



WAGE SETTLEMENT AGREEMENT

between

**TRANSNET SOC LIMITED
("TRANSNET")**

AND

**SOUTH AFRICAN TRANSPORT AND
ALLIED WORKERS' UNION
("SATAWU")**

AND

**UNITED NATIONAL TRANSPORT UNION
("UNTU")**

MADE IN THE MAIN CHAMBER OF THE TRANSNET BARGAINING COUNCIL

**IN RESPECT OF TERMS AND CONDITIONS OF EMPLOYMENT FOR THE FINANCIAL
YEARS**

1 APRIL 2018 TO 31 MARCH 2021

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12 April 2018

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TRANSNET

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1 PURPOSE AND SCOPE

- 1.1 The purpose of this agreement is to record the wage agreement (salaries, allowances and benefits) for all bargaining unit employees in Transnet SOC Limited for the financial years 1 April 2018 to 31 March 2021.
- 1.2 This agreement amends the terms and conditions of employment of bargaining unit employees in Transnet (unless otherwise expressly so stated) and supersedes existing agreements on the issues covered in this agreement.
- 1.3 This agreement will be implemented from 1 April 2018.

2 PARTIES TO THE AGREEMENT

- 2.1 The parties to this agreement are:
 - 2.1.1 Transnet SOC Limited ("Transnet") having its Head Office at the Carlton Centre, 150 Commissioner Street, Johannesburg, and including its Operating Divisions: the Corporate Centre (including Transnet Capital Projects, Transnet Properties and Transnet Foundation); Transnet National Ports Authority; Transnet Pipelines; Transnet Port Terminals; Transnet Freight Rail and Transnet Engineering);
 - 2.1.2 South African Transport and Allied Workers Union ("SATAWU"); and
 - 2.1.3 United National Transport Union ("UNTU").
- 2.2 This agreement applies to and is binding on all bargaining unit employees in Transnet (made up of its Head Office and operating divisions: the Corporate Centre, including Transnet Capital Projects, Transnet Properties and Transnet Foundation; Transnet National Ports Authority; Transnet Pipelines; Transnet Port Terminals; Transnet Freight Rail and Transnet Engineering, including those employees who are not members of the trade union parties to the agreement, whether or not such employees are members of any other trade union, employed in graded G to grade level L.

3 WAGES

YEAR 1: 2018/19 (1 APRIL 2018 TO 31 MARCH 2019)

- 3.1 The pensionable salary (including 13th cheque and pension) as well as the overtime rate up to the overtime threshold of permanent Transnet employees falling within the bargaining unit below Level G, will be increased by an across the board increase of 7.1% (seven point one percent).
- 3.2 In respect of level G employees, the agreed annual adjustment of 7.1% (seven point one percent) will be applied in terms of the provisions of the First Line Managers, Specialists and Technicians (FST) Agreement as amended.

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- 3.3 The across the board increase of 7.1% (seven point one percent) to basic salary will apply to employees who are employed on a fixed term contract basis and who are still in service on the date of signing of this agreement.

YEAR 2: 2019/20 (1 APRIL 2019 TO 31 MARCH 2020)

- 3.4 The pensionable salary (including 13th cheque and pension) as well as the overtime rate up to the overtime threshold of permanent Transnet employees falling within the bargaining unit below Level G, will be increased by an across the board increase of 7.1% (seven point one percent).
- 3.5 In respect of level G employees, the agreed annual adjustment of 7.1% (seven point one percent) will be applied in terms of the provisions of the First Line Managers, Specialists and Technicians (FST) Agreement as amended.
- 3.6 The across the board increase of 7.1% (seven point one percent) to basic salary will apply to employees who are employed on a fixed term contract basis and who are still in service on 1 April 2019.

YEAR 3: 2020/21 (1 APRIL 2020 TO 31 MARCH 2021)

- 3.7 The pensionable salary (including 13th cheque and pension) as well as the overtime rate up to the overtime threshold of permanent Transnet employees falling within the bargaining unit below Level G, will be increased by an across the board increase of 7.1% (seven point one percent).
- 3.8 In respect of level G employees, the agreed annual adjustment of 7.1% (seven point one percent) will be applied in terms of the provisions of the First Line Managers, Specialists and Technicians (FST) Agreement as amended.
- 3.9 The across the board increase of 7.1% (seven point one percent) to basic salary will apply to employees who are employed on a fixed term contract basis and who are still in service on 1 April 2020.

4 TRANSNET MEDICAL SUBSIDY

- 4.1 The medical subsidy is a fixed amount payable to all permanent bargaining unit employees who belong to or join a recognised Transnet medical scheme as a principal member.

YEAR 1: 2018/19 (1 APRIL 2018 TO 31 MARCH 2019)

- 4.2 The value of the medical subsidy will increase to R16,704 (sixteen thousand, seven hundred and four rand) per annum; this amounts to R1,392 (one thousand, three hundred and ninety two rand) per month, from 1 April 2018.

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YEAR 2: 2019/20 (1 APRIL 2019 TO 31 MARCH 2020)

- 4.3 The value of the medical subsidy will increase to R17,892 (seventeen thousand, eight hundred and ninety two rand) per annum; this amounts to R1,491 (one thousand four hundred and ninety one rand) per month, from 1 April 2019.

YEAR 3: 2020/21 (1 APRIL 2020 TO 31 MARCH 2021)

- 4.4 The value of the medical subsidy will increase to R19,164 (nineteen thousand, one hundred and sixty four rand) per annum; this amounts to R1,597 (one thousand, five hundred and ninety seven rand) per month, from 1 April 2020.

5 HOUSING ALLOWANCE

- 5.1 The housing allowance is a fixed allowance that is paid to all permanent employees below grade level G (grade levels H to L) in the bargaining unit.

YEAR 1: 2018/19 (1 APRIL 2018 TO 31 MARCH 2019)

- 5.2 The value of the housing allowance will increase to R16,704 (sixteen thousand, seven hundred and four rand) per annum; this amounts to R1,392 (one thousand, three hundred and ninety two rand) per month, from 1 April 2018.

YEAR 2: 2019/20 (1 APRIL 2019 TO 31 MARCH 2020)

- 5.3 The value of the housing allowance will increase to R17,892 (seventeen thousand, eight hundred and ninety two rand) per annum; this amounts to R1,491 (one thousand four hundred and ninety one rand) per month, from 1 April 2019.

YEAR 3: 2020/21 (1 APRIL 2020 TO 31 MARCH 2021)

- 5.4 The value of the housing allowance will increase to R19,164 (nineteen thousand, one hundred and sixty four rand) per annum; this amounts to R1,597 (one thousand, five hundred and ninety seven rand) per month, from 1 April 2020.

6 STANDBY AND NIGHTSHIFT ALLOWANCE

- 6.1 The standby and nightshift allowances are paid as circumstantial allowances to all bargaining unit employees, where applicable.
- 6.2 For the duration of this agreement, the standby and nightshift allowance will remain unchanged.

7 NON PENSIONABLE ALLOWANCE

- 7.1 The non-pensionable allowances will not be increased for the duration of this agreement.

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**8 OVERTIME**

- 8.1 The overtime payable to all employees in the bargaining unit, below level G (FST) will be paid in accordance with the earnings threshold as contained in the Ministerial Determination and published in the Government Gazette, as and when amended.
- 8.2 The overtime rate for all level G (FST) Employees is determined in accordance with the Collective Agreement on Remuneration Principles in respect of First Line Managers, Specialists and Technicians.

9 RETRENCHMENT

- 9.1 There will be no forced retrenchments in Transnet during the currency of this agreement. Transnet may, however, terminate the services of any employee, without payment of a severance package, if the employee unreasonably refuses to accept a reasonable offer of alternative employment with Transnet. Transnet is also entitled to offer voluntary severance packages to employees should it be deemed necessary to do so due to its operational requirements.

10 OPERATIONAL EFFICIENCY

- 10.1 Transnet and its recognized unions will, over the course of this agreement, strive to increase operational efficiency through the alignment of working arrangements for all bargaining unit employees across the business.

11 CONDITIONS OF EMPLOYMENT

- 11.1 This agreement is in full and final settlement of all demands, made by the parties during the wage negotiations for the years 1 April 2018 to 31 March 2021 relating to salary increases and changes to other terms and conditions of employment for the duration of the agreement (1 April 2018 to 31 March 2021), except for changes which may emanate from changes to existing collective agreements which the parties may agree to review.
- 11.2 Any amendment to or variation of any provision of this agreement shall not be valid or binding unless it is reduced to writing and signed by authorised representatives of the parties.

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12 DISPUTE RESOLUTION

12.1 Any dispute regarding the interpretation or application of this agreement will be referred to the Transnet Bargaining Council for conciliation and arbitration.

SIGNED AND DATED AT JOHANNESBURG on this 12th day of April 2018.

WITNESSES:

1. [Signature]

2. [Signature]

[Signature]
Name

Nontkululeko Sishi
For and on behalf of **TRANSNET SOC LTD**

SIGNED AND DATED AT JOHANNESBURG on this 12th day of April 2018.

WITNESSES:

1. [Signature]

2. [Signature]

Jack Mazibuko
Name

[Signature]
For and on behalf of the **SATAWU**

SIGNED AND DATED AT JOHANNESBURG on this 12th day of April 2018.

WITNESSES:

1. [Signature]

2. [Signature]

H. FOURIE
Name

S.A. Harris
For and on behalf of the **UNTU**

[Signature]