

**VARIATION AGREEMENT  
FOR  
TRANSNET FREIGHT RAIL**

**2011 – 2014**

**1<sup>st</sup> October 2011 – 1<sup>st</sup> April 2014**

## VARIATION AGREEMENT FOR TRANSNET FREIGHT RAIL – 2011 TO 2014

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**TRANSNET BARGAINING COUNCIL**

**VARIATION AGREEMENT FOR TRANSNET FREIGHT RAIL**

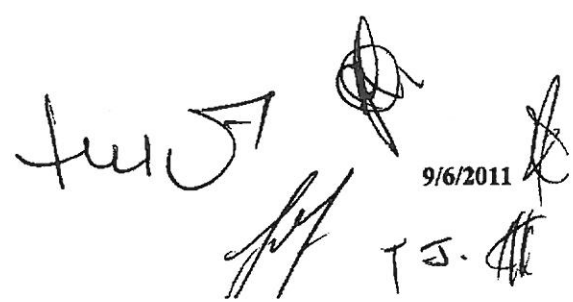
in accordance with the provisions of the Labour Relations Act, 1995, made and entered into by and between

A Division of **TRANSNET LIMITED SOC** trading as **TRANSNET FREIGHT RAIL**  
(hereinafter referred to as "Transnet Freight Rail")

and

**South African Transport and Allied Workers Union (SATAWU)**

and



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**United Transport & Allied Trade Union (UTATU)**

**(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 Freight Rail Chamber of The Transnet Bargaining  
council*

**PREAMBLE**

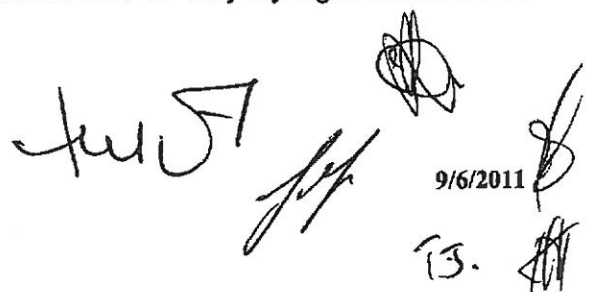
In recognition of the importance of health and safety of employees, our customers and the public,  
the parties hereby conclude this agreement on the following terms and conditions;

**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 Freight Rail 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



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areas of the Act in terms of Section 49 that will allow operational flexibility without compromising the health and safety of employees.

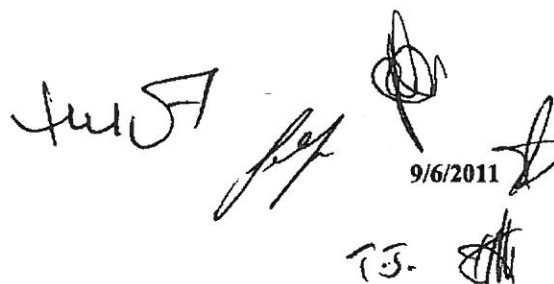
### C. VALIDITY

1. This Agreement shall come into operation with effect from 1 October 2011 and will remain in force until 31 March 2014.

### D. INTERPRETATIONS

- (1) Any expressions used in this Agreement which are defined in the Labour Relations Act, 1995 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 -
  - (a) the masculine includes the feminine and *vice versa*; and
  - (b) the singular includes the plural and *vice versa*.

**“Accumulative Leave”** means – A portion of an *employee’s* annual leave that may be accumulated.



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**"Bargaining council"** means – The Transnet *Bargaining council* registered in terms of the Labour Relations Act, 1995.

**"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)

**"Book-off"** means – An interval of rest during which an employee is not required to work away from his home depot.

**"Compressed working week"** means – the hours worked in a week may be averaged provided the employee does not work more than 12 hours in any day or more than 5 days in any week, or more than 44 hours in any week.

**"Compulsory leave"** means – The 21-day portion of the annual leave which has to be taken during the 13 month period that follows on the leave cycle (year) in which it was earned.

**"Corridor"** means – a route between two centres.

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

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



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**“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).

**“Night work”** means – Work performed between 18:00 and 06:00.

**“Operational Job(s)”** means – any one or more of the following job(s) within Transnet Freight Rail:

Administrative Official (SW), Artisan (General Duties) (V), Artisan (Special Duties) (V), Assistant Cartage Officer, Assistant Crane Foreman, Assistant Foreman (Overhead Track Equipment), Butler, Chief Administrative Official (SW), Chief Chef (Blue Train), Chief Fire Officer, Chief Shedman, Cook (Blue Train), Co-Ordinator (Operating Office), Crane Driver, Electrician (V), Engineering Technician, Executive Chef, Fire Fighter, Fire Officer, Fitter (V), Foreman (Overhead Track Equipment), Information Official, Kitchen Attendant, Leading Protection Official, Maintainer (Signals), Millwright (V), Overhead Track Helper, Overhead Track Worker, Process Worker, Protection Official, Restaurant Manager, Restaurant Supervisor, Roster Compiler, Sanddry Worker, Section Manager (Train Control), Section Manager (Train Traffic), Senior Administrative Official (SW), Senior Butler, Senior Caretaker, Senior Engineering Technician, Senior Fire Officer, Senior Protection Official, Senior Stock Controller, Service Driver (Class 1), Service Driver (Class 2), Shed Assistant, Shedman, Sous Chef, Technical Assistant (V), Technical Officer (Electrical Control), Technical Officer (Infrastructure)(Electrical), Technical Supervisor, Traction Lineman, Track Inspector, Track Master, Trade Hand (Level 2), Trade Hand (Level 3), Trade Hand (Level

  
  
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4), Train Assistant, Train Control Officer, Train Driver, Tranship Porter, Yard Foreman, Yard Master, Yard Official, Infra Worker, Infra Assistant..

Alfa character after job title means:

(SW) – Shift Worker.

(V) – This job falls within the scope of the term “Artisan Personnel”.

**“Ordinary hours of work”** means –

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

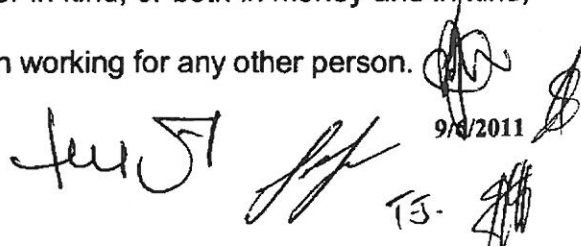
- (i) 44 ordinary hours in any *week*;
- (ii) eight hours 48 minutes in any day if the *employee* is scheduled to work for five days in a *week*; or
- (iii) nine hours for four days and eight hours for one day if the *employee* is scheduled to work for five days in a week.

**“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)*.

**“Recognition Agreement”** means – A collective agreement 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.

  
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**“Salary”** means – The employee’s fixed basic annual income.

**“Transnet Freight Rail”** 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.

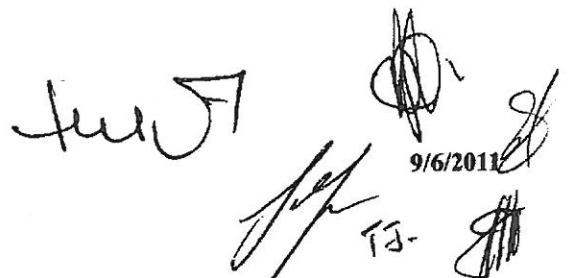
**“Straight time rate”** means – An hourly rate which is determined by dividing the annual basic *salary* by the total ordinary hours of duty per annum. The total of ordinary hours of duty per annum is calculated by multiplying the number of *weeks* (52) with the *ordinary hours of duty per week* (44).

$$(52 \times 44) = 2288$$

*Example :*  $R30\,000 \div 2288 = R13,11$

**“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.



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**“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 Freight Rail) and the employees of Transnet (Transnet Freight Rail). 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.

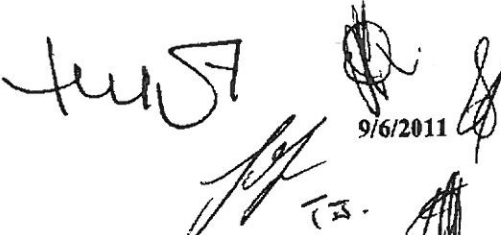
## **F. REMUNERATION**

### ***Salary Increases and Remuneration (General)***

1. *Salary/remuneration* increases shall be negotiated in the Transnet Bargaining Council

### ***Personnel Travelling As Passengers***

2. (1) Time travelled as a passenger outside ordinary working hours or rostered hours to perform work or returning to the depot after having performed work away from an employees' home depot, is paid at overtime rates provided the employee signs on and off at a depot.



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- (2) Pay arrangements for Train Drivers and Train Assistants and employees doing emergency work, i.e. who sign-on at their home depot, remain unchanged. [See sub-clause 10 (3) and (4)].
- (3) Time travelled as a passenger outside ordinary working hours to attend official training courses away from an employee's home depot is paid at straight time rates up to a maximum of a day's time.

### **Basis of Calculating Salary**

3. (1) 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).
- (2) The pay month shall extend from the 1<sup>st</sup> day of any month to the last day of the month.
- (3) 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.



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## G. REGULATION OF WORKING TIME

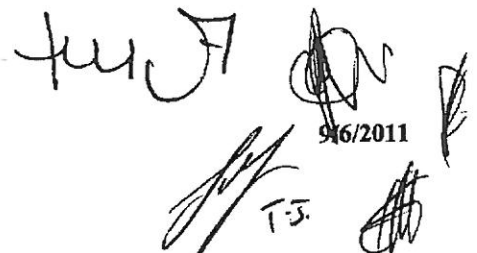
### Hours of Duty

4. (1) Shifts may be scheduled for not more than 44 ordinary hours of work in any week and not more than the daily hours laid down according to the following principles/rules:

Maximum ordinary hours per day 8 hours 48 minutes (5 day roster / schedule see sub-clause 5 (2));

- (2) *An employee may be required or permitted to work a compressed working week under the following circumstances:*

- (a) in terms of **an agreement**, which **must** be in writing and registered with the Corporate Employee Relations office and the relevant pay office;
- (b) not more than 44 ordinary hours in any week;
- (c) not more than 16 hours overtime in any week;
- (d) not more than 5 work days in any week be worked; and
- (e) payment will be made for a public holiday during a week where it is not required for an employee to work on that day.

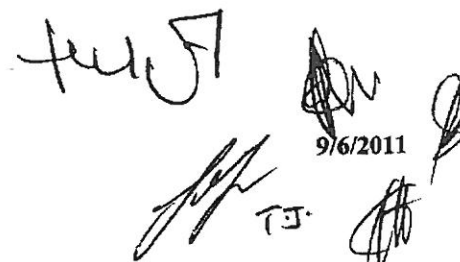


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- (3) The hours of duty for each place of employment (depot) shall be determined from time to time according to operational requirements. Any changes will be consulted, before implementation.
- (4) An *employee* working temporarily in a different grade or place will observe the hours prescribed for that grade and place, if these are different from the hours of duty fixed at his normal place of employment.

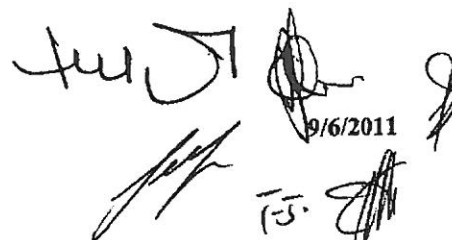
#### **Underlying Principles on Rostering and Scheduling Of Shifts**

5. (1) *Transnet Freight Rail* is a continuous 24 hour 7 days per week operation.
- (2) Employees may be required to work any 5 of the 7 days in any particular week and any changes to the roster will be consulted at depot level. Work on rest days will be paid at overtime / Sunday time rates whichever is applicable.
- (3) In the event that an employee is required to work on a rest day(s), it may only be by agreement and taking cognisance of the health and safety of employees and the effect that fatigue may have on an employee's health and the organisation.
- (4) The staff establishment of each depot shall take cognisance of leave, sick leave, rest periods, training, etc.



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- (5) Leave, Training and Shift Rosters as well as weekly rest periods to be planned well in advance.
- (6) Maximum hours of work per day:
  - (a) An employee shall be **rostered according to activities**, but for not more than **12 hours per day** inclusive of meal breaks, signing on and signing off time (See Clause 13).
  - (b) If, for whatever reason, an employee works in excess of 12 hours, such exceeding shall be paid at double the hourly overtime rate.
  - (c) A minimum of a 16 hours that will be granted to Train Crew on request in instances where a shift of 14 hours or more has been worked.
  - (d) Reasons for all 12 hour exceedings must be recorded.
- (7) Minimum daily and weekly rest periods as stipulated in clauses 14 to 16.
- (8) *Overtime* shall not exceed the limit stipulated in this agreement (See Clauses 4 (2) (c) and 11(1)).
- (9) Employees may be rostered/required to work a shift of variable length subject to a minimum of a day's wage. At the end of a shift an employee must ensure that he is aware of his next shift and shift length. Should such shift for whatever reason exceed the rostered shift length, it may only be done by agreement.
- (10) Shifts will be arranged after consultation with employees and their representatives in accordance with the provisions of this agreement and depending on operational requirements. (See clause 6 (b)).



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- (11) No roster may allow or permit an employee to sign on for a second shift within a 24 hours period/day except as per clauses 14 and 15 that regulates daily rest.
- (12) Where a shift extends beyond 12 hours due to unforeseen circumstances, an employee may **by agreement** be allowed to resume his next rostered shift with a minimum of 10 hours rest provided there are not more than two such incidents in any week.
- (13) The information that may be required on the effect of shift rosters include:-
- (a) the ranked preferences of employees for different shift systems (this should include factors such as rate of rotation, length of shift, extension of operating time, starting and finishing times of shifts, weekends off, off-duty periods);
  - (b) the employee's views for the advantages and disadvantages of the existing or proposed shift system;
  - (c) aspects of the employee's work that could affect the determination of a suitable shift length;
  - (d) how an existing or proposed shift schedule affects or might affect the health and safety of employees;



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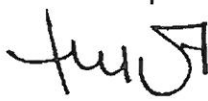
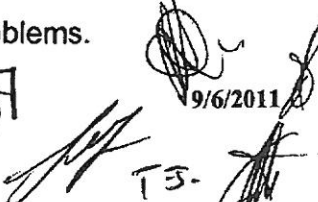
- (e) means, costs and availability of transport to and from the area of residence and the personal security of the employee while commuting;
- (f) the childcare needs of the employees.

(14) The information that will be required will depend on whether or not it is the introduction of a shift system for the first time or re-evaluating or redesigning a shift system.

### Arrangement of Shifts

6. The following apply to the arrangement of shift work:

- (a) Overtime should be avoided, especially in occupations involving special hazards or heavy physical or mental strain.
- (b) Rosters / shift schedules should be displayed or distributed on a weekly/monthly basis (which ever is applicable) for easy access by all workers, and must be presented in a readily understandable form.
- (c) Workers must receive a minimum of 12 hours notice in advance of scheduled hours of work and of any foreseeable changes to the schedule / roster except where sub-clause 5 (12) applies.
- (d) Arrangements must be considered to accommodate the special needs of workers such as pregnant and breastfeeding workers, workers with family responsibilities, older workers, disabled workers and workers with health problems.

  
  
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- (e) Employees shall be credited with the rostered time agreed to on sign-off for the next shift, or the actual time whichever is the greater.
- (f) Employees whose shifts are cancelled should, where it is reasonable and practicable to do so, be placed on suitable alternative duties taking cognisance of the original rostered shift length and reasonably related to the duties for which he is employed.
- (g) Notwithstanding the stipulations in clause 6 (c), (e) and (f) above, duly elected shop stewards who are required to perform shop stewards duties as per clause 7.2 of the *Recognition Agreement* will be guaranteed their original rostered shift payment as per the roster published in terms of clause 6 (b) above. This applies irrespective of the fact that the shop steward may be required to attend a meeting, represent a member at a disciplinary hearing etc. in stead of performing his normal duties as a train driver, train assistant, train control officer etc. The only exception would be where, for example, the employee (shop steward) was rostered for night shift and attends a meeting/hearing during the day, in which case the night shift allowance will not be payable where the meeting/hearing takes place during the day between 06:00 and 18:00. Overtime that was rostered, irrespective of the fact that it is not worked, will still be payable.

### Design of Shift Rosters

7. The following factors should be taken into account in the design of rosters for semi-continuous and continuous shift work:



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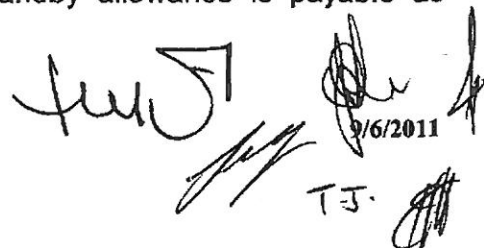
- (a) The frequency of weekend work and work on public holidays should be limited as much as possible for each worker.
- (b) The frequency of shift rotation should take account of the difficulties workers may have in adapting to night work.
- (c) It is preferable that shifts be rotated in a forward direction (morning to afternoon to night). Shift patterns should take cognisance of operational requirements and to be used as guideline to roster employees on morning, afternoon or nightshifts whichever shift pattern applies.
- (d) Night shifts should be no longer than morning and afternoon shifts. Where long night shifts are used they should be carefully reviewed to find ways to avoid fatigue. Successive long night shifts should be avoided and a balance should be found between morning, afternoon and night shifts.
- (e) Rest periods for shift workers should be scheduled to fall on weekends where it is practicable and possible (see Clause 16).

### **Rostering Method**

8. Rostering of employees will be based on the principles contained in Clauses 4 to 7.

### **Standby**

9. (1) Standby rosters must be compiled on a week on week off basis according to operational requirements, in which case a standby allowance is payable as stipulated in sub-clause 9(3).



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- (2) An employee shall not be placed on standby duty for more than 2 consecutive weeks except by agreement for not more than 4 consecutive weeks.
- (3) An *employee* who is required to be on standby during his daily or *weekly* rest period will be paid a standby allowance for every hour on standby as agreed to from time to time during wage negotiations.

### Call Outs

10. (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 : Minimum payment of 3 hours  
duty not exceeding 3 hours.

Where a second call out falls Minimum payment of 3 hours  
within 3 hours of the first call  
out it will be treated as 1 call  
out.

Where call outs overlaps. Actual time in excess of 3 hours for

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the full period.

- (2) These minimum time payments are subject to the proviso that no higher payment shall be made for two or more periods of duty than what 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.
- (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.
- (4) Transportation of employees on standby / callouts will be the responsibility of Transnet Freight Rail unless otherwise agreed.

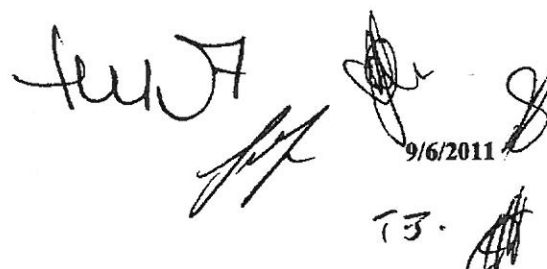
### Overtime

11. (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 80 hours per month.**
- (2) *Overtime* hours worked in terms of clause 11 (1) of this agreement shall include overtime hours worked on a Sunday.



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- (3) 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.
- (4) *Employees* on income levels higher than the *overtime/Sunday* time ceiling (i.e. R172 000 p.a.) shall be paid overtime at the *overtime*-ceiling rate unless another Collective Agreement in the Bargaining Council applies.
- (5) The *overtime ceiling* shall be adjusted by agreement from time to time.
- (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.
- (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.



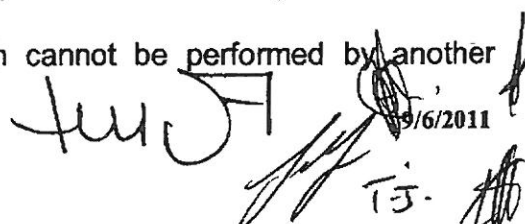
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### Sunday Time

12. (1) Hours worked on a Sunday by an *employee* who ordinarily works on a Sunday, shall be calculated as that *employee's ordinary hours of work* subject to sub-clause 4(1)).
- (2) An *employee* who **does not ordinarily work** on a Sunday, but is required to work on a Sunday, will be paid at double the *straight time rate* for each hour worked on a Sunday. An *employee*, who **ordinarily works** on a Sunday, will receive payment of ordinary time rates **as well as** a premium of 0.75 for every hour worked. Overtime worked on a Sunday will also count towards calculating *overtime* for the day/week for employees who ordinarily work on a Sunday.
- (3) *Employees* on income levels higher than the *overtime/Sunday time ceiling* of R172 000 shall be paid Sunday time at the Sunday time-ceiling rate.

### Meal Interval

13. (1) Subject to the stipulations of this clause, *employees* who work continuously for more than 5 hours per day must have a meal interval of at least 30 continuous minutes.
- (2) *Employees* may be required or permitted to perform duties during a meal interval that cannot be left unattended and which cannot be performed by another

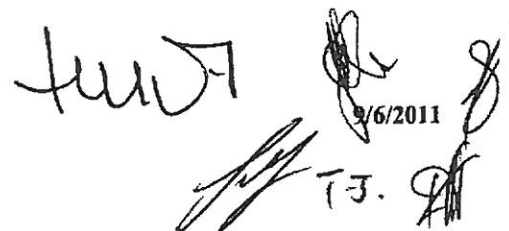
  
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*employee*. In such instances and in instances where an *employee* has been requested to be *available* for work during a meal interval, the *employee* will be paid accordingly.

- (3) Where meal intervals are rostered, such meal intervals shall be included in the roster for the next week and will be after completion of 5 consecutive hours of work. If scheduled between the 5<sup>th</sup> and 7<sup>th</sup> hour after commencement of work, the meal break will not exceed 30 minutes.
- (4) Where it is expected of an *employee* to work or to be *available* for work during an *employee's* meal interval, the meal interval will form part of the *ordinary hours of work* and an employee shall be entitled to payment (See Clause 5 (6)).

### Daily Rest Periods

14. (1) Subject to the conditions of Clauses 15 and 19, an *employee* must be allowed a daily rest period of at least 12 consecutive hours between ending and recommencing of work.
- (2) An employee may not be disturbed during his daily rest period.



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### Daily Rest at book-off depots and en-route

15. (1) A rest period of a minimum of 8 hours but not more than 10 hours will be allowed at book-off depots or en-route; and then
- (2) 16 hours at the home depot.
- (3) Notwithstanding the restriction contained in clause 5(11), employees on book-off working will sign on twice within a 24 hour period/day as a result of the reduced rest period when they book off.

### Weekly Rest Periods

16. (1) *Employees* employed in an *operational grade* will be granted scheduled rest periods as follows:
- (a) A weekly rest period of thirty six (36) hours which shall include a Sunday ;  
or
- (b) Where the company has not complied with Clause 16 (1) (a), at least 48 consecutive hours during the week.
- (c) Where Clause 16 (1) (b) was applied, every third rest period shall include a Sunday which will be granted on a "back to back" basis by combining the weekly rest of week 3 and the weekly rest of week 4.



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### ***Night Work***

17. (1) Due to Transnet Freight Rail's operations any *employee* employed in the operational environment could be required to perform *night work* on a regular basis (See Clause 7 on design of shift rosters).
- (2) 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 by the Risk Department / Employee Wellness Department of :
- (i) 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) Employees/candidates 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. *Transnet Freight Rail* may refer an *employee* to a registered Occupational Health Practitioner / Medical Practitioner of its choice for the account of the Company and such a report shall be submitted to the Company.



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- (3) Should an *employee* suffer from a health condition associated with the performance of *night work* and it is practicable to do so, reasonable efforts shall be made to transfer the *employee* to suitable day work.
- (4) An *employee* performing *night work* shall receive a standard allowance (*Night Work Allowance*) for every hour worked between 18:00 and 06:00 as agreed to from time to time during wage negotiations.
- (5) Where an *employee* is required to perform night work, it shall be ensured that transport is available. The costs of such transport for the *employee* should be in relation to similar transport during normal daytime working hours.

#### ***Public Holiday***

18. (1) Due to Transnet Freight Rail's operations *employees* may be required to work on a *Public Holiday* to meet Business needs (See Clause 7 on design of shift rosters) and shall be rostered / scheduled at least seven days in advance.
- (2) Provided his duties permit, an *employee* may be released from duty on a *Public holiday* without loss of pay.
- (3) If a *Public holiday* falls on a day on which an *employee* would ordinarily have worked and the *employee* works on such *Public holiday*:

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- (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.
- (4) 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.
- (5) (a) 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.
- (b) The provisions of sub-clauses 18(3) and 18(4) will equally apply to the *employees* acting in a higher grade.

  
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(6) All employees are entitled to the public holidays which are:

New Year's day	1 January
Human Rights Day	21 March
Good Friday	Friday before Easter Sunday
Family Day	Monday after Easter Sunday
Freedom Day	27 April
Worker's Day	1 May
Youth Day	16 June
National Women's Day	9 August
Heritage Day	24 September
Day of Reconciliation	16 December
Christmas Day	25 December
Day of Goodwill	26 December

(7) Any other day declared a *Public Holiday* and on publication in a Government Gazette.


  
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## H. PAYMENT FOR WORK PERFORMED

### Book-off

19. (1) Employees may be required to book-off en-route or at a "book-off station / depot" away from their home depots.
- (2) A book-off allowance of R32.55 per hour, calculated from sign-off to sign-on shall be payable.
- (3) The book-off allowance will be adjusted by the salary index as negotiated from time to time in the Transnet Bargaining Council.
- (4) The extension of the book-off principle to other Transnet Freight Rail lines, corridors and depots shall be determined by Operational requirements. In terms of the provision of meals and accommodation at book-off depots, Transnet's travel and accommodation policy will be applicable where possible.
- (5) Transnet Freight Rail will be responsible for cost of accommodation, meals and transport between the depot where the employee books-off / on and the book-off place.

  
  
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## Relief Duties

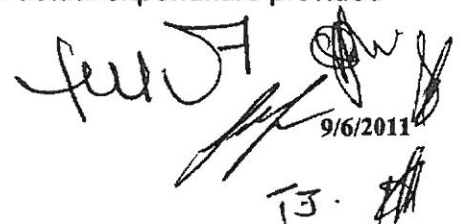
20. (1) *Employees* may be required to perform relief duties from time to time where it is reasonable and fair to do so and it is so agreed with the employee concerned.
- (2) Should an *employee* be required to perform relief duties at a depot other than his home depot for longer than twelve hours and over midnight, such *employee* will be paid the appropriate expenses rate prescribed in clause 21.
- (3) Should an *employee* be away from his home depot for longer than twelve hours and over midnight or midday in the case of an *employee* working a night shift, such *employee* will be paid the appropriate expenses rate prescribed in Clause 21(5).

## Expenses

21. (1) When an *employee* is required to perform work away from his home depot and is required to stay over, expenses will be payable.
- (2) Should an *employee* fall ill whilst performing duty away from his home depot, he should return to his home depot where warranted and practical.

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- (3) (a) Expenses will be payable from the *time of departure* from his home depot/home to the *time of arrival* at the home depot/home, whichever is the lesser.
- (b) Where Transnet Freight Rail provides accommodation with reasonable facilities, it must be utilised and expenses are payable in terms of sub-clause 21(4) (c).
- (4) An *employee* who is required to undertake duty away from his home depot, excluding employees who are ordinarily work away from their home depots, shall be paid expenses as follows:
- (a) If the *employee* is able to return to his home depot each day for a period of rest, expenses subject to a maximum amount of R60,00 in respect of absences exceeding 10 hours is payable.
- (b) If the *employee* is unable to return to his home depot each day for a period of rest, appropriate expenses, are payable, at the applicable rate prescribed in sub-clause 21 (5).
- (5) If expenses incurred by an *employee* away from his home depot are in excess of the expenses which are payable to him in terms of sub-clause 21(5), he may, if the circumstances justify such action, be reimbursed for actual expenditure provided his claim is supported by documentary proof.



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(6) Overnight Expenses Tariffs (excluding book-offs as per Clause 19):

	CATEGORY	TARIFF
(a)	<b>Own Arrangements</b>	R200 per night
(b)	<b>Hotel / Guest House including breakfast and dinner</b> <i>(Transnet policy and or practice will apply)</i>	Actual Cost supported by documentary proof. No telephone costs.
(c)	<b>Official Transnet Freight Rail Accommodation such as Section Hostels</b>	R 136, 00 per 24 hour day all inclusive where the absence goes beyond midnight.

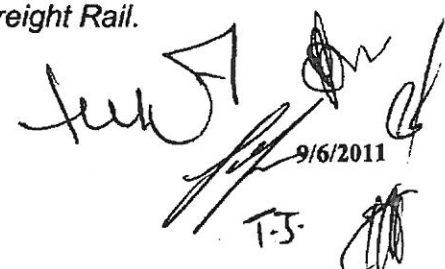
- (7) The amounts quoted in sub-clauses 21(4) (a) and 21(5) may be adjusted from time to time by agreement.
- (8) Where an *employee* qualifies for the payment of actual expenses, the claim must be supported by documentary proof.

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- (9) An *employee* cannot claim expenses for a breakfast on the day of his departure from his home / depot if he departs after 06:00.
- (10) Employees are entitled to claim R65,00 overnight expenses in instances where they are required to overnight away from their home depot excluding book off's.

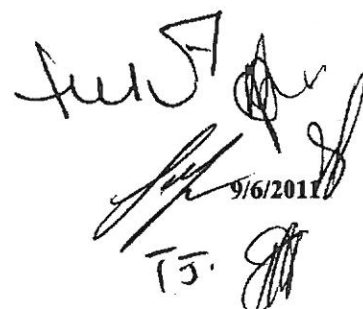
## I. TRANSFER / RELOCATION EXPENSES

- 22. (1) Payment under the provisions of this clause shall be made only if an *employee* is transferred / relocated for reasons other than forced relocations due to operational requirements and transfers on own request / accord.
- (2) Conditions which will apply in forced relocations for operational reasons shall be consulted in the National Business Committee (NBC).
- (3) An *employee* who is transferred / relocated from one location to another shall, even if he is on leave, be allowed, in respect of the journey from his present to his new home depot, expenses at the appropriate rates in Clause 21, for the duration of the direct journey, for himself, his wife or registered *life partner* and each registered dependant member of his family as well as the prescribed kilometre rates where applicable.
- (4) An *employee* may also have his furniture and effects packed, unpacked, conveyed and insured at the expense of *Transnet Freight Rail*.



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- (5) (a) An *employee* who is transferred / relocated as contemplated in sub-clause 22(1), shall, in addition to the expenses prescribed in sub-clause 22(2) and subject to the provisions of this sub-clause, be paid a fixed amount of R15 000 per household as compensation for any additional expenditure which he may incur as a result of his transfer.
- (b) If a married couple / registered life partner are both Transnet Freight Rail employees the relocation expenses shall be paid to one employee only.
- (6) The fixed amount shall be payable as a once-off payment to an *employee* as soon as he takes up residence at his new home depot.
- (a) If an *employee* who has been paid the fixed amount resigns or absconds within three months from the date of his transfer, such amount shall be recovered from the employee.
- (7) If an *employee* is transferred / relocated at **short notice** (less than a calendar month) and, as a result of this has to pay rent in lieu of notice or instalments on the property that remains empty or rent/accommodation at the new centre, he will be reimbursed the amount as agreed to with the employee for the notice period and on documentary proof thereof.



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**J. LEAVE (General)**

**Annual Leave**

23. (1) *Employees shall qualify for paid leave as follows:*

<u>Term of service</u>	<u>Allocation per annum</u>
One completed year of service up to 6 years	24 days
More than six years up to 16 years	28 days
More than sixteen years	36 days"

(a) *Employees who qualified for 28, 35 or 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 23(1) whereupon, in the case of 28 and 35 days leave, he shall be entitled to the leave allocation per annum corresponding to that term of service. 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.*

(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

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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 23(18)(a). Requests for occasional leave should be considered on merit and approval thereof should not unreasonably be withheld.

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

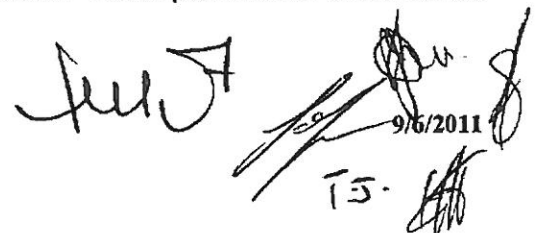
<u>Leave allocated</u>	<u>Compulsory days to be taken annually</u>	<u>Leave that may accumulate</u>	<u>Leave that may be encashed</u>
24 days	21	3	
28 days	21	7	
35 days (PTH)	21	8	6
36 days	21	8	7
40 days (PTH)	21	8	11

- (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 23(7), which should not be unreasonably withheld.

- (4) All 21 days compulsory leave should be taken of which 14 must be taken consecutively.

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- (5) Accumulative leave not taken shall be considered to accumulate automatically at the end of each leave cycle (See sub-clause 23(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 (See Clause 28). Payment will be affected at the end of the February pay month.
- (6) A period of leave shall be inclusive of the intervening Saturdays and Sundays, but shall exclude *Public holidays*.
- (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 23(5)) or encashed.
- (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.
- (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



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granted before 14 days consecutive leave has expired. In considering such request the controlling officer shall take cognisance of sub-clause 23(4).

- (10) An *employee* who fails to report after expiry of a period of authorised leave, shall be deemed absent from duty without permission.
- (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 Freight Rail shall take their compulsory leave before retirement.
- (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.
- (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.
- (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.




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- (15) Paid leave shall not be granted to enable an *employee* to transact business or to earn additional income from a source outside *Transnet Freight Rail*.
- (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.
- (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.
- (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 15 months according to the leave roster.
- (b) Leave shall accrue on a monthly basis.

### Leave for Sporting Competitions

24. 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 recognised 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.

  
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### Unpaid Leave

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

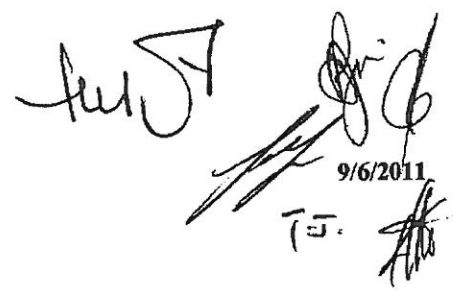
### Long Service Leave

26. (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 23(5), or be paid out in cash :-

	Days
On completion of 30 years actual service	15
On completion of 35 years actual service	5
On completion of 40 years actual service	5
On completion of 45 years actual service	5

### Study Leave

27. (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.

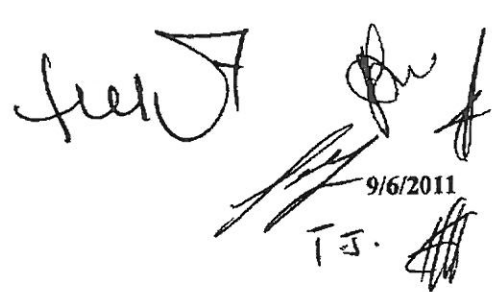
- (2) Other leave required for the purpose of studying must be taken from the *employee's* normal annual leave entitlement.

### Conditions for Encashment of Leave

28. The value of *Leave* will be based on the value of *salary* and the NPA where it is not yet fully integrated into the salary structure.

### Family Responsibility Leave

29. (1) This clause applies to an employee who has been in employment with the company for longer than four months.
- (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 –




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- (i) the employees' spouse or *life partner*, or
  - (ii) the employee's parent, adoptive parent, grand parent, child, adopted child, grandchild, brother or sister.
- (3) An employee may be required to produce reasonable proof of the above before payment is made.
- (4) An employee may take family responsibility leave in respect of the whole or a part of a day.
- (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.

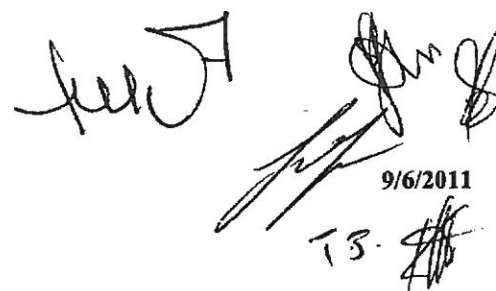
#### K. MATERNITY LEAVE

- 30 (1) A female *employee* who has completed at least 12 months uninterrupted service shall qualify for four (4) consecutive month's paid maternity leave.
- (2) The 4 (four) months paid maternity leave may be extended with annual leave days to the employee's credit, based on the approval of the responsible line manager and taking into account specific operational requirements.



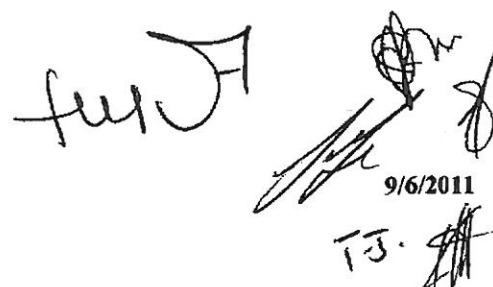
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- (3) The *employee* may, however, request that paid leave standing to her credit be granted to cover the period of unpaid maternity leave to a total of six months.
- (4) The service benefits of an *employee* granted maternity leave at a percentage of her *salary* shall not be affected detrimentally. Unpaid leave may, however, have a detrimental effect on service benefits.
- (5) Maternity **benefits** are granted for a maximum of three confinements.
- (6) Maternity leave has to commence at least two *weeks* prior to the expected date of confinement.
- (7) 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) 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.



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- (9) 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.
- (10) 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.
- (11) 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.
- (12) In the case of maternity leave through adoption, the maternity leave period will be limited to two months and to three occasions (adoptions).
- (13) *Employees* whose income is above the prescribed limit for U.I.F. membership shall be paid 80% of their normal basic *salary* for the first 90 days.



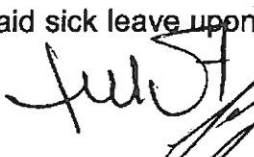

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- (14) The Company shall guarantee that the *employee* may resume work after expiry of the maternity leave in the same position that was applicable to the *employee* immediately prior to commencing her maternity leave, and at the same rate of pay she would have earned had she not gone on maternity leave.
- (15) 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.

## L. SICK LEAVE

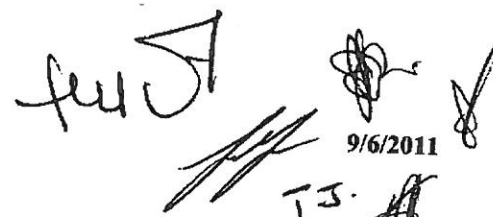
### Absence due to illness/sickness

- 31 (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.
- (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 submitting

  
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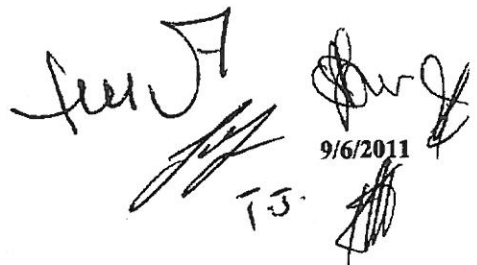
to Transnet Freight Rail a medical certificate stating that the employee is *incapacitated*, the duration of incapacity and that the illness is of a temporary nature. The sick certificate must be issued and signed by a medical practitioner or any other person who is certified to diagnose and treat patients 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.

- (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.
- (4) Notwithstanding sub-clause 31(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.
- (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 or where it is not reasonable and/or practical, when resuming the next shift.



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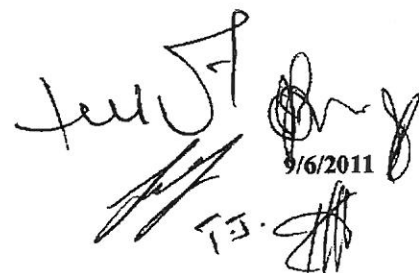
- (6) In all instances of sick leave *employees* shall inform their supervisors/ rostering office as soon as it becomes known that they cannot take up the shift.
- (7) An *employee* who is certified as unfit for duty shall not absent himself from his domicillium without the medical practitioner providing 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*.
- (8) An *employee* who is certified as unfit for duty shall not perform any work for or on behalf of another person outside *Transnet Freight Rail*, 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) 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 31(5) above;
- (10) Saturdays and Sundays falling in a period of incapacitation covered by a medical certificate shall be regarded as sick leave.



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## M. GENERAL

- 32 (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.
- (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.
- (3) All concessions made in terms of this agreement will automatically lapse at the termination of this agreement unless agreed otherwise.
- (4) Unless otherwise agreed to in writing by the parties to this agreement, any Transnet policy issued subsequent to this agreement will supersede any relevant clause in this agreement.
- (5) A monitoring framework and guidelines for the improved compliance with the Variation Agreement will be put in place as a separate process and will provide for the following:
- (a) A framework that must include weekly meetings at a depot level comprising of the depot manager and one shop steward from each recognised trade union, for increased monitoring except for Rail Network where meetings will be twice a month.

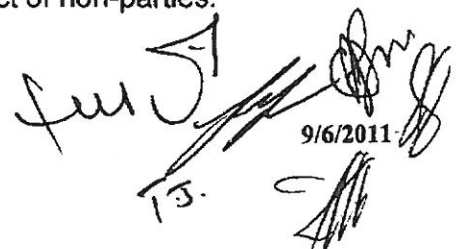


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- (b) Monitoring of compliance with the agreement, on an agreed basis, at the Transnet Freight Rail Chamber of the Transnet Bargaining Council of which Transnet Freight Rail will bear all costs arising from this.
  - (c) Further, the parties will jointly 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 Variation 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.
- (6) Any variation to this agreement must be reduced to writing and signed by the parties.

## N. DISPUTE PROCEDURES

- 33 (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*.
- (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.



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**O. COLLECTIVE BARGAINING**

34 (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 Freight Rail Chamber of the Transnet Bargaining Council.

Signed at HOUGHTON on this 06 day of SEPTEMBER 2011.

for and on behalf of


  
\_\_\_\_\_  
TRANSNET FREIGHT RAIL

  
\_\_\_\_\_  
WITNESS

  
\_\_\_\_\_  
SATAWU

  
\_\_\_\_\_  
WITNESS

  
\_\_\_\_\_  
UTATU

  
\_\_\_\_\_  
WITNESS

## 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 Freight Rail* 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

  
9/6/2011  
TS

- 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.



9/6/2011  
TJ.