

ANNEXURE

"A"

TRANSNET



MEMORANDUM OF UNDERSTANDING

Entered into by and between;

TRANSNET RAIL ENGINEERING

And

UNITED TRANSPORT AND ALLIED TRADE UNION

And

SOUTH AFRICAN TRANSPORT AND ALLIED WORKERS UNION

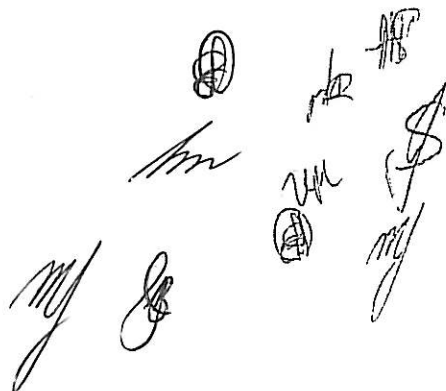
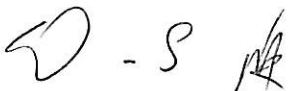
Whereas:

1. The parties have entered into engagements / discussions over a period of at least one year; on matters which threaten the continued viability of business of Transnet Rail Engineering;
2. Some of the threats identified by the parties are:

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W. S. A

- a) The impact of the world economic downturn / recession on the business of Transnet Rail Engineering.
 - b) The continued effect of the way in which overtime payments are administered in the Transnet Rail Engineering.
 - c) The way in which the flow of work processes are planned / organised.
3. Whereas the parties have reached consensus and common understanding that:
- a. The scope of the problem is national and across all the business units within Transnet Rail Engineering.
 - b. That an intervention is required to arrest the situation.
4. The parties have jointly and separately initiated certain projects / programs / interventions to ameliorate the worst effects / excesses of the above mentioned threats to the business.
5. In particular the parties have agreed:
- a. That Transnet Rail Engineering is a 24/7, continuous operation, as such all employees are deemed to be shift workers, and may be required to perform services in terms of a shift pattern.
 - b. To reconfigure the flow of work processes, i.e. the way we do business.
 - c. To revise the present shift patterns.
 - d. To cut the present costs of overtime in the system.
 - e. To make every effort to retain permanent employees in employment.
6. Pursuant to the above the parties are agreed that any new shift pattern intended to be introduced into the workplace must meet the following requirements;

A collection of handwritten signatures and initials in the bottom right corner of the page. There are several distinct marks, including what appears to be a signature 'M', a signature 'J', and various initials like 'HB', 'M', 'J', and 'S'.Handwritten initials 'D-S' followed by a signature 'M' in the bottom left corner.

a. It must be legal:

- i) It must comply with the main agreement which stipulates that the maximum ordinary working hours of an employee must be 40 hours a week.
- ii) It must comply with the provisions of the BCEA.
- iii) It must comply with the overtime ceilings imposed by the Minister of Labour.

b. It must be workable:

- i) It must be capable to be understood by all who are affected by it, administer and implement it, i.e. it must be simple.
- ii) It must be predictable.
- iii) It must be reliable.

c. It must reduce risk within the system:

- i) It must not be open to abuse.
- ii) It must reduce fatigue on human resources and physical facilities.

d. It must optimise the resources at our disposal:

e. It must serve the operational requirements of the business:

- i) TRE is a 24/7 continuous operation.
- ii) It is an integrated environment.

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Whereas:

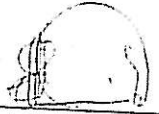
1. The parties have discussed and considered examples of new shift patterns which might include those on the annexure attached.
2. The parties understand that not all depots / work places are the same and therefore not one shift pattern may be suitable for all depots. The parties are agreed that, within the frame work of the principles above, depots may work a shift pattern/s which is more appropriate to the operational requirements of its locality.
3. The parties agree that new shift patterns are to be devised by the LBC for submission to the National Operations Committee for ratification and approval.
4. Provided that a shift pattern must:
 - a. Provide for a minimum of forty (40) ordinary working hours per week.
 - b. Adhere to the rest periods prescribed in the BCEA.
 - c. Saturdays when worked as part of the ordinary shift will be remunerated at the normal rate of pay.
 - d. Sundays when worked as part of the ordinary shift will be remunerated at the ordinary rate plus 0.5 of the rate.
 - e. A shift cycle may commence on any day of the week.
 - f. The first eight (8) hours of every shift worked will be remunerated at the ordinary rate per hour.
 - g. Must not exceed or transgress the ceiling of overtime as gazetted annually by the Minister of Labour.

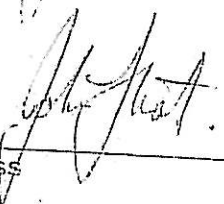
5. The parties agree that the processes envisaged by this memorandum are to be completed by the 5th of May 2009.

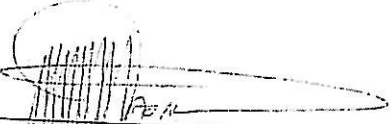
Dated at Esselen Park this 17th day of April 2009.

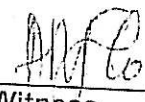

For: Transnet Rail Engineering


Witness


For: UTATU


Witness


For: SATAWU


Witness