



NATIONAL SUBSTANTIVE AGREEMENT

ON WAGES AND CONDITIONS OF EMPLOYMENT

CONCLUDED BETWEEN

PIONEER FOODS (PTY) LTD t/a

ESSENTIAL FOODS: BAKERIES

AND

FOOD AND ALLIED WORKERS UNION

IN RESPECT OF

AEROTON BAKERY
BLOEMFONTEIN BAKERY
BRITS BAKERY-(not majority)
BRITO'S BAKERY
CAPE BAKERY- (not majority)
KRUGERSDORP BAKERY
LADYSMITH BAKERY
POLOKWANE BAKERY
MOKOPANE BAKERY
OLIFANTSFONTEIN BAKERY
QWAQWA BAKERY
SHAKASKRAAL BAKERY
TUBATSE BAKERY
WORCESTER BAKERY

ALIWAL NORTH DEPOT
BETHLEHEM DEPOT
DURBAN DEPOT
EAST LONDON DEPOT
ELIM DEPOT
LEPHALALE DEPOT
ESHOWE DEPOT
GROBLERSDAL DEPOT
JANKENFORD DEPOT
JEFFREYS BAY DEPOT
KIMBERLY DEPOT
KLERKSDORP DEPOT
LEBOWAKGOMO DEPOT
MALMESBURY DEPOT
NELSPRUIT DEPOT
NEWCASTLE DEPOT
VREDENBURG DEPOT
VRYHEID DEPOT
RICHARDS BAY DEPOT
MKHUZE DEPOT
ESTCOURT DEPOT
KURUMAN DEPOT
TZANEEN DEPOT
ULUNDI DEPOT
EAST RAND DEPOT
WITBANK DEPOT
SIBASA DEPOT
GOLDFIELDS DEPOT
BOCHUM DEPOT
ZEERUST DEPOT-(not majority)
RUSTENBURG DEPOT-(not majority)
ROSSLYN DEPOT

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SCOPE OF AGREEMENT

This agreement will only be applicable at workplaces where verifications have been done and FAWU is the majority.

1. DURATION OF AGREEMENT

This agreement will be effective from **1 July 2014 to 30 June 2015 (including 30 June 2015)** for permanent wage earners.

2. METHOD OF PAYMENT

The following wage increase will be implemented

- 2.1 **Seven and a half percent (7.5%)** increase plus additional **zero point five percent (0.5%)** bonus (ATB) across the board. This increase shall be reflected on the minimum wage scale and basic salaries on payslips of 2014 to 2015. The increase is effective as of 01 July 2014.
- 2.2 For the closure of gaps on minimum wages, the following will be implemented as agreed in 2013:
- Incorporate Category 1 into Category 2 and Category 3 to 4 within a period of 5 years.
 - Freeze Category 4 for 5 years.
 - Gaps within gaps in Category 2 and Category 3 will be closed within the 5 year period.
 - New entry minimums for new employees from outside the Company; to be at 80% of the current Grades in each category for 2 years.

The stipulated additional adjustments above will be made to the minimum basic wages, each year, over the period; 1 July 2013 to July 2018.

2.2.1 Below are the units which will get the additional adjustment:

Malmesbury Depot, Aliwal North Depot; Kimberley Depot Newcastle Depot, Vredenburg Depot, Kuruman Depot, Vryheid Depot, Durban Depot, Lephalale Depot, Eshowe Depot, Jan Kempdorp Depot, Mkhuze Depot, Richards Bay Depot and Ulundi Depot.

2.2.2. Should any wage earner earn less than the above minimum for his/her current grade after the adjustment has been granted; his/her wages will be increased to the respective minimum of the current job.



3. METHOD OF PAYMENT

- 3.1 All wage earners will be paid monthly
- 3.2 Wages will be paid electronically into a bank account. No cash will be handled on premises for wages.

4. HOURS OF WORK

Normal hours of work will be 45 hours per week.

5. ANNUAL BONUS

An annual bonus equal to one (1) month's basic wage will be paid to a wage earner if he/ she have completed a year's service as on 31 December, payable by 15 December.

Employees electing to have their bonuses split from their December remuneration, on 15th December and by the 31 December should apply using a relevant form to their respective Units by the 30th of September.

A pro rata bonus will be paid to all wage earners with less than a year of service by 15 December.

6. PUBLIC HOLIDAYS

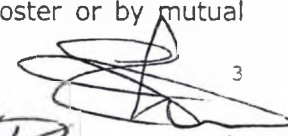
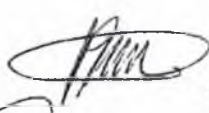


All 12 statutory public holidays will be recognised as Public Holidays. Should any wage earner work on a Public Holiday, he/she will be paid three times the basic wage for work on that day, on condition that the employee worked the day prior to the public holiday. If the wage earner does not work on the day prior to the public holiday, payment for the work on the public holiday will only be paid as per the Basic Conditions of Employment Act, namely time plus time.

7. LEAVE

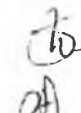
7.1 Annual leave:

1 - 10 years of service: 22 working days for all wage earners. After 10 years of service: 24 working days for all wage earners. Annual leave is based on a 5 day working week. The required minimum consecutive leave to be taken per year will be 10 consecutive working days.

- Employees may not accumulate at any time more than 42 days leave (employees with less than 10 years' service), or 44 days (employees with 10 years' service or more). No leave will be paid out in cash.
- Leave will be taken as per departmental leave roster or by mutual consent.



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7.2 **Sick leave:**

There will be 36 days sick leave in a cycle of 36 months for wage earners employed on a six day week basis.

There will be 30 days sick leave in a cycle of 36 months for wage earners employed on a five day week basis.

Sick leave is paid on presentation of a valid doctor's certificate, as well as a valid certificate issued by a registered traditional healer/ sangoma.

7.3 **Customary leave:**

Three months unpaid subject to prior approval. Applications must be submitted at least two (2) weeks beforehand. Wage earners requiring longer periods of unpaid customary leave are free to discuss this with Management.

7.4 **Family Responsibility Leave**

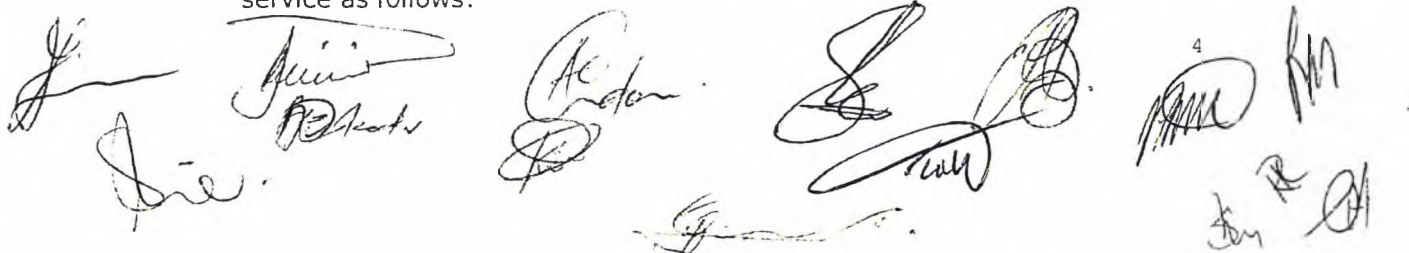
Employees are entitled up to three (3) days paid family responsibility leave per year which can be taken when:

- a. An employee's child is born;
- b. The employee's child and/or spouse is hospitalized;
- c. In the event of the death of a spouse, life partner, the employee's parent, adoptive parent, grandparent, child, adopted child, grandchild or sibling and parents in-law.
- d. The Company requires reasonable proof of the event for which the leave was required
- e. Family Responsibility leave will not accumulate on an annual basis.

7.4.1 **Compassionate Leave** will be granted at the discretion of management in consultation with shop stewards, each case of compassionate leave is to be handled on its own merits. Consent thereto will not be unreasonably withheld.

7.5 **Maternity leave:**

A wage earner will be granted maternity leave after one year completed service as follows:



7.5.1 All female employees are eligible for 4 months partly paid maternity leave.

7.5.2 Wherever reference is made to "maternity leave", this should also be read as "adoption leave" on the condition that the adopted child is younger than 2 years and the child has been adopted in terms of the Child Care Act 1983.

7.5.3 An employee who has a miscarriage during the last trimester of pregnancy or carries a stillborn child is entitled to maternity leave for six weeks after the miscarriage or stillbirth, whether or not the employee had commenced maternity leave at the time of the miscarriage or stillbirth.

7.5.4 The rules are as follows:

7.5.4.1 Female employees are eligible for 4 months continuous maternity leave.

7.5.4.2 Statutory requirements determine that you are not allowed to work 4 weeks prior to the expected delivery date and 6 weeks after the latter date (Basic Conditions of Employment Act).

7.5.4.3 You may however work for longer than the statutory required 4 weeks prior to the expected delivery date and return earlier than the statutory required 6 weeks after the birth. In both instances the shorter period must be approved by your doctor by means of a medical certificate.

7.5.4.4 The monthly compensation during the approved maternity leave period for employees is as follows:

Monthly Compensation	
Total Package	78% of Total Package
Retirement + Medical Aid Funds	You stay a member of the fund as if in full time employment. Member contributions are recovered from the employee's monthly salary as if in full time employment.

(a) Should she be a member of the medical aid, for the period of maternity leave she will pay the full cost of her membership, which will be deducted from her cash payment portion.

(b) Should she be a member of the company retirement fund or provident fund, she must pay at least the

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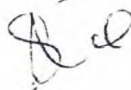
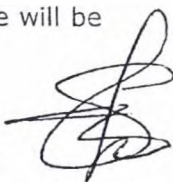

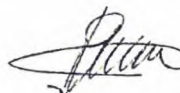
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contribution required to fund insured benefits and administration cost, which will be deducted from her cash portion.

- (c) Where necessitated by unforeseen and/or unusual circumstances, you may apply for an extended period of absence beyond the approved maternity leave period. This extended period of absence will be regarded as unpaid leave.
- (d) Overpayments (i.e. shortfalls) will accumulate until the employee returns to work. All monies owed to the company will then be deducted from the employee's salary when the employee returns from maternity leave.
- (e) An employee who has received payment during maternity leave has to return to work and work for at least a period that is equivalent to the period for which she has enjoyed the benefit. If she does not, she has to repay the full financial benefit that she received.
- (f) Outstanding annual leave (not sick leave) may be taken before utilizing the maternity leave.
- (g) An employee who has been on maternity leave will resume her duties at the same remuneration as applied before she went on maternity leave. Should annual salary increase be implemented during her absence, her package may be adjusted. Such adjustment will be made on the normal increase date and will be applied pro-rata to the proportion of monthly total cost of employment, which she receives while on maternity leave after this date.
- (h) For the purpose of annual leave, maternity leave will be regarded as continuous service.



7.6 **PROCEDURE- Maternity Leave**

- 7.6.1 Application forms must be submitted at least 3 months before you start your leave. Ensure that your Manager has authorized the application and that a doctor's certificate showing the anticipated date of confinement is attached.
- 7.6.2 The completed leave book should be submitted to the employee's immediate manager and thereafter to the manager of the operating point for approval.
- 7.6.3 Details of this type of leave taken must be entered on Annexure 5A which is sent to the payroll department each month.

7.7 **Study leave:**

A maximum of 12 days per year on condition that the course is approved by Management, on the basis of one day's leave per full subject prior to the examination being written and one day for the writing of the examination.

8. **ALLOWANCES AND AWARDS**

8.1 **Long service awards:**

- 8.1.1 Parties agree to a long service award that recognises an employees' completion of 5 years continuous service with the Company, for which a certificate of service will be issued.
- 8.1.2 An award will be paid to employees after every 10 year's continuous service; will be calculated as follows- Total Annual Cost to Company divided by 12 months. No other long service allowance to be paid.
- 8.1.3 Every 5 Year Certificate of service will reflect all the positions occupied by the incumbent.

8.2 **Standby allowance:**

Where a wage earner in a maintenance department is formally scheduled by management for standby duties, an allowance of R500 per week will be paid. In the event of a call-out for any amount of hours/ minutes, short of two hours, on any given day, a minimum of two (2) hours overtime will be paid. For any amount of hours/ minutes more than two (2) hours worked, on any given day, the actual amount of hours/ minutes will be paid as overtime.

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8.3 **Night shift allowance:**

If the normal hours of wage earners worked between 18:00 and 06:00 is-

8.3.1 Equal or greater than 6 hours, then an allowance of;

- normal hours worked between 18:00 and 06:00 x hourly rate x 10 percent will be paid

8.3.1 Less than 6 hours, then an allowance of;

- normal hours worked between 18:00 and 06:00 x hourly rate x 2 percent will be paid

No other shift allowance will be paid.

8.4 **Overtime:**

Overtime worked in the week will be paid at 1.5 times the normal rate of pay. Overtime worked on a Sunday will be paid at double the normal rate of pay (time plus time). Overtime shall be voluntary except during emergencies as defined by the Basic Conditions of Employment Act.

8.5 **Acting allowance**

Acting allowance of 15% of the employee's wages will be payable per day and this will be effective from the first day of acting in a higher position.

9. **YEAR END FUNCTION**

A year end function will be held for all wage earners as in the Company's service in December. This function replaces the year-end hamper.

10. **HOUSING LOAN**

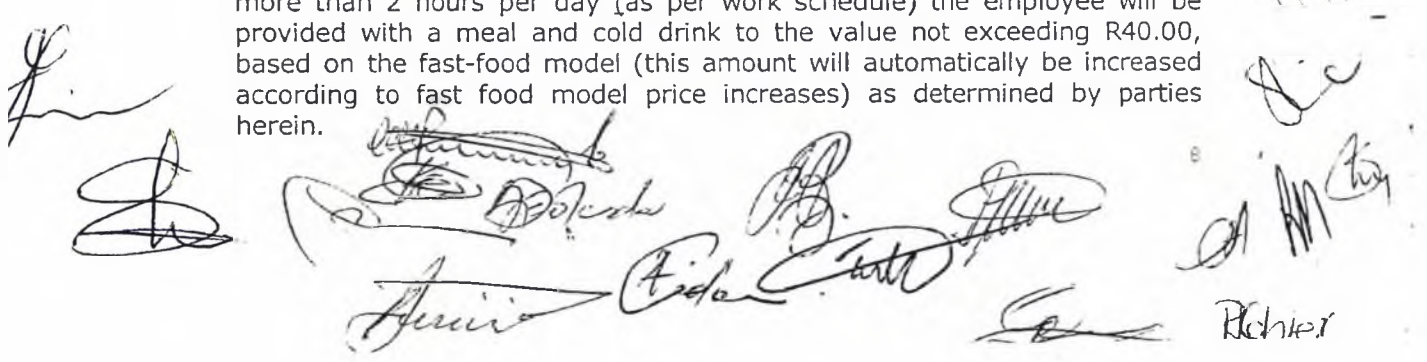
Parties will keep the Housing Loan process with the Provident Fund as agreed.

11. **LIFE COVER FOR DRIVERS AND DELIVERY ASSISTANTS**

As per the Interim Forum the parties agree that Life Cover for Drivers and Delivery Assistants (R20 000) to be implemented effective from 1 July 2008.

12. **UNPLANNED OVERTIME MEAL**

The parties agree that if/when an employee works unplanned overtime of more than 2 hours per day (as per work schedule) the employee will be provided with a meal and cold drink to the value not exceeding R40.00, based on the fast-food model (this amount will automatically be increased according to fast food model price increases) as determined by parties herein.

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13. POLYGRAPH TEST

The company will ensure that individuals are not forced in any way and that they are informed of their rights under appropriate circumstances before giving consent to the test and be informed that:

- 13.1 the examinations are voluntary;
- 13.2 only questions discussed prior to the examination will be used;
- 13.3 he/she has a right to have interpreter, if necessary;
- 13.4 should he/she prefer another person may be present during the examination, provided that person does not interfere in any way with the proceedings;
- 13.5 no abuse in whatever way will be allowed;
- 13.6 no discrimination will be allowed;
- 13.7 no threats will be allowed

14. SHOP STEWARDS TRAINING

Both Parties undertake to train shop stewards whenever the need arises considering affordability and budget constraints.

15. REVOLVING FUND

Both parties agreed to increase the revolving fund to R2 500.00 with the repayment period of 8 months, owing to the rules of the scheme. Parties further agree that, in extraordinary circumstances where employees would require more than R2 500.00 for school assistance, supporting documents and requests should be submitted to the Unit and to be approved only by Divisional Manager Human Resources. For emergencies money will be paid on the same day or not later than 3 working days and for study assistance within 2 weeks.

16. FUNERAL TRANSPORT



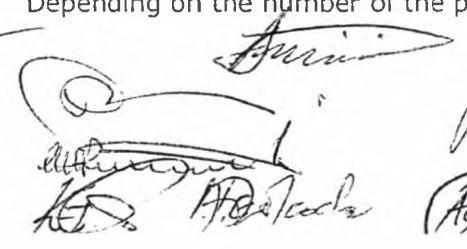
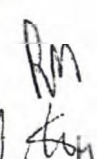
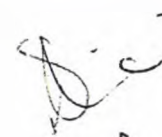
In the event of an employee's death, the following will apply as agreed by each region:

Western Cape

- 50 loaves and a wreath/blanket
- Depending on the number of the people, a quantum or Iveco will be provided within a certain radius of the bakery unit.
- In areas where public transport is not available a car hire will be considered.
- Request should be made in writing, approval will only be granted by Divisional Manager Human Resources

Eastern Cape

- Money for groceries and wreath/blanket
- Depending on the number of the people, a Quantum or Iveco will be



- provided within a certain radius of bakery unit.
- In areas where public transport is not available a car hire will be considered.
- Request should be made in writing, approval will only be granted by Divisional Manager Human Resources

KZN

- 100 loaves and a wreath/blanket
- Transport provided for depending on the number of employees

Free State/ Northern Cape

- 100 loaves will be donated and wreath/blanket
- Transport provided for depending on the number of employees, within a delivering area of the Bakery Unit.

Limpopo

- 100 loaves will be donated
- R1000.00 for groceries and slips to be provided
- Transport provided for depending on the number of employees within a delivering area of the Bakery Unit

Gauteng-Communication to the bereaved through a shop steward

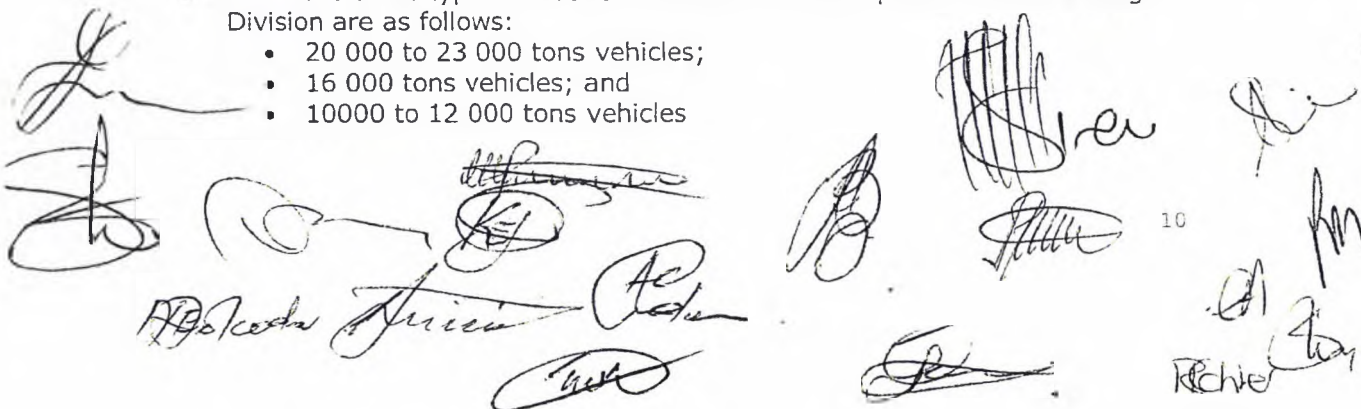
- 50 loaves will be donated
- R1000.00 for groceries and slips to be provided
- A 24 seater will be provide within a delivery area not exceeding 100 kilometers
- Transport provided for 5 people (one of them should be a shop steward) for a distance exceeding the delivery area.
- For Aeroton a staff bus will be provided when available within a delivery area not exceeding 100 kilometers

❖ *An improvement will be made on current practices in terms of transport expenses when an employee dies.*

NB: Money given to the deceased family is taxable.

17. FEEDER TRUCK SCHEME

- Feeder truck drivers will receive R1500 incentive Bonus per month without any conditions attached. Their grades will remain grade 6.
- There are three types of Feeder Truck Drivers that qualifies in the Baking Division are as follows:
 - 20 000 to 23 000 tons vehicles;
 - 16 000 tons vehicles; and
 - 10000 to 12 000 tons vehicles



18. **AGENCY SHOP AGREEMENT** refers to Agency Shop Agreement signed on 25 August 2010.

19. **FAWU FUNERAL PLAN STOP ORDER FACILITY**

The Company will grant FAWU the stop order facility on condition that employees/Union/SAFRICAN will pay the admin cost.

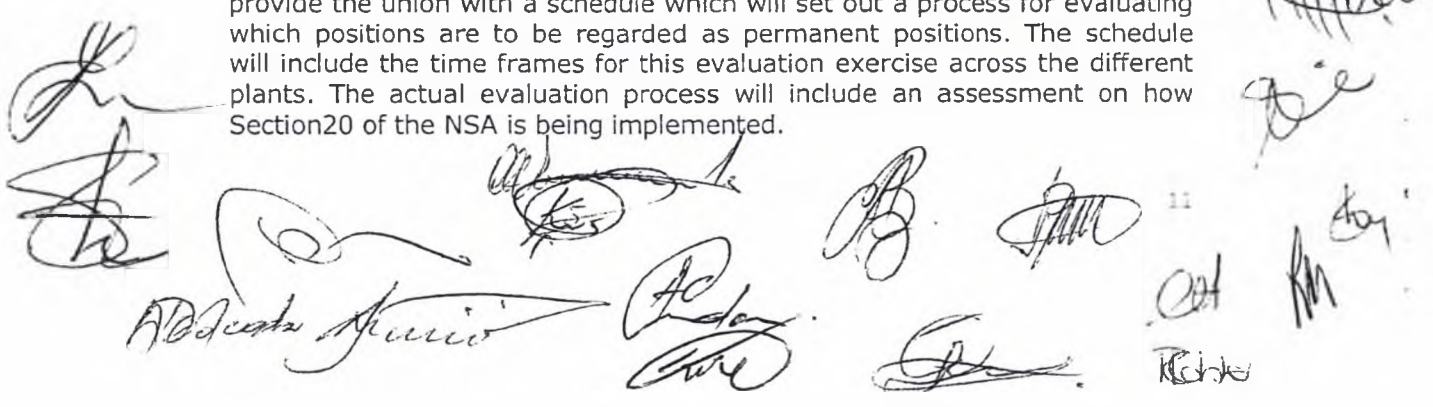
- Parties agree to the direct implementation of a stop order facility by the company for employees in the bargaining unit
- The scope of the SLA (Service Level Agreement) must at least contain the following:
 - Administration of the claims
 - Cost of the deductions
 - Standard / Basic plans
 - Underwriter agreement
 - Definition of roles and responsibilities of SAFRICAN, Babereki Dignity Plan and the company

20. **LONG TERM CASUALS**

The parties agree that long term casuals will be employed permanently on the following basis:

- Upon completion of precarious employment (distribution model) exercise, which will determine whether the position is permanent or not, this exercise will be limited to an intake of special 2nd Delivery Assistants on a minimum package of R49,000.00 per annum.
- This minimum package of R49, 000.00 will be fixed for a period of (5) years.
- New entry minimums for new employees/long term casuals from outside the Company other than 2nd Delivery Assistants to be 80% of the current Grades in each category for 2years.
- All of these employees will enjoy the normal annual increase in terms of the NSA the following year and onwards.
- Parties agree to an indefinite closed shop agreement applicable to all employees who will be permanently employed, as a result of the precarious employment exercise. This Closed shop agreement will be limited to workplaces where FAWU is in the majority.

20.1 Precarious employment: By the end of May 2014 the company will provide the union with a schedule which will set out a process for evaluating which positions are to be regarded as permanent positions. The schedule will include the time frames for this evaluation exercise across the different plants. The actual evaluation process will include an assessment on how Section 20 of the NSA is being implemented.



21. POLICY COMMITTEE

The parties agree to a policy committee whereby issues pertaining to policy matters within Essential Foods: Bakeries Bargaining Unit will be addressed. Essential Foods: Bakeries has no jurisdiction to discuss issues pertaining to BEE shares; however, both parties agree that any issues relating to BEE shares scheme will be dealt with at the Policy Committee, whereby the people who have the jurisdiction will be invited to address those issues, including the training of the elected trustees. The details as to the composition, form, content and context thereto will be discussed in the Interim Forum.

22. MEDICAL AID

- The company commits to R100 per employee assistance to a medical aid investigation which R100 after such investigation will not be withdrawn or reduced, provided that the proposed medical aid scheme is:
 - ♦ Legally compliant
 - ♦ Adds value to the employees and the company
- The final choice of medical aid scheme, products and brokerage will rest with the union.
- The union will engage with the company regarding the implementation of stop order facilities for medical aid deductions. The process followed in the implementation of stop order facilities for the funeral scheme can serve as a guideline in respect of the process for stop order facilities for medical aid.

23. SCHOOL BURSARY PRIMARY AND TERTIARY

- Parties to form a task team to investigate and deliberate on finding ways to move forward.
- The task team will be formed at the first interim forum meeting and will report to the interim forum of its findings.

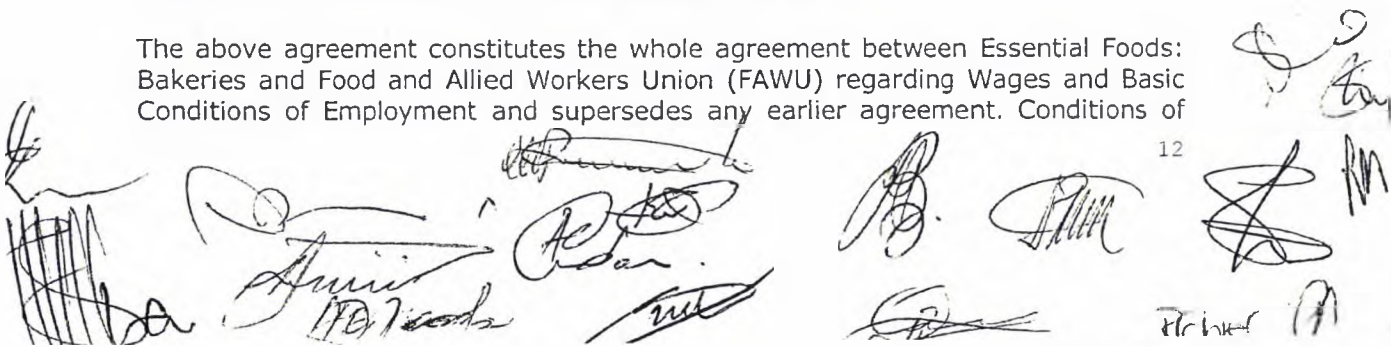
24. PROTECTIVE CLOTHING POLICY

Parties have agreed to finalise details of the Protective Clothing Document and attach it to this agreement.

25. EMPLOYEE SHARES

Essential Foods: Bakeries will not oppose the union to engage with the Board of Trustees of this scheme, wherein FAWU as an interested party will take their issues about the scheme to the trustees for their consideration.

The above agreement constitutes the whole agreement between Essential Foods: Bakeries and Food and Allied Workers Union (FAWU) regarding Wages and Basic Conditions of Employment and supersedes any earlier agreement. Conditions of

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service not referred to by this agreement will remain applicable unless agreed otherwise by parties.

26. PROVIDENT FUND

In terms of the newsletter from the Board of Trustees the employer agrees to carry the cost for death claims and not employees. The Pioneer Provident Fund Trustees shall still remain responsible to decide on the distribution of benefit allocations to beneficiaries.

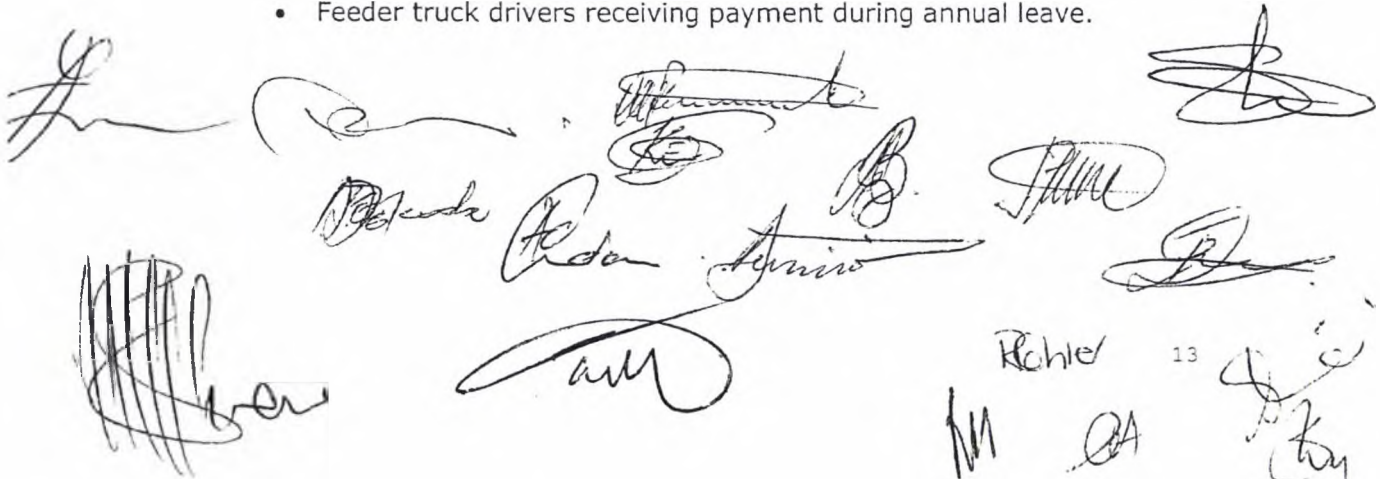
27. CENTRALISED BARGAINING

- A joint meeting of the Bakeries interim forum and Grain participative forum will be convened in August/September 2014 to discuss the issue of centralised bargaining for Bakeries and Grain.
- Unions will be given a day for caucusing on the day prior to the meeting.
- Parties will prepare proposals for presentations at the meeting.

28. OUTSTANDING MATTERS

The following issues have been deferred to the Interim Forum.

- Long Service award-every 5years to get half of what they get when completing 10years.
- Shift allowance-5% morning and 15% night as an improvement on the compensation.
- Severance pay- 2 week's pay for each completed year of service.
- Life cover for employees - R20,000.00 life cover
- Split Bonus
- Precarious employment
- Overtime (continuous shift)
- Employee Transport/Night Transport
- Leave days and leave reduction
- Slight improvement on ATB 2014/15 based on comparisons on general increments in this division
- Protective Clothing Document
- Interim Forum (naming of the forum)
- Feeder truck drivers receiving payment during annual leave.



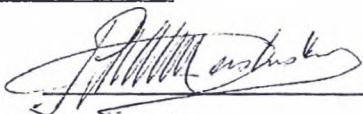
Other conditions

Parties agree that all other terms and conditions of employment that were not subject to these negotiations will remain in force and unchanged.

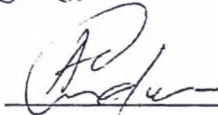
This agreement was signed at **Heia Safari Ranch, Johannesburg, Gauteng** on this **12th day of August 2014**

AS WITNESSES:

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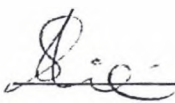
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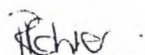
Chief Signatory
For and on behalf of Food
and Allied Workers Union

AS WITNESSES:

1



2



Chief Signatory
For and on behalf of
Pioneer Foods
Essential Foods: Bakeries

