

WAGE AGREEMENT: 2018-2019

BETWEEN

SOUTH AFRICAN AIRWAYS (SOC) LIMITED

("SAA")




AND

NATIONAL TRANSPORT MOVEMENT ("NTM")

AND

SACCA/ NUMSA - ACTING JOINTLY FOR PURPOSES OF COLLECTIVE BARGAINING

(Collectively referred to as "the Parties")





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1. PREAMBLE

- 1.1. South African Airways and the recognised Trade Unions (NTM, SACCA and NUMSA acting jointly as a coalition) have been engaged in negotiations regarding the review of wages and other conditions of employment for the period April 2018 to March 2019, in respect of South African Airways employees in the Cabin Crew and Ground Staff Bargaining Unit.
- 1.2. The signatory Trade Unions, acting on behalf of their members in the Bargaining Unit as of date of signature of this Agreement, and SAA hereby reduce their agreement to writing as set out below.

2. APPLICATION OF THE AGREEMENT

- 2.1. The signatory Trade Unions have as their members the majority of employees in the recognized bargaining unit (herein defined) and at the workplace.
- 2.2. The Parties further recognize that this Agreement constitutes a Collective Agreement within the meaning of section 23 (1) of the Labour Relations Act 66 of 1995, as amended ("the LRA").
- 2.3. This Agreement therefore applies to and binds each and every employee who is, and may become, a member of the following trade unions:
 - 2.3.1. NTM
 - 2.3.2. SACCA and NUMSA acting jointly for purposes of collective bargaining
- 2.4. Furthermore, this Agreement is, in accordance with section 23 (1) of the LRA, specifically extended to all permanent South African Airways employees in the Bargaining Unit, who are not, at the time of signature of this Agreement, members of the trade unions who are parties to this Agreement.
- 2.5. Notwithstanding the above provisions in this clause 2, this Agreement shall not apply to employees who are not in service on the Signature Date, as reflected below.

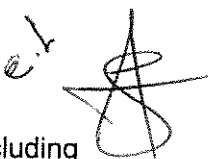
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3. DEFINITIONS AND INTERPRETATION

- 3.1. "2018- 19 Wage Agreement" shall mean this Collective Agreement concluded by and between the parties on the 10th October 2018, regulating salaries and other conditions of employment, until the 31st March 2019.
- 3.2. "Agreement" shall mean this Agreement including any annexures thereto, as may be amended in writing, from time to time.
- 3.3. "Bargaining Unit" shall mean cabin crew and ground staff employees employed permanently and specifically excludes management, fixed term contractors, Pilots and employees of Subsidiaries of SAA.
- 3.4. "Basic Salary" shall mean the monthly salary payable to an employee, which shall exclude, overtime, any bonuses, premiums, allowances, gratuities and payments of like nature.
- 3.5. "Dispute" shall mean any matter that is declared to be a dispute in writing by one party to another party.
- 3.6. "Implementation Date" shall mean 1 April 2018.
- 3.7. "LRA" shall mean the Labour Relations Act 66 of 1995, as amended from time to time.
- 3.8. "the Parties" shall mean NTM, SACCA and NUMSA acting jointly as a coalition and SAA, as defined herein.
- 3.9. "Signature Date" shall mean the date of the last signing party.
- 3.10. "Workplace" shall mean any premise where SAA operates within the Republic of the South Africa (excluding its subsidiaries) conducts its business.
- 3.13. In this Agreement unless the context clearly indicates otherwise,
3.13.1. The singular includes the plural and vice versa.
3.13.2. Reference to one gender includes the other gender.

4. DURATION OF THE AGREEMENT



This Agreement shall be applicable with effect from the 1 April 2018 until and including the 31 March 2019.


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5. AGREEMENT

5.1. Implementation of increase on the TCE Principle


- a. For the 2018/19 salary review period, the following elements of guaranteed pay will be increased:
 - i. Annual basic salary
 - ii. 13th Cheque
 - iii. Housing Allowance
 - iv. Medical Aid where applicable
 - v. All non-pensionable allowance components, including the attendance bonus payments to current eligible employees
 - vi. UIF, where applicable
 - vii. Employee and Employer contribution to the retirement, risk and admin (7.5% and 12% respectively)
- b. Elements not included in guaranteed pay
 - i. Funeral Fund
 - ii. Skills Development Levy
 - iii. Overtime, Sunday Time, PPH, Shift Allowances, Lunch Hour Sacrifice, and any other allowances.
- c. For the 2018/19 salary review period, the Retirement Fund Contributions will be on your basic salary (cash component).
- d. All non-pensionable allowance will be consolidated into a single amount and displayed in the employee's payslip and TCE in terms of the TCE conversion phase.
- e. However, during the implementation phase of the TCE conversion process the salary slip will reflect all the current salary components, e.g. non-pensionable allowances such as flexibility and home owner's assistance allowances. A new non-pensionable sub-total line will be added to the payslip to show the total amount of these allowances.
- f. For this wage increase cycle, employees will not be allowed to convert the 13th cheque into base pay (cash component).
- g. A Task Team will be established to determine how the full conversion to the TCE concept will be packaged and communicated to employees. The full TCE conversion will be completed by no later than 31 December 2019.
- h. All future increases negotiated will be based on the TCE of the employee.


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- i. The ratio between the fixed and variable components of the TCE upon which overtime, shift allowances, etc. shall remain unchanged for the purpose of this agreement.

5.2. Offer:

- a. An increase of 7.5% increase on total cost of employment to be implemented effective 1 October 2018 back dated to 1 April 2018.
- b. Maternity leave
 - i. The Parties agree in principle to ensure that employees receive four (4) months maternity leave paid at 100% of the cash component of the total cost of earnings.
 - ii. The make-up of the 100% is as follows:
 1. The Company shall pay 70% of the cash component per month for a duration of four months.
 2. The employee shall be responsible to claim maternity benefit leave in terms of the UIF Act.
 3. In the event that the sum of 1 and 2 is less than 100%, the Company will reimburse the employee with the difference.
 4. This provision will be implemented with effect from 1 November 2018.
- c. Medical Aid
 - i. The Parties agree that a benchmark exercise will be conducted against SOE's and the general South African market to determine whether the current medical aid is aligned to the market. This exercise will be concluded by 30 November 2018.
 - ii. The benchmark will also establish whether an employee who is covered by their spouse/ partner/ family member on another medical aid not part of the SAA portfolio of medical aids will qualify for the SAA medical aid subsidy upon proving annual proof of membership to such spouse/ partner/ family member's medical aid.
 - iii. Following the outcome of the benchmark, the Parties will engage each other on addressing any gap that may have been identified by the benchmark.
- d. Paternity leave
 - i. Upon the promulgation and on implementation date, SAA will comply with the legislation regarding Paternity Leave.
- e. Visa Fines


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- i. The parties agree to establish a Task team to investigate possible solutions to the Visa fine matter commencing 1 November 2018. The Task team will conclude its recommendations by 31 January 2019.
 - ii. Information sessions will be conducted with Airport Operations managers in the week of the 15th October 2018 on the Visa control requirements.
 - iii. Following these sessions all employees will receive refresher training on Visa control.
- f. Funeral Transport
- i. The Parties agree in principle to a single maximum amount of R 24 000 to transport employees to funerals per month, pending the SAA Exco approval.
 - ii. This means that if there are two funerals at different/ same stations in the same month, SAA will only pay for funerals to the maximum of R 24 000.
 - iii. This amount, if not used, will not accrue to the next month. Therefore, if it is not utilised it will not be rolled over.
 - iv. The funeral benefit contribution will be subject to operational requirements and will not disrupt the normal operations in any manner.
 - v. To this end the Parties agree that such approval will be communicated by no later than the 31 October 2018.
 - vi. The Parties further agree that if approved by Exco, the funeral transport contribution will be implemented with effect from the first day of the month following the Exco approval.

5.3. Delegated items

The Parties to the SAA Main Bargaining Forum hereby delegate the following items to the Cabin Crew and Ground Staff sub-committees for further engagements:

- a. Ground Staff sub-committee
 - i. Dangerous Goods
 - ii. Shift premium
 - iii. Standby payment
- b. Cabin Crew sub-committee
 - i. Standby to be paid including home standby's (Cabin Crew).
 - ii. The meal allowance framework and increase to be negotiated.
- c. Any agreement reached on any of these items in the Cabin Crew and Ground Staff sub-committees must be ratified at the SAA Main Bargaining Forum.
 - i. The engagement on these items must not exceed 30 days.


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- ii. The Parties may agree to extend the 30 days, which agreement will not be unreasonably withheld.
- iii. The negotiations on the sub-committees will form part of the 2018/2019 wage agreement.
- iv. If no agreement is reached within the 30 days' period referred to in 5.3.c.i. above and no extension is agreed upon, the Parties will reserve their rights.

5.4. SAA Main Bargaining Forum


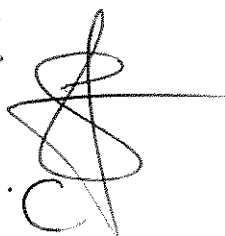

- i. Study leave to be increased by two days

6. GENERAL PROVISION

- 6.1. The Parties acknowledge that this agreement settles the issue of wages and is an accurate record of all rights created through the 2018 wage negotiations.
- 6.2. This Agreement constitutes the entire agreement between the Parties and substitutes any previous agreements that may have been entered into between the Parties and any such previous agreement shall have no further legal effect.
- 6.3. No variation or amendment of this agreement shall have any legal effect unless reduced to writing and signed by the Parties.
- 6.4. Any dispute arising out of the interpretation or application of this Agreement shall be dealt with by the CCMA through conciliation, failing which arbitration in line with the Labour Relations Act (LRA).

7. SIGNATURES

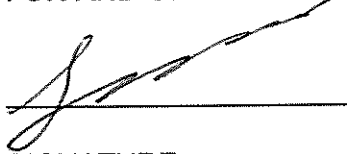
- 7.1. This agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall constitute one and the same agreement as at the date of signature of the Party last signing one of the counterparts.
- 7.2. The persons signing this agreement in a representative capacity warrant their authority to do so.



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SIGNED AT AIRWAYS PARK
ON THIS DAY 10 OCTOBER 2018.

FOR AND ON BEHALF OF SAA



SIGNATURE

LOURANS ERASMUS


NAME OF SIGNATORY

HOP: ER

DESIGNATION OF SIGNATORY

SHAUN PILLAY

WITNESS NAME



SIGNATORY OF WITNESS

SIGNED AT AIRWAYS PARK
ON THIS DAY 10 OCTOBER 2018.

FOR AND ON BEHALF OF NTM



SIGNATURE

MASHUDU RAPHETHA


NAME OF SIGNATORY

DAVID MUKHOSWA


DESIGNATION OF SIGNATORY

MUKHOSWA

WITNESS NAME

CHRISTOPHER MANAMELA


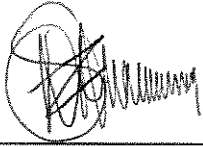
SIGNATORY OF WITNESS

C.V.
V.J.


FOR AND ON BEHALF OF SACCA

Zazi Nsibanyoni-Mugambi

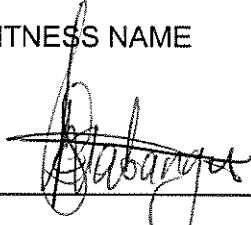
NAME OF SIGNATORY

 SACCA President

DESIGNATION OF SIGNATORY

Christopher Shabangu
SACCA DEPUTY PRESIDENT

WITNESS NAME

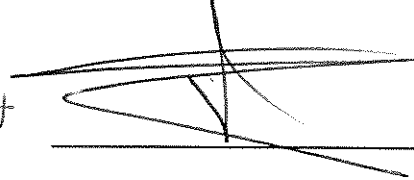


SIGNATORY OF WITNESS

FOR AND ON BEHALF OF NUMSA

VINE JAMES

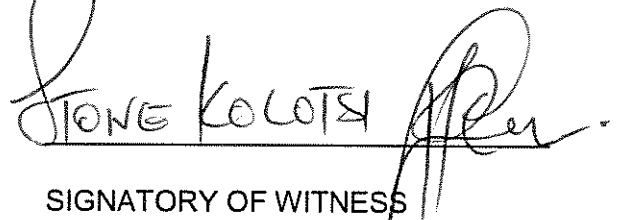
NAME OF SIGNATORY



DESIGNATION OF SIGNATORY

INFRASTRUCTURE
NATIONAL COORDINATOR

WITNESS NAME



SIGNATORY OF WITNESS

C.H. M.C.
V.J. MD #
C.M.



