

CCMA SETTLEMENT AGREEMENT

CASE NUMBER:NC1899-17

between

SISHEN IRON ORE COMPANY (PTY) LTD

(hereinafter referred to as "the Company")

and

THE NATIONAL UNION OF MINeworkERS

(hereinafter referred to as NUM)

(NUM collectively referred to as "the Union")

(The Company and the Union collectively referred to hereinafter as "the Parties")

on

**THE 2017/2018/2019 REVIEW PERIODS OF WAGES AND OTHER CONDITIONS OF
EMPLOYMENT**

The Parties hereby agree as follows:

M.P. MC



1. APPLICATION OF THIS AGREEMENT

This Agreement shall constitute a legal and binding collective agreement on wages and conditions of employment in terms of Section 23 of the 1995 Labour Relations Act (as amended) and shall apply to the Company, the Unions, those members of the Unions as well as all other employees (whether or not they are members of another trade union) employed at all relevant times within the bargaining unit (gradings A/P/J/S 7 to 3) (hereinafter referred to as "employees").

2. WAGE AND WAGE RELATED ALLOWANCES

2.1 The actual basic salaries of employees to be adjusted as follows:

Table 1: To be implemented 01 July 2017

GRADE	GENERAL ADJUSTMENT PERCENTAGE	SPECIAL ADJUSTMENT	TOTAL ADJUSTMENT
A/P/J/S7	10%		10%
A/J/S6	8.0%		8.0%
P6	8.0%		8.0%
A/J/S5	7.0%		7.0%
P5	7.0%		7.0%
*P5+	7.0%	1%	8.0%
APSJ4	7.0%		7.0%
J4.1	7.0%		7.0%
J4.2	7.0%		7.0%
J4.3	7.0%		7.0%
A/P/S3	7.0%		7.0%
J3.1	7.0%		7.0%

*P5+ Refers to Ultra Truck operators 860 and 960 Trucks

Table 2: To be implemented 01 July 2018

GRADE	GENERAL ADJUSTMENT PERCENTAGE	SPECIAL ADJUSTMENT	TOTAL ADJUSTMENT
A/P/J/S7	10%		10%
A/J/S6	8.0%		8.0%
P6	8.0%		8.0%
A/J/S5	7.0%		7.0%
P5	7.0%		7.0%
*P5+	7.0%	1%	8.0%
APSJ4	7.0%		7.0%
J4.1	7.0%		7.0%
J4.2	7.0%		7.0%
J4.3	7.0%		7.0%
A/P/S3	7.0%		7.0%
J3.1	7.0%		7.0%

*P5+ Refers to Ultra Truck operators 860 and 960 Trucks


A.P. MC 



Table 3: To be implemented 01 July 2019

GRADE	GENERAL ADJUSTMENT PERCENTAGE	SPECIAL ADJUSTMENT	TOTAL ADJUSTMENT
A/P/J/S7	10%		10%
A/J/S6	8.0%		8.0%
P6	8.0%		8.0%
A/J/S5	7.0%		7.0%
P5	7.0%		7.0%
*P5+	7.0%	1%	8.0%
APSJ4	7.0%		7.0%
J4.1	7.0%		7.0%
J4.2	7.0%		7.0%
J4.3	7.0%		7.0%
A/P/S3	7.0%		7.0%
J3.1	7.0%		7.0%

*P5+ Refers to Ultra Truck operators 860 and 960 Trucks

*Year three attracts a guarantee of CPI + 0.5% should CPI exceed 7%

2.1.1 The minimums of each grade and the aforesaid adjustments are reflected in Annexure A: (All Inclusive Wage Adjustment)

2.1.2 HOUSING ALLOWANCE

The Parties hereby agree that the minimum Housing Allowance set out in Table 4 is guaranteed for each year of this Agreement. The increase in housing allowance year on year for the duration of this agreement is regarded as non-pensionable.

Table 4: Guaranteed Minimum Housing Allowance per year:

Year	01 July 2017	01 July 2018	01 July 2019
Guaranteed Minimum	R2900	R3200	R3500

2.1.3 CIRCUMSTANTIAL ALLOWANCES

Shift and Standby allowance applicable to employees are also to be adjusted as per Annexure A: (All Inclusive Wage Adjustment).

Other circumstantial allowances such as the 7 day production allowance that are linked to a percentage of basic salary will be adjusted accordingly.

2.1.4 AUTO ELECTRICIANS, MILLRIGHTS AND DIESEL ELECTRIC FITTERS

The minimum entrance monthly basic salary for the following categories of artisans will be as follows:

M.P. MC [Signature]

[Signature]

Artisan	Guaranteed Minimum
Auto Electrician	R28 400
Millwright	R31 600
Diesel Electric Fitter	R29 100

3. MULTI-YEAR AGREEMENT

The Parties hereby agree that basic salaries of all employees will adjust at 1 July 2017, 1 July 2018 and 1 July 2019 as per Table 1, Table 2 and Table 3 above.

4. EMPLOYER CONTRIBUTION TO RETIREMENT FUNDS

In reference to the 2014 Wage Agreement, the Company will implement the balance of the employer contribution of 0.5%, bringing the total employer contribution to retirement funds to 12% effective 01 July 2017.

5. SAFETY PERFORMANCE INCREMENT

A 0.5% safety performance increment is applicable to operations that have achieved their respective zero harm targets and is applicable year on year for the duration of this Agreement.

6. PATERNITY LEAVE

A maximum of three workday's paternity leave per annual leave cycle may be granted to male employees with regards to the birth of an employee's child. Paternity leave is therefore no longer part of the circumstances under which family responsibility leave is to be granted and cannot be applied interchangeably.

7. EX GRATIA PAYMENT

The Parties agree on a one time once off basis, a monetary benefit to the value of R25 046.26 (after tax) which will be paid to all employees covered by this agreement and will reflect in the bank accounts of employees by end August 2017.

8. LONG SERVICE AWARDS

Long service awards are adjusted for the following years of continuous service:

- 40 years, R15 000 increases to R20 000
- 45 years, R15 000 increases to R25 000

M.P. MC [Signature]

[Signature]

9. MEDICAL TRAVEL REIMBURSEMENT

Company will engage with recognised trade unions with collective bargaining rights should the current principles for reimbursement be reconsidered.

10. STUDY LEAVE

Applications for planned normal annual leave for the day after the examination date will not be unreasonably refused.

11. LIFE SKILLS CENTRES

This item is referred to the operations to make presentations of the employee development offering as far as portable and community skills training are concerned. Furthermore, information in forums such as the skills development and future forums should be made available to assist with a comprehensive picture of the respective operation's offering.

12. ITEMS REFERRED TO WORK TEAMS

- I. Promoting home ownership through the home ownership subsidy.
- II. Moving from calendar day leave to working day leave.
- III. Medical Aid cap to be dealt with in a separate forum.
- IV. Medical incapacity process finalization.
- V. Evaluation of ultra-truck operators grading at Sishen on or before 31 March 2018.
- VI. Engagement on a new Employee Share Participation Scheme.

13. DISPUTE SETTLEMENT PROCEDURE

In the event of any dispute about the interpretation or application of this Agreement, the relevant provision of the agreed and governing Dispute Resolution Procedure set out in the applicable recognition agreement will be followed.

14. FULL AND FINAL SETTLEMENT

14.1 Unless otherwise stated, this Agreement shall amend the existing wages, other terms and conditions of employment and benefits of all employees bound by it to the extent set out therein, and constitutes a full and final settlement of all demands and proposals made during the course of the negotiations that led its conclusion, for the duration stipulated in clause 15.

14.2 All wages, other conditions of employment and benefits, whether express or implied, that were not specifically amended in this Agreement, shall remain in full force and effect for the duration of this Agreement or until such later date when it is amended or replaced by a new agreement in writing.

14.3 Except in so far as is provided for in terms of this Agreement, all proposals and demands on which agreement were not reached, or which were withdrawn, are regarded as having been settled and may not form the subject of any demand, proposal, mutual interest dispute or strike action before 1 July 2020.

A.P. MC 



- 14.4 None of the Unions, employees or any other person or entity bound by this Agreement shall seek to review any wages, other terms and conditions of employment and benefits for the duration of this Agreement and neither the Unions, employees or any other person or entity bound by this Agreement shall call for, encourage, or participate in any strike or lock-out in respect of any demand or proposal to amend wages, other terms and conditions of employment and benefits for the duration of this Agreement.

15. IMPLEMENTATION DATE AND DURATION OF THIS AGREEMENT

- 15.1 The wage adjustment and changes to other conditions of employment and benefits referred to in this Agreement shall be implemented with effect from 2017-07-01.
- 15.2 This Agreement shall be valid and enforceable for the period 2017-07-01 to 2020-06-30.

SIGNED AT Karuruman ON THIS 23rd DAY OF August..... 2017

For and on behalf of the Union (all duly authorised to bind the Union and individual members of the Union)

MEO CHERE
Name and Signature (NUM)

Moseki Nalova
Name and Signature
(NUM Witness)

Matheson Franz
Name and Signature
(NUM Witness)

SIGNED AT Karuruman ON THIS 23 DAY OF August..... 2017

on behalf of the Company.

[Signature]
Sishen Iron Ore Company (Pty) Ltd

[Signature]
Witness

[Handwritten signatures]

22 June 2017

ANNEXURE A: 2017 FULL AND FINAL SETTLEMENT WAGE OFFER FOR EMPLOYEES IN THE BARGAINING UNIT (A/P/JS 7 TO 3) EMPLOYED BY SISHEN IRON ORE COMPANY (PTY) LTD

GRADE	BASIC SALARY			HOUSING ALLOWANCE			SHIFT ALLOWANCE			ESTIMATED TOTAL INCREASE		
	CURRENT	TO BE IMPLEMENTED 1 JULY 2017	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2017	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2017	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2017	ADJUSTMENT
A/P/JS7	R 8 192	R 9 011	10.0%	R 2 600	R 2 900	10.4%	R 852	R 907	6.3%	R 14 129	R 15 605	10.4%
A/JS6	R 10 654	R 11 506	8.0%	R 2 600	R 2 900	8.7%	R 927	R 987	6.5%	R 17 413	R 18 953	8.8%
P6	R 10 654	R 11 506	8.0%	R 2 600	R 2 900	8.7%	R 927	R 987	6.5%	R 17 413	R 18 953	8.8%
A/JS5	R 13 121	R 14 039	7.0%	R 2 600	R 2 900	7.7%	R 1 066	R 1 157	8.5%	R 20 787	R 22 440	7.9%
P5	R 13 487	R 14 431	7.0%	R 2 600	R 2 900	7.7%	R 1 066	R 1 157	8.5%	R 21 284	R 23 128	8.6%
P5+	R 13 487	R 14 431	7.0%	R 2 600	R 2 900	7.7%	R 1 066	R 1 157	8.5%	R 21 284	R 23 128	8.6%
A/JS4	R 17 819	R 19 066	7.0%	R 3 242	R 3 542	7.3%	R 1 444	R 1 538	6.5%	R 27 910	R 30 045	7.7%
P4	R 17 819	R 19 066	7.0%	R 3 242	R 3 542	7.3%	R 1 444	R 1 538	6.5%	R 27 910	R 30 045	7.7%
J4.1	R 22 238	R 23 704	7.0%	R 3 242	R 3 542	7.3%	R 1 444	R 1 538	6.5%	R 30 045	R 32 268	7.4%
J4.2	R 22 238	R 23 704	7.0%	R 3 242	R 3 542	7.3%	R 1 444	R 1 538	6.5%	R 30 045	R 32 268	7.4%
J4.3	R 26 395	R 28 231	7.0%	R 3 866	R 4 186	7.1%	R 1 543	R 1 643	6.5%	R 34 917	R 37 537	7.5%
A/P/JS3	R 20 690	R 22 138	7.0%	R 3 866	R 4 186	7.1%	R 1 543	R 1 643	6.5%	R 34 917	R 37 537	7.5%
J3.1	R 27 856	R 29 805	7.0%	R 3 866	R 4 186	7.1%	R 1 543	R 1 643	6.5%	R 41 735	R 44 856	7.5%

NOTE: Values are based on Basic salary + assumed Safety increment + 13th cheque + Housing + Shift + CONTOFS

ALL OTHER REMUNERATION ITEMS AND ALLOWANCES WHICH VALUES ARE CALCULATED AS A PERCENTAGE OF BASIC WILL INCREASE WITH THE SAME PERCENTAGE AS BASIC SALARY

2018 WAGE OFFER FOR EMPLOYEES IN THE BARGAINING UNIT (A/P/JS 7 TO 3) EMPLOYED BY SISHEN IRON ORE COMPANY (PTY) LTD

GRADE	BASIC SALARY			HOUSING ALLOWANCE			BASIC + HOUSING			SHIFT ALLOWANCE			ESTIMATED TOTAL INCREASE		
	CURRENT	TO BE IMPLEMENTED 1 JULY 2018	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2018	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2018	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2018	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2018	ADJUSTMENT
A/P/JS7	R 9 011	R 9 912	10.0%	R 2 900	R 3 200	10.3%	R 11 911	R 13 112	10.1%	R 907	R 986	8.8%	R 15 551	R 17 143	10.2%
A/JS6	R 11 506	R 12 426	8.0%	R 2 900	R 3 200	8.3%	R 14 406	R 15 626	8.5%	R 987	R 1 051	6.5%	R 18 883	R 20 521	8.7%
P6	R 11 506	R 12 426	8.0%	R 2 900	R 3 200	8.3%	R 14 406	R 15 626	8.5%	R 987	R 1 051	6.5%	R 18 883	R 20 521	8.7%
A/JS5	R 14 039	R 15 021	7.0%	R 2 900	R 3 200	7.6%	R 16 939	R 18 131	7.1%	R 1 157	R 1 232	6.5%	R 22 354	R 24 101	7.8%
P5	R 14 431	R 15 441	7.0%	R 2 900	R 3 200	7.6%	R 17 331	R 18 641	7.5%	R 1 157	R 1 232	6.5%	R 22 354	R 24 101	7.8%
P5+	R 14 431	R 15 441	7.0%	R 2 900	R 3 200	7.6%	R 17 331	R 18 641	7.5%	R 1 157	R 1 232	6.5%	R 22 354	R 24 101	7.8%
A/JS4	R 19 066	R 20 400	7.0%	R 3 542	R 3 842	7.2%	R 22 608	R 24 442	7.2%	R 1 538	R 1 638	6.5%	R 25 028	R 27 028	7.6%
P4	R 19 066	R 20 400	7.0%	R 3 542	R 3 842	7.2%	R 22 608	R 24 442	7.2%	R 1 538	R 1 638	6.5%	R 25 028	R 27 028	7.6%
J4.1	R 23 794	R 25 459	7.0%	R 3 842	R 4 142	7.2%	R 27 640	R 29 782	7.2%	R 1 538	R 1 638	6.5%	R 30 929	R 33 192	7.3%
J4.2	R 23 794	R 25 459	7.0%	R 3 842	R 4 142	7.2%	R 27 640	R 29 782	7.2%	R 1 538	R 1 638	6.5%	R 30 929	R 33 192	7.3%
J4.3	R 28 231	R 30 207	7.0%	R 4 186	R 4 486	7.0%	R 31 773	R 34 259	7.0%	R 1 643	R 1 750	6.5%	R 34 675	R 37 262	7.4%
A/P/JS3	R 22 138	R 23 867	7.0%	R 4 186	R 4 486	7.0%	R 26 324	R 28 810	7.0%	R 1 643	R 1 750	6.5%	R 34 675	R 37 262	7.4%
J3.1	R 29 805	R 31 891	7.0%	R 4 186	R 4 486	7.0%	R 33 991	R 36 377	7.0%	R 1 643	R 1 750	6.5%	R 41 675	R 44 995	7.4%

NOTE: Values are based on Basic salary + assumed Safety increment + 13th cheque + Housing + Shift + CONTOFS

ALL OTHER REMUNERATION ITEMS AND ALLOWANCES WHICH VALUES ARE CALCULATED AS A PERCENTAGE OF BASIC WILL INCREASE WITH THE SAME PERCENTAGE AS BASIC SALARY

2019 WAGE OFFER FOR EMPLOYEES IN THE BARGAINING UNIT (A/P/JS 7 TO 3) EMPLOYED BY SISHEN IRON ORE COMPANY (PTY) LTD

GRADE	BASIC SALARY			HOUSING ALLOWANCE			BASIC + HOUSING			SHIFT ALLOWANCE			ESTIMATED TOTAL INCREASE		
	CURRENT	TO BE IMPLEMENTED 1 JULY 2019	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2019	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2019	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2019	ADJUSTMENT	CURRENT	TO BE IMPLEMENTED 1 JULY 2019	ADJUSTMENT
A/P/JS7	R 9 912	R 10 903	10.0%	R 3 200	R 3 500	9.4%	R 13 112	R 14 403	9.8%	R 966	R 1 029	6.6%	R 17 085	R 18 804	10.1%
A/JS6	R 12 426	R 13 420	8.0%	R 3 200	R 3 500	8.3%	R 15 626	R 16 920	8.3%	R 1 051	R 1 119	6.5%	R 20 446	R 22 191	8.5%
P6	R 12 426	R 13 420	8.0%	R 3 200	R 3 500	8.3%	R 15 626	R 16 920	8.3%	R 1 051	R 1 119	6.5%	R 20 446	R 22 191	8.5%
A/JS5	R 15 021	R 16 072	7.0%	R 3 200	R 3 500	7.4%	R 18 221	R 19 721	7.4%	R 1 232	R 1 312	6.5%	R 24 009	R 26 445	7.7%
P5	R 15 441	R 16 521	7.0%	R 3 200	R 3 500	7.4%	R 18 641	R 20 221	7.4%	R 1 232	R 1 312	6.5%	R 24 009	R 26 445	7.7%
P5+	R 15 441	R 16 521	7.0%	R 3 200	R 3 500	7.4%	R 18 641	R 20 221	7.4%	R 1 232	R 1 312	6.5%	R 24 009	R 26 445	7.7%
A/JS4	R 20 400	R 21 826	7.0%	R 3 842	R 4 142	7.1%	R 24 242	R 26 384	7.1%	R 1 638	R 1 744	6.5%	R 32 810	R 35 264	7.5%
P4	R 20 400	R 21 826	7.0%	R 3 842	R 4 142	7.1%	R 24 242	R 26 384	7.1%	R 1 638	R 1 744	6.5%	R 32 810	R 35 264	7.5%
J4.1	R 25 459	R 27 420	7.0%	R 4 142	R 4 442	7.1%	R 29 604	R 31 746	7.1%	R 1 638	R 1 744	6.5%	R 35 662	R 38 208	7.3%
J4.2	R 25 459	R 27 420	7.0%	R 4 142	R 4 442	7.1%	R 29 604	R 31 746	7.1%	R 1 638	R 1 744	6.5%	R 35 662	R 38 208	7.3%
J4.3	R 30 207	R 32 321	7.0%	R 4 486	R 4 786	6.9%	R 34 693	R 37 131	6.9%	R 1 750	R 1 864	6.5%	R 37 008	R 39 637	7.4%
A/P/JS3	R 23 867	R 25 345	7.0%	R 4 486	R 4 786	6.9%	R 28 353	R 30 139	6.9%	R 1 750	R 1 864	6.5%	R 37 008	R 39 637	7.4%
J3.1	R 31 891	R 34 123	7.0%	R 4 486	R 4 786	7.0%	R 36 377	R 38 909	7.0%	R 1 750	R 1 864	6.5%	R 41 675	R 44 995	7.4%

NOTE: Values are based on Basic salary + assumed Safety increment + 13th cheque + Housing + Shift + CONTOFS

ALL OTHER REMUNERATION ITEMS AND ALLOWANCES WHICH VALUES ARE CALCULATED AS A PERCENTAGE OF BASIC WILL INCREASE WITH THE SAME PERCENTAGE AS BASIC SALARY