

FAST MOVING CONSUMER GOODS SECTOR

SUBSTANTIVE AGREEMENT

between

**CHEMICAL, ENERGY, PAPER, PRINTING, WOOD AND ALLIED
WORKERS' UNION
(CEPPWAWU)**

**GENERAL INDUSTRIES WORKERS UNION OF SOUTH AFRICA
(GIWUSA)**

**SOUTH AFRICAN CHEMICAL WORKERS' UNION
(SACWU)**

(hereinafter referred to as the "Unions")

and

**PARTICIPATING EMPLOYERS IN THE FAST MOVING
CONSUMER GOODS EMPLOYERS ASSOCIATION
(FMCG Employers)
As listed in Annexure A**

(hereinafter referred to as "employers")

FOR THE PERIOD 1 JULY 2016 TO 30 JUNE 2017

Handwritten signatures and initials:
A.W.
N.S.
S.M.
W.B.
C.

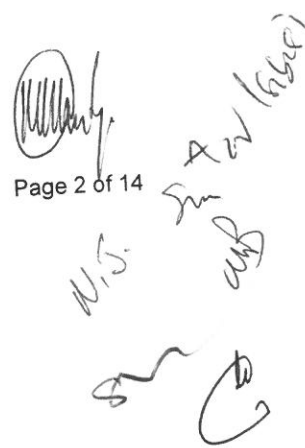
A. GENERAL PROVISIONS:

1. TERMS:

- 1.1 This Agreement will be applicable to all employees in the Bargaining Units as defined in existing Agreements between employers and the unions at company level. Parties have agreed to refer the definition of the scope to plant level and parties reserve their rights in this regard.
- 1.2 This Agreement is between the unions and employers (companies) referred to in Annexure A. It may also apply to those employers (companies) who were not part of the process but who may subsequently agree to be covered by its terms.
- 1.3 Existing employment terms and conditions not referred to in this agreement will remain status quo. Any existing condition, which is more favourable than the conditions contained within this agreement, will remain in force at company level.
- 1.4 The terms of this agreement are in full and final settlement of substantive wages and conditions of employment as tabled and negotiated for the period 2016/2017 between the unions and participating employers.

2. EFFECTIVE DATES AND DURATION:

Substantive terms and changes envisaged in this Agreement shall be effective from 1 July 2016 and remain in force until the 30th of June 2017.

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B. SUBSTANTIVE TERMS AND CONDITIONS:

An agreement has been reached between the employers and the unions on the following matters:

3. SCOPE OF AGREEMENT:

The extension of the scope of the agreement is a plant level issue.

4. SECTOR JOB GRADING:

The issue to be referred to the Bargaining Council.

5. WAGES:

5.1 GENERAL INCREASE IN BASIC WAGES:

The parties agree to an across the board increase of 7.5% on current basic wages with effect from 1st July 2016.

5.2 MINIMUM MONTHLY BASIC WAGE:

The current minimum wage of R5 343.48 (five thousand three hundred and forty three rand and forty eight cents) will be increased with effect from 1 July 2016 to R5 744.24 (five thousand seven hundred and forty four rand and twenty four cents) and will remain in force for the duration of this agreement.

This minimum will also apply to any company, not listed in Annexure "A" who also becomes party to this agreement.

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C. EXEMPTION PROCEDURE:

Any participating company seeking exemption from any of the conditions of this agreement and/or any conditions agreed to previously through centralised bargaining between the parties, should do so according to the Council's exemptions procedure. (See Annexure "B")

At the time of drafting this agreement none of the participating companies had indicated that they would be seeking exemption from any of the terms of this agreement.

D. DISPUTE PROCEDURE:


If there is a dispute about the interpretation or application of this agreement any party may refer the matter to the Council for resolution in terms of the Dispute Resolution procedure of the Council.


E. PEACE OBLIGATION:


- a. Neither party to this Agreement shall engage in any form of industrial action against the other party regarding any disagreement on wages and other substantive conditions of employment which are covered by the current Substantive Agreement for the period between 1 July 2016 and 30 June 2017, including agreements reached previously and which are still applicable for the entire period of the said agreement, unless the disagreements arises out of the implementation and interpretation of the agreement, in which case any party may refer the matter to the Bargaining Council for the Chemical Industry for resolution in terms of the Dispute Resolution procedure of the Council.
- b. For the purpose of this Agreement, "industrial action" means "strikes" and "lock-outs" as defined in the Labour Relations Act, 66 of 1995.
- c. Any party who reneges on any of the provisions of this Agreement, and who does not comply with the conditions of this Agreement, shall be in breach thereof.

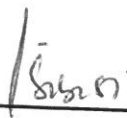
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C. N.S. Sin A.W. isi bisi CMB


Signed at Johannesburg this 19 day of August 2016.



For CEPPWAWU


Witness

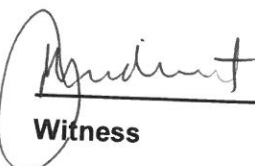

For GIWUSA


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For SACWU


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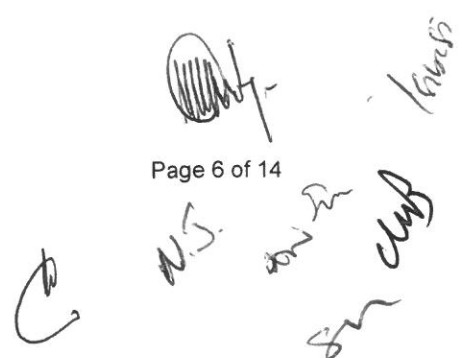

For FMCG Employers


Witness

ANNEXURE A

LIST OF PARTICIPATING COMPANIES FAST MOVING CONSUMER GOODS EMPLOYERS ASSOCIATION

AJ North
Avon Justine (Pty) Ltd.
Avroy Shlain Cosmetics (Pty) Ltd.
BLSA Industries (Pty) Ltd.
Colgate Palmolive
Consumer a Division of Tiger Consumer Brands Ltd.
Indigo Brands (Pty) Ltd.
Johnson & Johnson
L'Oreal SA (Pty) Ltd.
Reckitt Benckiser
Revlon
Sunray Cosmetics (Pty) Ltd.
Unilever South Africa (Pty) Ltd. – Maydon Wharf
Zodiac Pool Care South Africa (Pty) Ltd.

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FAST MOVING CONSUMER GOODS SECTOR

SUMMARY OF NEGOTIATED SUBSTANTIVE CONDITIONS OF EMPLOYMENT

SCOPE & TERMS OF AGREEMENT:

The negotiated substantive conditions of employment, as detailed hereunder, will be applicable to all employees in the bargaining units of participating companies as defined in existing agreements between employers and the participating unions at company level. The parties have agreed to refer the definition of the Scope to plant level and the parties reserve their rights in this regard.

The conditions of employment may also apply to those employers (companies) who were not part of the negotiations process but who may subsequently agree to be covered by these terms.

Existing employment terms and conditions not referred to hereunder will remain status quo. Any existing condition, which is more favourable than the conditions contained in the agreements, will remain in force at company level.

NEGOTIATED ISSUES

1. Minimum Wage:

R574424- The current minimum wage of R5 343.48 (five thousand three hundred and forty three Rand and forty eight cents) will be increased to R5 744.13 (five thousand seven hundred and forty four rand and thirteen cents) with effect from 1 July 2016.

This minimum will also apply to any company, not listed in Annexure "A" who also becomes part to this agreement.

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2. Entry Level Wage:

The entry level wage for new permanent employees will be at actual company minimum applicable to the grade/category for the job.

However, this may be reduced by an agreement concluded at plant level between the employer and respective trade union(s) on condition, firstly, that the company undertakes not to resort to the use of labour brokers for those jobs and for the duration of the agreement. Secondly that the negotiated entry level wage will not be lower than the agreed sector minimum wage.

In the event that the parties fail to reach agreement, the status quo, i.e. that the entry level wage will remain at actual company minimum, will continue to apply.

3. Annual Bonus:

A thirteenth cheque (4.33 times the basic weekly rate) is agreed. Pro-rata bonuses will be paid on termination of contracts for retrenchment, ill health, retirement and death in service.

4. Leave:

4.1 Annual Leave:

No employee shall receive less than 15 days per annum leave. Additional leave will be granted on the following basis:

- 5 day week employee in the 6th year of service or more will receive 15 days with an extra 2 days leave.
- 6 day week employees in the 6th year of service or more will receive 18 days with an extra 2 days leave.

Where companies have service related benefits in respect of additional leave, such will continue to apply.

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4.2 Sick Leave:

4.2.1 Sick Leave:

Sick leave will be granted as per Basic Conditions of Employment Act, 1997 or as amended in future.

4.2.2 Prolonged Sick Leave and Traditional Healers:

Employers agree in principle to consider sympathetically, payment for extended sick leave. Each application will be considered on its merits and requires a medical certificate. A shop steward should assist an employee in this regard.

4.3 Maternity Leave:

Female employees covered by this Agreement will be entitled to 6 (six) months off work for the reasons of maternity. Maternity leave will be paid at 35% (thirty five percent) of the basic rate of pay for the period of 4 (four) months and at 40% (forty percent) for the 5th and 6th month. However maternity leave will not impact on the annual bonus (13th cheque). Employees will be entitled to a full bonus in the year(s) maternity leave is taken.

Should an employee suffer a miscarriage or stillborn child up to 6 weeks leave will be granted of which a maximum of one (1) month's sick leave will be paid. Such leave will not be deducted from normal sick leave benefits. A medical certificate will be required.

Female employees proceeding on maternity leave will be guaranteed a same type of job on the same terms and conditions as before the leave.

Females who are entitled to a period of maternity leave will be granted three days special leave for ante natal check-ups prior to going on maternity leave.

This leave may be taken as a portion of a day and proof of the visit to the doctor or clinic must be provided.

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HR will assist employees with their UIF claims from the Department of Labour.

4.4 Child Care Leave:

Child care leave of 3 (three) days per annum (separate from Paternity Leave) will be granted for the illness of a child but on condition that it is not taken together with Paternity Leave. This means that if a parent takes paternity leave for the birth of his child he cannot immediately after the paternity leave take child care leave. Child care leave may however be taken at a later stage if that child, or another one, is sick and needs the care or attention of the parent (up to a maximum of three days per annum).

4.5 Paternity Leave:

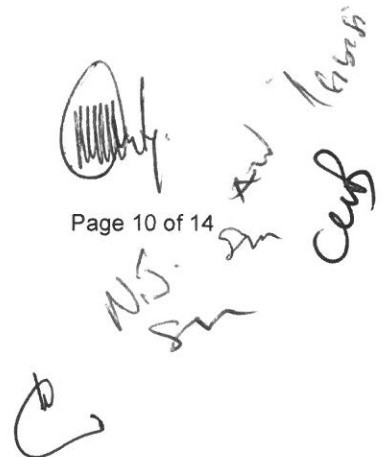
Paternity leave of 3 (three) days per occasion will be granted following a legitimate application from an employee in respect of the birth of a biological child. A certificate in this regard may be submitted following the application and within a reasonable period.

4.6 Compassionate Leave:

Compassionate leave of 5 (five) days per occasion will apply following legitimate application from the employee. Such leave will only be granted in the event of the death of parents, spouses, children, legally adopted children, brothers and sisters or fathers and mothers in law, adoptive parents and grandparents.

4.7 Study Leave:

Study leave of 1 (one) day per subject plus 1 (one) day per examination written to a maximum of six days per annum. Prior approval of subjects/courses must be obtained from the employer.

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4.8 Special Leave for Shop Stewards:

Shop stewards will be entitled to 5 (five) days special leave per shop steward per annum. This leave is not to be pooled or accumulated.

The minimum of 5 days for shop stewards leave will exclude days where a shop steward is an official of a committee of the CCMA, NBCCI, CHIETA and the provident fund. The relevant unions official should formally inform the company of the request to attend to committee duties and time-off should be approved by the company.

4.9 Disaster Leave:

A disaster is defined as a sudden, abrupt or unpredictable circumstance which causes human, material, economic or environmental losses, exceeding the ability of the affected employees to cope with them i.e. floods, storms, lightening and fire.

Employees affected within the agreed definition shall inform their employers of their predicament and request time off. Such request for the time off shall not be unreasonably withheld by the employer. Employees dissatisfied in this regard shall be dealt with in terms of the grievance procedure.

5. Public Holidays:

Employees will be entitled to those public holidays covered by the Public Holidays Act, and payment for work on those days will be as per the Basic Conditions of Employment Act, 1997.

6. Shift Allowance:

Where employees are required to work shift patterns or cycles e.g. morning, afternoon and night, such employees shall receive an average shift allowance of no less than 11% (eleven percent). Shift allowance calculations will be based on the basic rate of pay applicable to the employee concerned, will be non-

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pensionable and will be effective from 1 July 1999. Should an employer currently be paying a higher rate, the status quo will remain.

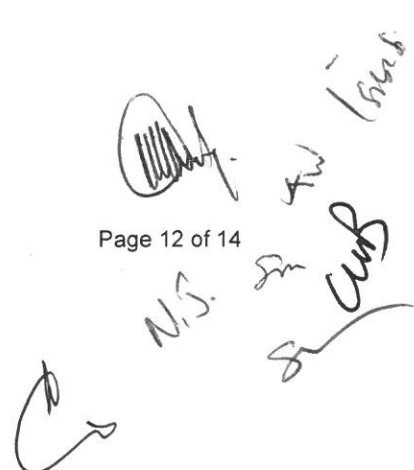
7. Hours of Work:

The normal hours per week will be 40 hours for all employees who are employed by employers' party to this agreement. Tea breaks are included in the 40-hour week and lunch times are excluded from the 40-hour week.

The parties agree that no unilateral decision will be taken by employers in respect of averaging hours of work without negotiations with the unions. Existing shift patterns and specific working arrangements will continue to apply.

8. Job Security:

The issue of job security will be referred to plant level with all legal rights of the parties reserved.

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EXEMPTION PROCEDURE

INTRODUCTION:

In terms of Part C of the Substantive Agreement, companies seeking exemption from the conditions of this agreement and/or any conditions agreed to previously through centralized bargaining between the parties, should do so according to this procedure.

PROCEDURE TO BE FOLLOWED:

2.1 All applications must, in the first instance, be submitted in writing to the specific sub-sectors co-ordinator or secretariat. The application must be signed by an authorized company representative and provide the following information:

- The provisions of the agreement in respect of which exemption is sought;
- The persons in respect of whom the exemption is sought; and
- The reasons why the exemption is sought.

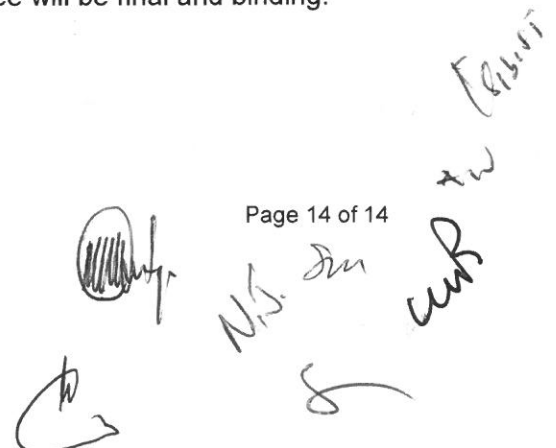
The sector co-ordinator or secretary must, within 10 working days of the date of the last party signing this agreement, forward copies of the applications received to the General Secretary of the National Bargaining Council for the Chemical Industry as well as to the relevant union(s).

2.2 All applications for exemption will be dealt with in terms of this procedure unless otherwise agreed by the relevant trade union(s) and company(ies).

2.3 In the first instance, companies seeking exemption will meet with the relevant trade union(s) at plant level to explain the reason(s) why the exemption is sought and to provide relevant information in support of their application. The purpose of this meeting is to provide the parties with an opportunity to resolve the issue amongst themselves without the involvement of any third party and with the least possible delay.

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- 2.4 In the event of the parties reaching agreement at plant level, the general secretary of the bargaining council shall be advised of the exemption within ten working days so that it can be recorded in the council's records.
- 2.5 Where the parties are unable to agree to an exemption within a period of 90 days of signing the substantive agreement, they will be required to apply to the general secretary of the bargaining council for the appointment of a panellist to facilitate further discussions between the parties. This will include conciliation.
- 2.6 In the event of the parties reaching agreement following the intervention of a bargaining council panellist, the general secretary of the bargaining council shall be advised of the exemption within ten working days so that it can be recorded in the council's records.
- 2.7 If the parties can still not reach agreement within a further period of 30 days, the panellist will issue a certificate to the effect that the matter cannot be resolved. The matter shall then be referred to the National Exemptions Committee of the bargaining council within a period of 14 days for arbitration.
- 2.8 In considering the matter, the National Exemptions Committee shall consider the following:
- Whether a refusal to grant an exemption will result in undue financial hardship to the company making the application;
 - The nature and size of the business in respect of which the application is made;
 - Any representations made by the employees likely to be affected by the application;
 - The circumstances prevailing in the chemical industry as a whole or the sectors likely to be affected by the application; and
 - Whether the granting of the exemption will prejudice the objectives of the Council
- 2.9 The decision of the National Exemptions Committee will be final and binding.

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