

**SUBSTANTIVE AGREEMENT**  
**01 March 2020 to 28 February 2023**

**AGREEMENT**

BETWEEN

**PALABORA COPPER (PTY) LTD**

("the Company or PC")

and

**THE ASSOCIATION OF MINeworkERS AND CONSTRUCTION UNION**

("AMCU or the Union")

(Hereinafter referred to as "the Parties")

**INTRODUCTION**

1. The parties have concluded substantive negotiations in accordance with the latest revised Recognition Agreement dated 22 December 2016 ("the Recognition Agreement") and wish to finalise the outcome in this document which shall constitute a written agreement.

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This agreement shall apply to those employees who are members of the Union and for whom the Union is recognised as the collective bargaining agent in terms of the Recognition Agreement for Bargaining Unit 1 (B1-B5 Operations).

## DEFINITIONS

2. Unless expressly stated to the contrary, words contained in this agreement shall be interpreted in accordance with the definitions in the Recognition Agreement, failing which their ordinary grammatical meaning.
3. The headnotes in this agreement shall not affect the interpretation of any part of this agreement and are mentioned for reference purposes only.
4. A reference to one gender includes the other gender.
5. The singular includes the plural, and vice versa.
6. Annexures or attachments to this agreement are part of this agreement and are deemed to be specifically included herein (Annexure 1: Schedule of Allowances).

## SCOPE OF AGREEMENT

7. This agreement constitutes a collective agreement in terms of §23 of the Labour Relations Act, No. 66 of 1995, as amended.
8. This agreement is applicable to AMCU members in Bargaining Unit in accordance with the Recognition Agreement.

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## DURATION OF AGREEMENT

9. This agreement shall operate with effect from 1 March 2020 and remain of full force and effect until 28 February 2023 or until it is replaced by a new substantive agreement concluded thereafter.

## SALARY ADJUSTMENTS

10. The basic remuneration of qualifying employees covered by this agreement shall be adjusted by the percentage mentioned below in each of the applicable years of this agreement.
11. For the year 1 March 2020 to 28 February 2021 the increase will be 7% (seven percent).
12. For the year 1 March 2021 to 28 February 2022, the increase will be 7% (seven percent).
13. For the year 1 March 2022 to 28 February 2023, the increase will be 7.5% (seven and one half percent).
14. These changes will affect the remuneration of existing employees who have been in the Company's service prior to 1 March 2020 in any of the anniversary years referred to above.
15. Despite the date of this agreement, salary adjustments for Year 1 shall be backdated to 1 March 2020 and payment therefore shall be made with the first payroll run that occurs after the date upon which this agreement is concluded.

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16. In addition to the salary adjustments referred to above, the Company will pay qualifying employees a once-off substantive negotiation settlement amount of R3000.00 (three thousand Rand) before tax in the first year of this agreement and this once-off amount will be paid alongside the adjustment for the month of March 2020.

### LOCATION ALLOWANCE

17. Location allowance shall remain for all qualifying employees on surface workplaces.
18. For the year 01 March 2020 to 28 February 2021 it will increase by 7% (seven percent).
19. For the year 01 March 2021 to 28 February 2022 it will increase by 7% (seven percent).
20. For the year 01 March 2022- 28 February 2023 it will increase by 7.5% (seven and a half percent).

### UNDERGROUND ALLOWANCE

21. Underground allowance will be introduced for all qualifying employees placed at Underground Mining workplace.
22. The Underground allowance will replace the Location allowance. This allowance will be an increase on the current Location Allowance.
23. For the year 01 March 2020 to 28 February 2021 it will increase by R100 (one hundred Rand).

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24. For the year 01 March 2021 to 28 February 2022 it will increase by R100 (one hundred Rand).
25. For the year 01 March 2022 to 28 February 2023 it will increase by R100 (one hundred Rand).

### **SMELTER & REFINERY ALLOWANCE**

26. Smelter & Refinery allowance will be introduced for all qualifying employees placed at Smelter & Refinery workplace.
27. The Smelter & Refinery allowance will replace the Location allowance. This allowance will be an increase on the current Location Allowance.
28. For the year 01 March 2020 to 28 February 2021 it will increase by 7% (seven percent).
29. For the year 01 March 2021 to 28 February 2022 it will increase by R100 (one hundred Rand).
30. For the year 01 March 2022 to 28 February 2023 it will increase by R100 (one hundred Rand).

### **HOUSING ALLOWANCE**

31. Qualifying employees within Bargaining Unit 1 shall receive an annual adjustment in the monthly housing allowance equal to the percentage increase in basic salary granted in terms of paragraphs 11 to 13 above.

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32. For the year 01 March 2020 to 28 February 2021 the increase will be 7% (seven percent).
33. For the year 01 March 2021 to 28 February 2022 the increase will be 7% (seven percent).
34. For the year 01 March 2022 to 28 February 2023 the increase will be 7.5% (seven and a half percent).

### TRANSPORT ALLOWANCE

35. Qualifying employees will receive an adjustment in the transport allowance each year of the settlement as follows:
36. For the year 01 March 2020 to 28 February 2021 the increase will be R100 one hundred Rand).
37. For the year 01 March 2021 to 28 February 2022 the increase will be R100 (one hundred Rand).
38. For the year 01 March 2022 to 28 February 2023 the increase will be R100 (one hundred Rand).

### WORKING GROUP REFERRALS

39. The items mentioned below shall be referred to one or more joint management/union working groups for discussion. Each working group shall finalise its terms of reference within sixty (60) days of signing of this agreement.

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40. The items to be referred are:-

- Medical Aid
- 13<sup>th</sup> Cheque withdrawal intervals
- Bargaining Unit 3 issues on Shift Allowance and Line-Up Allowance (the parties agree to engage and conclude this item within one month of concluding this agreement).
- Remuneration Policy

41. The status quo remains in respect of the following items:

- Long Service Awards
- 13<sup>th</sup> Cheque Benefit
- Medical Aid Subsidy
- All other conditions and benefits not mentioned in this document.

## EFFECTIVE DATE

42. The salary adjustments referred to in this agreement shall be effective from 1 March 2020 and the anniversaries thereafter for the duration of this agreement. The back-pay of increases applicable between 1 March 2020 and the date hereof shall be attended to in terms of Clause 15 above.

## INDUSTRIAL PEACE

43. This agreement is in full and final settlement of the substantive negotiations that preceded it, including any demands, proposals and counter-proposals made during the process.

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44. AMCU and its members shall not call, encourage, instigate or participate in any form of industrial action including but not limited to strikes in relation to:-
- any other term and condition of employment or benefit; and
  - concerning any issue which is the subject matter of this agreement.
45. Unless expressly agreed to in writing by the parties (and there is no obligation for either of them so to do), neither AMCU nor its members shall, for the duration of this agreement, seek to further negotiate, including the submission of further demands or proposals, in respect of terms and conditions of employment or that will increase employment costs. Nor shall AMCU or its members call, instigate, encourage or participate in any industrial action in relation to any such issues.

#### EXCEPTIONAL CIRCUMSTANCES

46. In the event that exceptional circumstances (as defined below) arise and despite the provisions of paragraph 45 above, either party may in accordance with the provisions in the paragraphs below request a review of any of the terms and conditions of this agreement with a view to the possible suspension, amendment, deletion or addition thereof or thereto.
47. The Union may trigger such a review should inflation, as measured in terms of the consumer price index, exceed 10% (ten percent) for a continuous period of 6 (six) months.
48. The Company may trigger such a review should inflation, as measured in terms of the consumer price index, decrease to 4% (four percent) or below for a

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continuous period of 6 months or for any reason mentioned in paragraph 49 below.

49. Besides the inflationary situations described above, business distress shall also constitute exceptional circumstances for the purposes of possible review of this agreement.
50. In the event that a review is requested, the parties agree to meet without delay and to conduct the review in good faith in accordance with the provisions of the recognition agreement between the parties and as provided for in law.
51. In the absence of an agreement being reached pursuant to any such review in no more than 3 (three) meetings, either party may refer the lack of consensus to final and binding interest-based arbitration. The parties may also invoke the provisions of the Recognition Agreement.
52. The parties shall agree upon the arbitrator or arbitrators in the public and private sector depending on availability.
53. This arbitration shall be conducted expeditiously as determined by the arbitrator.
54. In an event where private services are used, the costs of such arbitration shall be discussed when the services are needed.
55. The industrial peace provisions described above should also apply in respect of any final and binding arbitration award herein.

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## SOLUTION FINDING AND DISPUTES

56. The parties shall do all things necessary faithfully to implement and maintain the terms and conditions of this agreement.
57. All reasonable steps shall be taken by the parties respectively to comply with the provisions of this agreement.
58. Any dispute over the application and interpretation of this agreement shall be handled in terms of the applicable provisions in the Recognition and Procedural Agreement relating to the resolution of disputes.

## STATUS QUO

59. Terms and conditions of employment, other than those expressly mentioned in this agreement, shall continue to apply.

## BASIC CONDITIONS OF EMPLOYMENT ACT

60. AMCU agrees to support any exemption required by PC in terms of §50 of the Basic Conditions of Employment Act 75 of 1997 as amended, during the term of this agreement and up to the conclusion of a subsequent substantive agreement.
61. AMCU agrees to support any exemption for continuous shift working including working on Sundays and exemption for working extended hours where required.

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## AMENDMENTS IN WRITING

62. Any amendments or variations to this agreement that are agreed upon between the parties shall be recorded in writing, signed by both of them and shall legally binding and will only be legally binding upon the parties once these requirements have been satisfied.

## ENTIRE AGREEMENT

63. This is the entire agreement between the parties arising out of or in connection with the substantive negotiations including, but not limited to, demands, proposals and counter-proposals made or exchanged by the parties and this agreement contains all the items agreed to by the parties.

## RIGHTS IN LAW

64. There is nothing in this agreement that prevents any party from exercising its rights in law for any breach of this agreement.

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Page 11 of 12

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THUS DONE and SIGNED at Phalaborwa on the 13<sup>TH</sup> day of  
May 2020, in the presence of the undersigned witnesses:

 S. KHUMALO

For and on behalf of the Company, being duly authorised thereto

AS WITNESSES:



GRAVE MUSHIKITA  18/05/2020  
ES O HSELE  13/05/2020

THUS DONE and SIGNED at Phalaborwa on the 13<sup>TH</sup> day of May  
2020, in the presence of the undersigned witnesses:

 S.A. MARHULE

For and on behalf of AMCU, being duly authorised thereto

AS WITNESSES:

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**Annexure 1:**

**Schedule of Allowances in 2020-2023 Substantive Agreement between Palabora Copper (PTY) Ltd and Association of Mineworkers and Construction Union (AMCU)**

The table below shows the schedule of allowances with their rate before the conclusion of the substantive agreement and increase rates for each year of implementation with effective date being 01 March 2020, 01 March 2021 and 01 March 2022:

Grade	Current Transport All	1/3/2020		1/3/2021		1/3/2022	
B1-B5	R1 000	R100	R1 100	R100	R1 200	R100	R1 300

Grade	Current Housing All	1/3/2020		1/3/2021		1/3/2022	
B1-B5	900	7%	R963	7%	R1 030	7.50%	R1 108

Grade	Current Location All	1/3/2020		1/3/2021		1/3/2022	
B1-B5	900	7%	R963	7%	R1 030	7.50%	R1 108

Grade	Current Underground All	1/3/2020		1/3/2021		1/3/2022	
B1-B5	900	R100	R1 000	R100	R1 100	R100	R1 200

Grade	Current Smelter & Refinery All	1/3/2020		1/3/2021		1/3/2022	
B1-B5	900	7%	R963	R100	R1 063	R100	R1 163

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