents normal working, subsequent visit to the scene of the breakdown in accordance with clause 13.2.1.5, "Employees return to the scene of the accident at later stage to derail or remove damaged vehicles" should be treated as an original visit.
- 14.3.2 As soon as a break has occurred in the unforeseen circumstances where employees can at a later stage return to the breakdown, the work is foreseen for Company purposes, it will be accepted as breakdown / unforeseen circumstances only in those instances where it is compulsory for the work to be completed in one shift to ensure the normal running of trains because the incomplete work poses a serious safety risk and disrupts the Train service due to the services delay it causes.

14.4 Emergency Work (Breakdown Work) Does Not Include:

- 14.4.1 Emergency Work (Breakdown Work), read together with the above criteria, does not include cases where:
 - 14.4.1.1 Defects attributed to normal wear and tear fatigue or ageing is repaired.
 - 14.4.1.2 Engine failures / equipment failures which occur and result in a delay to traffic / train movements are "common place" happenings.
 - 14.4.1.3 Does not cover routine maintenance.

14.5 Authority to Perform Emergency Work (Breakdown Work)

- 14.5.1 In contrast to the authority to work overtime and Sunday time, which must in most cases be approved by Heads of Departments in advance, controlling officers should decide in terms of this instruction which cases, are to be considered for breakdown pay. There should be no hesitation in approaching this office in cases of doubt.
- 14.5.2 Payment can only be effected if a Payment for Emergency Work (Breakdown Work) advice (T661) has been properly completed.
- 14.5.3 This instruction applies to work performed within the borders of South Africa on lines operated by Transnet Freight Rail and PRASA / Private Institutions.

14.6 Emergency Work (Breakdown Work) Payment

- 14.6.1 Payment of Emergency Work (Breakdown Work) will be applied according to clause 14.1, and based on the following principles:
 - (a) Inside normal hours: Shall mean the first eight hours of a shift an employee is normally rostered for;

(b) Outside normal hours: Shall mean any hours worked in excess of the first eight hours the employee has been rostered for.

14.6.1.1 Emergency Work (Breakdown Work) payment will commence from the time the employee signs on at the Depot until the employee signs off at the Depot (outside duties only).

14.6.1.2 Call out allowance of two hours will be paid at normal overtime rates (outside duties only).

14.6.1.3 An employee may be rostered on a weekly basis according to operational needs to be on Standby, in which case a standby allowance is payable. Where possible an employee should not be placed on standby duty for more than two consecutive weeks. An employee who is required to be on standby during his / her daily or weekly rest period will be paid a standby allowance per rostered shift.

14.6.2 Emergency Work (Breakdown Work) duty performed during ordinary / normal hours of work payment at applicable breakdown rate, as defined in (a) above. (0.5 X hourly rate)

14.6.3 Emergency Work (Breakdown Work) duty performed outside ordinary / normal hours of work payment at the applicable breakdown rate, as defined in (b) above. (1.5 X hourly rate)

14.6.4 Emergency Work (Breakdown Work) duty performed on Sundays & Paid Public Holiday payment at the appropriate Sunday time rate, as defined in (b) above. (2 X hourly rate)

14.6.5 Periods of rest at the Derailment Site, using facilities provided (rest without loss of salaries).

14.6.6 Payment can only be effected if a Payment for Emergency Work (Breakdown Work) Advice (Appendix C) has been properly completed.

14.6.7 Emergency Work (Breakdown Work) teams will qualify for daily over border expenditure in line with the Over Border payment policy

14.7 Penalty Time Payment

14.7.1 Whenever an employee works more than 12 hours continuously on emergency/breakdown work, he will receive additional payment of Penalty Time*. (* Penalty time is 1.5 X hourly rate over and above overtime rate).

14.8 Rounding Off Of Time for payment

14.8.1 If an employee performs breakdown duty for which payment is due in terms of this instruction, all time during which such duty was performed is to be totaled at the end of the pay month, and any resulting fraction of an hour which is less than 30 minutes is to be dropped, while any such fraction of 30 minutes and over is to be leveled up to one hour.

14.9 Employees Called Out For Short Periods

14.9.1 When the employee is called out for short periods outside his normal hours of duty in circumstances applicable to Emergency Work (Breakdown Work), he should be paid a minimum of the hours at the appropriate breakdown rate (subject to clause 14.6).

14.10 Service Drivers

14.10.1 Sight should not be lost thereof that although drivers of vehicles conveying staff, tools and material to and from the scene of the accident are not, in terms of clause 14.6 entitled to payment at breakdown rates, they will be entitled thereto for the time they actually assist with the Emergency Work (Breakdown Work) itself between trips.

14.11 Drivers and Co-Drivers of Breakdown Vehicles

14.11.1 Drivers and Co Drivers, of breakdown vehicles, e.g. technicians, Service Drivers, etc whose primary task is Emergency Work (Breakdown Work),

qualify for payment at the appropriate breakdown rate for the full period in accordance with clause 14.1, and clause 14.4.

14.12 Food Supply

14.12.1 Food should be supplied on the Companies expense when the employee cannot return home for a proper meal. (Purchasing involved with vendors supplying Food at the Scene)

14.13 Own Transport

14.13.1 Provided public or official transport is not available a motor car allowance at the appropriate rate for the return journey may be paid to members of a permanent breakdown team who in emergencies use their private vehicles when called out outside their normal hours of duty to travel from their homes to the scene of the accident or depot from where the official breakdown vehicle usually departs to the scene of the accident, whichever distance is the shortest.

14.14 Resuming Duty After Performing Emergency Work (Breakdown Work)

14.14.1 Considering the local conditions, employees who are expected to resume their normal duties after performing Emergency Work (Breakdown Work) for twelve hours and longer should, without loss of salary be allowed a reasonable time to wash and eat and if required, reasonable rest.

14.14.2 When an employee is called out after the completion of his normal shift and has to work till after midnight, or is called out after midnight and he / she requests to rest after such call-out, each case shall be considered on its merits on the basis of local circumstances. If the circumstances warrant a period of rest the employee concerned shall be allowed reasonable time (maximum time of half a day) to rest within his / her normal shift without loss of salary. This concession is aimed exclusively at offering the employee an opportunity to recover his / her strength.

14.14.3 The time off granted to the employee within his / her normal hours to rest shall be indicated in the time summary as "Rest without loss of salary".

15 Overtime

- 15.1. An employee employed in an operational area is required to work such overtime per day or per week or per month as rostered subject to the constraints of daily and weekly rest and subject to the maximum of 60 hours per month.
- 15.2. An employee working normal shifts is required to work such overtime per day or week or per months as rostered subject to the constraints of daily and weekly rest and subject to a maximum of 60 hours per months.
- 15.3. Overtime hours worked in terms of clause 15.1 of this agreement shall include overtime hours worked on a Sunday.
- 15.4. An employee who works overtime will be paid one and a half times the straight time rate for every hour of overtime worked subject to the Overtime ceiling and the Agreement for FST's, subject to the Overtime ceiling and the Agreement for FST's. An employee who has worked overtime may on request be granted 90 minutes paid time off, for each hour of overtime worked, within 30 days. In such instances no overtime will be paid. If however, time off cannot be granted within 30 days payment shall be made.
- 15.5. Employees on income levels higher than the overtime/Sunday time ceiling (as per the ministerial determination, from time to time) shall be paid overtime at the overtime-ceiling rate unless another Collective Agreement in the Bargaining Council applies.
- 15.6. Payment for overtime shall be calculated as agreed to in this Agreement and, in the case of an employee who acts in a higher grade, on the same principles inclusive of any applicable acting-in-higher-grade allowance.

15.7 Where employees are rostered to work overtime; such overtime shall be equitably distributed amongst the employees in the Depot whenever it is reasonable and practical to do so.

H. LEAVE

1. Annual Leave

1.1 Employees shall qualify for paid leave as follows:

Term of service	Allocation per annum
One completed year of service up to 6	24 days (calendar days)
More than six years up to 16 years	28 days (calendar days)
More than sixteen years	36 days (calendar days)

1.1(a) Employees who qualified for 40 days leave prior to 1 January 2000 will continue to qualify for such leave on a personal to holder basis (PTH), until the particular employee falls within the next category of "term of service" as provided for in sub-clause 1.1. Employees who are currently entitled to forty (40) days leave will continue to qualify for such leave on a personal to holder basis (PTH) until the termination of their services.

1.2 Leave shall be granted according to the leave roster (unless agreed otherwise subject to the conditions of this clause). Controlling officers/supervisors shall ensure that leave rosters are compiled before the commencement of the next leave cycle and manage the leave roster in such a manner to ensure that all compulsory leave is taken within the period stipulated in sub-clause 1.18(a). Requests for occasional leave should be considered on merit and approval thereof should not unreasonably be withheld.

1.3 (a) The purpose of leave is to afford employees the opportunity to rest and consequently they are obliged to take leave as follows:

1.3 (b)Leave that may be accumulated may be encashed with the authority of the General Manager Human Capital or his delegated authority, see sub-clause 1.7, which should not be unreasonably withheld.

1.4 Accumulative leave not taken shall be considered to accumulate automatically at the end of each leave cycle (See sub-clause 1.7). Leave can be accumulated up to a maximum of 60 days. Leave accumulated in excess of the maximum of 60 days is to be paid out at the actual salary level at that point in time. Payment will be affected at the end of the February pay month.

Leave allocated (Clause H 1.1)	Compulsory days to be taken annually (statutory)	Leave that may accumulate	Leave that may be encashed (non statutory)
24 days	14	3	7
28 days	14	7	7
36 days	14	8	14
40 days (PTH)	14	8	18

1.5 All 14 days compulsory leave should be taken of which 13 must be taken consecutively.

1.6 A period of leave shall be inclusive of the intervening Saturdays and Sundays, but shall exclude Public holidays.

1.7 Leave in excess of the compulsory leave, which has not been taken at the end of the leave cycle following on the one in which it was earned, may either be taken within three months after completion of the next leave cycle, be partially accumulated (subject to the maximum in sub-clause 1.4) or encashed. General Manager HC should approve any extension of leave.

1.8 Sickness during any period of leave, whether paid or unpaid, shall not interrupt the period of leave sanctioned, excluding a period of hospitalisation and recovery as a result thereof and for which a valid sick certificate has been produced. This includes annual leave, which falls in a period of sickness.



- 1.9 An employee may return to duty before the full period of leave has expired if permission is granted by his controlling officer. Such permission shall not be granted before 14 days consecutive leave has expired. In considering such request the controlling officer shall take cognisance of sub-clause 1.4.
- 1.10 An employee who fails to report after expiry of a period of authorised leave, shall be deemed absent from duty without permission.
- 1.11 All leave standing to an employees' credit at the termination of his services in terms of the notice required on such termination shall be paid out to such employee. Employees who retire from Transnet Engineering shall take their compulsory leave before retirement.
- 1.12 If an employee retires when reaching the normal retirement age or services are terminated owing to permanent ill-health or severe bodily injury on a date that coincides with the date on which leave is due to him, he will be unable to take the compulsory leave and the value of such leave shall then be paid out to him.
- 1.13 In the case of voluntary resignation, compulsory leave may be used to cover all or part of the notice period. If compulsory leave cannot be granted, the value of such leave shall also be paid out.
- 1.14 All leave to an employee's credit on the day of his death shall be paid out to the widow/widower/dependent children/estate.
- 1.15 Paid leave shall not be granted to enable an employee to transact business or to earn additional income from a source outside Transnet Engineering
- 1.16 An employee who has been granted leave for a period of two weeks or more may, by request, be paid in advance an amount not exceeding his salary for such period of leave, subject to the deduction from such advance of a pro rata-amount of the deductions recoverable by means of his pay-voucher.
- 1.17 The difference of leave granted per leave cycle, less Accumulative Leave and leave taken, shall also be encashed at the end of the leave cycle.



1.18 (a) A leave cycle commences on 1 January of any one year and extends to 31 December of the same year. Leave earned in such cycle may be taken over the next 12 months according to the leave roster.

(b) Leave shall accrue on a monthly basis.

2 Leave for Sporting Competitions

2.1 A maximum of six days paid leave per annum, may be granted to an employee to enable him to participate in sporting competitions to represent the country or Province in a recognized amateur sport. Requests for such leave exceeding six days may be referred to the General Manager (Human Capital) or his delegated authority for consideration on recommendation from the Line Manager.

3 Unpaid Leave

3.1 Unpaid leave may be granted in exceptional circumstances i.e. study, compassionate, maternity, etc. if the employee's entire paid leave has been taken.

4 Long Service Leave

4.1 In recognition of long service, employees will receive the following leave, as a "once-off", which can either be accumulated as part of the 60 days as mentioned in sub-clause 1.5, or be paid out in cash :-

Period of actual service	Days
After 30 years actual service but less than 35 years	15
More than 35 years actual service but less than 40 years	5
More than 40 years actual service	5
More than 45 years actual service	5

5 Study Leave

5.1 To assist employees in preparing for examinations, those employees who are studying for any course as agreed to on their individual development plans and

specifically approved by the Company, will be granted leave on the basis of one day per subject immediately before the examination, and one day in respect of the actual writing of the examination (leave will be reversed if an employee does not pass the course/module that he/she will be writing).

5.2 Other leave required for the purpose of studying must be taken from the employee's normal annual leave entitlement.

6 Conditions for Encashment of Leave

6.1 The value of Leave will be based on the value of salary and all Non Pensionable Allowance where it is not yet fully integrated into the salary structure.

7 Family Responsibility Leave

7.1 This clause applies to an employee who has been in employment with the company for longer than four months.

7.2 An employee shall be granted during each annual leave cycle, at the request of the employee, five days paid leave, which the employee is entitled to take –

- (a) when the employees' child is born;
- (b) when the employees' spouse/life partner/child is sick; or
- (c) in the event of death of –
 - (i) the employees' spouse or life partner; or
 - (ii) the employee's parent, adoptive parent, grandparent, child, adopted child, grandchild, brother or sister.

7.3 An employee may be required to produce reasonable proof of the above before payment is made.

7.4 An employee may take family responsibility leave in respect of the whole or a part of a day.

7.5 An employees' unused entitlement to leave in terms of this clause lapses at the end of the annual leave cycle in which it accrues.

8 Maternity Leave

8.1 A female employee who has completed at least 12 months uninterrupted service shall qualify for four (4) consecutive month's paid maternity leave (120 calendar days which include Saturdays, Sundays and public holidays). It can be extended by a further 2 months unpaid (total 6 months). An employee may spread the four (4) months paid maternity leave over the maternity leave up to six (6) months. Should an employee spread to 5 and/or 6 months, 5 months maternity leave shall be paid at 80% and 6 months maternity leave shall be paid at 66.67% of the monthly salary.

8.2 Maternity must be paid in accordance with the Unemployment Insurance Act.

8.3 Maternity benefits are granted for a maximum of three confinements.

8.4 Maternity leave has to commence at least two weeks prior to the expected date of confinement.

8.5 A pregnant employee may, during the first seven months of pregnancy, be released from duty for half a day every four weeks without loss of salary to enable her to undergo prenatal examinations. During the last two months she may be released from duty for two half days per four weeks for the same purpose. If the absence exceeds half a day, she shall take leave standing to her credit or unpaid leave for the rest of the day.

8.6 This policy will also apply where a miscarriage has occurred during the third trimester of pregnancy or a stillborn child in respect of the recuperation period subject to the submission of a medical practitioner's certificate.

8.7 An employee shall apply in writing for maternity leave at least eight weeks before the commencement of maternity leave or as soon as it is reasonably practicable to do so. In high risk work environments Supervisors must be advised of an employee's pregnancy in writing as soon as it is known that she is pregnant.

- 8.8 The employee shall submit to the Company a certificate signed by a registered medical practitioner or midwife, confirming her pregnancy and the date of her expected confinement, at the earliest possible date, but not later than 4 months before that date.
- 8.9 No pregnant employee may be compelled to work during the four weeks prior to the expected date of giving birth and for six weeks after the birth of the child. No employee may work unless a medical practitioner or midwife certifies that she is fit to work. In the case of the adoption of a newborn baby, the four weeks prior to the birth falls away and the maternity leave will therefore commence from the time that the mother receives her adopted baby.
- 8.10 In the case of maternity leave through adoption, the maternity leave period will be limited to two months and to three occasions (adoptions).
- 8.11 The Company shall guarantee that the employee may resume work after expiry of the maternity leave in the same position that was applicable to the employee immediately prior to commencing her maternity leave, and at the same rate of pay she would have earned had she not gone on maternity leave.
- 8.12 An employee who is pregnant or is still nursing her child may not be compelled or permitted to perform hazardous work. Where it is practicable, the female employee who is required to perform night work or where her health or that of her child may be endangered by such work must be offered alternative employment without loss of benefits whilst she is pregnant and for up to six months after giving birth and breast feeds her baby.

9 Sick Leave

Absence due to illness/sickness

- 9.1 Employees will qualify for 45 days sick leave per three year cycle. A period of hospitalisation and convalescence related thereto shall be regarded as Special fully paid Sick Leave. It will, however, still be considered as part of the 90 day waiting period for entry into the Risk Pool for Retirement Fund members. The 90 day waiting

period for either retirement on the grounds of Permanent Ill Health or entry into the Risk Pool will be paid as sick leave and if that is depleted, special sick leave will be paid.

- 9.2 If an employee has been absent from work due to incapacity for more than two (2) consecutive days he shall only qualify for paid sick leave upon him/her submitting to Transnet Engineering a medical certificate stating that the employee is incapacitated, the duration of incapacity and that the illness is of a temporary nature. The sick certificate must be issued and signed by a medical practitioner or 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. The Medical practice's number must be indicated on the medical certificate.
- 9.3 An employee shall be allowed a maximum of six (6) days paid sick leave in any one (1) calendar year without submitting a medical certificate (X99) (The six (6) days sick leave without submitting a medical certificate may not be utilised as more than two days at a time). Should the employee be absent due to illness in excess of two (2) days without submitting a medical certificate, such absence will be regarded as sick leave without pay.
- 9.4 Notwithstanding sub-clause 9.3 circumstances may exist where it might be necessary to request a medical certificate or a doctor's report depending on the nature and circumstances of the reported illness by an employee.
- 9.5 For sickness that extends beyond two days (48 hours) a Medical Certificate must be submitted to the supervisor within 72 hours from the time the sickness commenced.
- 9.6 In all instances of sick leave employees shall inform their supervisors/controlling officers as soon as it becomes known that they cannot take up the shift.
- 9.7 An employee who is certified as unfit for duty shall not absent himself from his domicilium (place of residence) without the medical practitioner providing consent and medical reasons to justify such absence unless there are urgent and necessary reasons for doing so, the onus of providing which shall rest with the employee.

9.8 An employee who is certified as unfit for duty shall not perform any work for or on behalf of another person outside Transnet Engineering, whether or not he is entitled to remuneration therefore, nor shall he engage in any form of business or trade, whether on his own account or in association with any other person.

9.9 Sick leave may be refused if:-

- (a) The employee refuses or neglects to obtain or submit a medical certificate or submit to adequate medical attention for absences exceeding two (2) days;
- (b) the employee contravenes the stipulations of sub-clause 9.5 above;

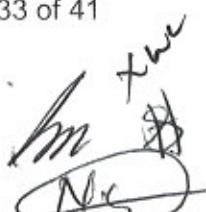
9.10 Saturdays and Sundays falling in a period of incapacitation covered by a medical certificate shall be regarded as sick leave.

9.11 Should an employee not absent himself/herself for more than 10 days during a 3 year cycle, payment equivalent to 4 days' salary will be made to the employee at the end of that cycle.

I GENERAL

1.1 This agreement supersedes all other agreements regarding Service Conditions and aspects contained herein and which was concluded prior to the signing of this agreement.

1.2 The parties to this agreement realise that the environment we operate in, is dynamic and competitive and as such would require long, medium and short term strategies to ensure a reliable service to our customers whilst maintaining financial viability and zero tolerance with regard to health and safety. All concessions made in terms of this agreement will automatically lapse at the termination of this agreement unless agreed otherwise. Unless otherwise agreed to in writing by the parties to this agreement, any Transnet policy/agreement issued subsequent to this agreement will supersede any relevant clause in this agreement. A monitoring framework and guidelines for the improved compliance with the Conditions of Service Agreement will be put in place as a separate process and will provide for the following:



- (a) A framework that must include monthly/quarterly meetings at a depot/centre level comprising of the depot/business manager and one shop steward from each recognised trade union, for increased monitoring.
- (b) Monitoring of compliance with the agreement, on an agreed basis, at the Transnet Engineering Chamber of the Transnet Bargaining Council of which Transnet Engineering will bear all costs arising from this.
- (c) Further, the parties will jointly identify corrective and/or other interventions to improve compliance with the provisions of this Agreement.
- (d) Develop capacity building and communications interventions for improved understanding of the Basic Conditions of Employment Act 1997, as amended and the link to the Conditions of Service Agreement; with the aim of improving the implementation and compliance with the legal requirements.
- (e) The capacitation interventions will be jointly conducted by the parties to the agreement.

- 1.3 Any variation to this agreement must be reduced to writing and signed by the parties.
- 1.4 In the event of the Parliament approving changes to Labour Legislation and if such changes/amendments have a direct bearing/impact on certain clauses in this agreement, parties will urgently meet to vary the affected clauses.

J DISPUTE PROCEDURES

- 1.1 Any dispute regarding the interpretation or application of any of the clauses as contained in this agreement, will be dealt with under the dispute resolution mechanism of the Transnet Bargaining Council.
- 1.2 With reference to section 30(e), (f) and (g) of the Labour Relations Act, (Act 66 of 1995) as amended, an independent body will be appointed to deal with any appeals regarding this collective agreement in respect of non-parties .

K COLLECTIVE BARGAINING

1.1 Unless otherwise agreed the forum for negotiation and conclusion of substantive agreements on wages and other conditions of employment between the parties to this agreement shall be the Transnet Bargaining Council.

Signed at Johannesburg on this 2nd day of July 2013

for and on behalf of



TRANSNET ENGINEERING



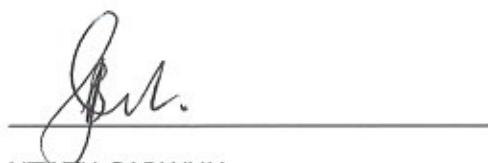
WITNESS



SATAWU



WITNESS



UTATU SARWHU



WITNESS

APPENDIX A

DISMISSAL ON GROUNDS OF OPERATIONAL REQUIREMENTS (REDUCTION IN OR RE-ORGANISATION OF PERSONNEL)

1. The services of an employee in permanent employment may be dispensed with prior to the normal retirement age in consequence of operational requirements which result in a reduction in or re-organisation of personnel or the termination of a specific business or service.
 - 1.1 "Operational requirements" refers to requirements based on the economic, technological, structural or similar needs of an employer.
2. The procedure prescribed by the LRA (Section 189 and 189A) will be followed when the Company contemplates terminating the services of one or more employees on the grounds of operational requirements.
- 2.1 Transnet Engineering will provide the representative trade unions and/or the affected employees with information regarding –
 - The reasons for the proposed dismissals
 - The alternatives that the employer considered before proposing the dismissals, and the reasons for rejecting each of those alternatives
 - The number of employees likely to be affected and the job categories in which they are employed
 - The proposed method for selecting employees to be dismissed
 - The time when the dismissals are likely to take effect
 - The severance pay proposed
 - Any assistance that will be offered to the employees who are likely to be dismissed.



2.2 The representative Trade Unions or the affected employees will be consulted on

- appropriate measures -
- To avoid the dismissals
- To minimise the number of dismissals
- To change the timing of the dismissals, and
- To mitigate the adverse effects of the dismissals
- The method for selecting the employees to be dismissed, and
- The severance paid to the dismissed employees

3. The pension benefits payable to employees whose services are terminated due to operational requirements will be as determined by the Pension Fund Statutes or the Transnet Retirement Fund.



Page 37 of 41



APPENDIX B
ANNEXURE B
PAYMENT FOR STANDBY
MONTH.
Date

Initials and Surname	Employee Number	Month	Previous Shift		Standby Hours.		
			From	To	Date	Day	Total Hours
					12	WE	
					13	TH	
					14	FR	
					15	SA	
					16	SO	
					17	MO	
					18	TU	
					19	WE	
					20	TH	
					21	FR	
					22	SA	
					23	SO	
					24	MO	
					25	TU	
					26	WE	
					27	TH	
					28	FR	
					29	FR	
					30	SA	
					31	SO	



					1	TU	
					2	WE	
					3	TH	
					4	FR	
					5	SA	
					6	SO	
					7	MO	
					8	TU	
					9	WE	
					10	TH	
					11	FR	

Employee _____

Date _____

Supervising Officer _____

Date Stamp

Business Manager _____

Date Stamp

APPENDIX C

ANNEXURE C

PAYMENT FOR CALL OUT WORK										
							Date			
Emergency work at _____										
1. Call received at depot. _____										
2. Personnel called. _____										
3. Personnel reported for duty. _____										
4. Work completed. _____										
Initials and Surname	Employee Number	Month	Date	Day	Hours of duty.		Total Hours Worked.	Total Hours to be paid.		
					From	To				
		12	WE							
		13	TH							
		14	FR							
		15	SA							
		16	SU							
		17	MO							
		18	TU							
		19	WE							

		20	TH			
		21	FR			
		22	SA			
		23	SU			
		24	MO			
		25	TU			
		26	WE			
		27	TH			
		28	FR			
		29	SA			
		30	SU			
		31	MO			
		1	TU			
		2	WE			
		3	TH			
		4	FR			
		5	SA			
		6	SU			
		7	MO			
		8	TU			
		9	WE			
		10	TH			
		11	FR			

Supervising Officer _____

Date Stamp

Business Manager _____

Date Stamp