

**“ANNEXURE B”**

**WAGE AND SUBSTANTIVE ISSUES: DEMANDS AND EMPLOYER POSITION ON THE 28<sup>TH</sup> OF JULY 2021**

| DEMANDS  | EMPLOYER RESPONSE   | UNION DEMAND  |
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| <p><b>1. Duration of the New Consolidated Main Agreement.</b></p>  | <p>1 July 2021 until 30 June 2024. (3 year)</p>   | <p><b>1 July 2021 until 30 June 2022 (1 year)</b></p> <p><b>3 years subject to the proposed wage increases</b></p>  |
| <p><b>2. Wage Increases: 1 July 2021 to 30 June 2024.</b></p> <ul style="list-style-type: none"> <li>• <b><u>1 July 2021 to 30 June 2022</u></b></li> <br/> <li>• <b><u>1 July 2022 to 30 June 2023</u></b></li> </ul> | <p>The schedule wage rates will be adjusted on 1 July 2021 across the board by 4,4% (the April CPI year-on-year figure released by Statistics SA).</p> <p>The schedule wage rates will be adjusted across the board by the April CPI (year-on-year figure) as released by Statistics SA at the end of May 2022 plus a 0,5% cost of living adjustment applied across the board. Should CPI come in below 3%, 3% will be implemented across the board; should the April CPI figure come in at or above 6%, 6% will be implemented plus the 0,5% cost of living adjustment in either scenario.</p> | <p><b>8% across the board on actual rates of pay</b></p> <p><b>Wage Increases on actual rates of pay</b></p> <p><b>1<sup>st</sup> year must make an offer of 8%, (if parties do not reach an agreement we must declare a dispute)</b></p> <p><b>2<sup>nd</sup> year CPI plus 2% improvement factor.</b></p> <p><b>3<sup>rd</sup> year CPI plus 2% improvement factor.</b></p> <p><b>If 2% improvement factor when added to CPI falls below 6%, employers must give 6% or reopen negotiations.</b></p> |

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| <ul style="list-style-type: none"> <li>• <b><u>1 July 2023 to 30 June 2024</u></b></li> </ul> | <p>The schedule wage rates will be adjusted across the board by the April CPI (year-on-year figure) as released by Statistics SA at the end of May 2023 plus a cost of living adjustment of 1% applied across the board. Should CPI come in below 3%, 3% will be implemented across the board; should the April CPI figure come in at or above 6%, 6% will be implemented plus the 1% cost of living adjustment in either scenario.</p>  |  |
| <p><b>3. Extension of the New Consolidated Main Agreement to Non-Parties</b></p>              | <p>The parties agree that the Main Agreement shall bind non-parties in terms of the relevant provisions of Section 32 of the Labour Relations Act, 66 of 1995, as amended, from the date of publication by the Minister of Employment and Labour for a period to be determined by the Minister</p>   | <p>Parties agree that the agreement that will be concluded by parties must be gazetted and extended to non –parties</p> <p><b>Develop a mechanism to bring the employers together.</b></p> <p><b>We do not want to enter into a one party agreement.</b></p>   |
| <p><b>4. Special Phase-in Dispensation</b></p>  | <p>Special Phase-In Dispensation will be made available on an entirely voluntary basis, within sixty days of signature of this settlement agreement, to employers who are paying below the various wages tables as set out on Annexure 3 on the proviso that any such employer can prove membership of an Employer Organisation that is a party to this settlement agreement.</p> <p>The Special Phase-in Dispensation will apply to all the wage tables contained in the Main Agreement (i.e. Electric Cable; Structural Engineering; Five Grade; Vehicle Drivers; Gate and Fence Manufacturing) but will exclude Apprentices and Annexure H.</p> | <p>It is an objective fact that workers in this sector have suffered much more than the bosses. But, still the bosses are demanding that they make even more sacrifices. Employers owe workers a huge debt and they must simply pay up!</p> <p>The “special dispensation” presents a challenge for us because it means that we must agree to the down-varying of the basic conditions of employment which workers have fought hard to realize, in order to accommodate greedy employers. Our members complain about the fact that there is no uniformity</p> |

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|  | <p>employers, as referred to in the opening paragraph above, who are paying at or above 60% of Rate H on the 1 July 2021 shall have ten (10) years to phase-in to 100% of Rate H.</p> <p>Employers who are paying below 60% of Rate H on 1 July 2021 will have 5 (five) years to phase-in to 60% of Rate H and thereafter ten (10) years to phase-in to 100% of the prevailing Rate H.</p> <p>An illustrative phase-in programme over the periods and targets as set out in the attached.</p> | <p>in the application of the minimum rate and this has resulted in a system where some workers are paid the rate in full, whilst others are exploited and paid far less than they are entitled to. In some cases, employers pay below the minimum rate of R21 per hour. SEIFSA claims these companies cannot afford to pay the rate in full, however, we believe that there are avenues to cater for this through the exemptions process. Companies must demonstrate that they genuinely cannot afford to pay the full rate. A blanket dispensation would disadvantage workers in engineering hugely because it would justify the super-exploitation of workers which is currently rife in the sector. We do not see the necessity of a special dispensation which would simply prolong the exploitation of workers through the payment of poverty wages.</p> <p><b>Union believe that it will be a process that will be subject to information gathering i.e.</b></p> <ul style="list-style-type: none"><li>• <b>Data of companies paying less than R49.55.</b></li><li>• <b>How many employees affected</b></li><li>• <b>How many companies has SEIFSA spoke with and with how many employees?</b></li><li>• <b>Timeframe of 3-year phase in.</b></li></ul> |
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| <b>5. Backdating</b>        | The Parties agree that as long as negotiations are continuing in good faith the terms of this agreement will be backdated to 1 July 2021. Alternatively, in the event that good faith negotiations break-down backdating cannot be guaranteed.  | <b>Backdating to the 01<sup>st</sup> July 2021</b> |
| <b>6. Outstanding items</b> | The parties agree that immediately after the finalisation of negotiations and the signing of this Settlement Agreement, this matter i.e. outstanding items, will be placed on the agenda of the bargaining council's management committee (Manco) with a view to agreeing on an overall and comprehensive action plan and identification of appropriate committee structure's to deal with each item and timelines to finalise each item: | <b>Agreed</b>                                      |

| <b>DEMANDS</b>                         | <b>NUMSA DEMANDS</b>   | <b>SEIFSA RESPONSE</b>  |
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| <b>SHIFT ALLOWANCE TO BE INCREASED</b> | <ul style="list-style-type: none"> <li>• Night shift allowance to be increased to 25%</li> <li>• Afternoon shift to be increased to 15%</li> <li>• Morning shift to be 10%</li> </ul> <p><b>Revisit the demand in 2024 (dropped)</b></p> | <b>Rejected</b>   |
| <b>COVID RELATED MATTERS</b>           | Under covid-19, we demand that all employees with comorbidities be paid full salary or they must qualify for disability from provident or pension fund;  | <b>The matter will probably better handle at plant level;</b> |

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|  | <ul style="list-style-type: none"> <li>Employers must pay for covid-19 tests and pay full salary for employees who are quarantined.</li> </ul> <p><b>NUMSA IS PURSUING THIS DEMAND</b></p>   |  |
| <b>SICK PAY FUND</b>                       | <p>Sick benefit must be amended to include Paternity leave;<br/>Ten days paid for Paternity leave.</p> <p><b>NUMSA IS PURSUING THIS DEMAND</b></p>   | <b>SEIFSA will not support amending the Sick Pay Fund Agreement unless agreed to by all employers on the MEIBC.</b>  |
| <b>FAMILY RESPONSIBILITY LEAVE</b>         | <p>5 days per occurrence for family responsibility leave;<br/>Shifts must not be affected when you take a leave. <b>(sec 42)</b><br/><b>We must pursue the matter.</b></p>   | <b>SEIFSA is satisfied with the current FRL provisions which in any event are far superior to what's contained in the BCEA and do</b>  |
| <b>ANNUAL LEAVE</b>                        | <p>Annual Leave to be increased to 25 days after 24 Months of employment of service.</p> <p><b>DEMAND WITHDRAWN</b></p>  | <b>Annual leave increase is simply a non-starter.</b>  |
| <b>SEVERANCE PAY and EX-GRATIA PAYMENT</b> | <p>Increase severance pay to four weeks per each completed year of service;</p> <p><b>Increase severance pay to a minimum of 2 weeks per each completed year of service</b></p> <ul style="list-style-type: none"> <li>Ex-gratia service pay must be paid to employee when they retire from the industry.</li> </ul> <p><b>Refer to plant level negotiations</b></p> | <p><b>Rewarding employees who reach retirement age is a matter between that employee and his/her employer, at the discretion of his/her employer,</b></p> <p><b>Ex-gratia service pay applies only to employees being retrenched and SEIFSA will not move on this.</b></p> |

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| <b>TRAVEL ALLOWANCE</b>          | <p>The employer must assist the employees that could not be at work due to public transport non availability, and the employer must provide the transport including its costs; or</p> <ul style="list-style-type: none"> <li>• An across the board monthly (ATB) payment of R1000.00.</li> <li>• The employer must also provide transport for awkward shifts and to pay 100 % towards transport.</li> </ul> <p><b>DEMAND REMAINS</b></p> | <p><b>Main Agreement addresses the payment of transport and payment for and providing transport for “awkward” shifts is a non-starter (parties disagree)</b></p>                 |
| <b>UNDERGROUND ALLOWANCES</b>    | <p>An underground allowance of R1000.</p> <p><b>DEMAND REMAINS</b></p>   | <p><b>SEIFSA do not see themselves moving on this matter.</b></p>  |
| <b>YOUTH WAGE SUBSIDY</b>        | <p>Reject the youth wage subsidy in our industries.</p> <p><b>DEMAND REMAINS</b></p>   | <p><b>SEIFSA will not advocate not to use it. (parties disagree).</b></p>  |
| <b>PROVIDENT FUND</b>            | <p>Provident fund must have insured Benefits i.e. Funeral cover.</p> <p><b>DEMAND REMAINS</b></p>  | <p><b>SEIFSA indicated that the SPF currently awards a R5000 funeral grant (on the death of a member); and a death benefit equal to x3 annual salary. (parties disagree)</b></p> |
| <b>SHAREHOLDING IN COMPANIES</b> | <p>Economic empowerment - employees to be shareholders in the companies where they work - workers to have shares</p> <p><b>DEMAND WITHDRAWN</b></p>  | <p><b>SEIFSA indicated that the Main Agreement does provide an enabling Framework on this matter, see Annexure E, Esops and Broad Based Black Economic Empowered issues.</b></p> |
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| <b>DISASTER FUND</b>               | To have agreement that will cover/protect workers not to lose out during lockdown, short time and lay-off.<br><br><b>DEMAND WITHDRAWN</b> | <b>SEIFSA employers have no desire to further disadvantage themselves, commercially speaking, in the market place in the absence of being able to guarantee extension of such arrangements to all parties. (parties disagree)</b> |
| <b>OUTSTANDING DEMANDS</b>         | All outstanding demands should be concluded within 6 months   | <b>Outstanding matters should be resolved, within a given time period or at the very least within the currency of a given agreement period</b>  |
| <b>SAEFA, NEASA and CEO demand</b> | METAL AND ENGINEERING INDUSTRIES BARGAINING COUNCIL CONSOLIDATED MAIN AGREEMENT 2021/2022 (for the period 1 July 2021 to 30 June 2022)    | <b>“Terms and Conditions of Employment (TCOE) Agreement”, to distinguish it from any other agreement.</b>   |

28/07/2021