



25th September 2007

**MOTOR INDUSTRY BARGAINING COUNCIL – MIBCO**

**SETTLEMENT AGREEMENT**

between

**RETAIL MOTOR INDUSTRY ORGANISATION (RMI)  
FUEL RETAILERS' ASSOCIATION (FRA)**

and

**NATIONAL UNION' OF METALWORKERS' OF SOUTH AFRICA (NUMSA)  
MISA/SAMU (MISA)**

Item Numbers referred below are as per the Agenda of the Negotiating Committee meeting dated 20 & 21 June 2007.

**1. Item 1: Extension of the Agreement**

The provisions of this agreement is subject to the simultaneous promulgation and extension thereof i.t.o. section 32(2) of the LRA by the Minister of Labour to all party and non-party establishments within the Council's scope and shall come into operation on such a date as may be fixed by the Minister.

The parties to this agreement further agree and undertake to do all things necessary, without delay, to submit a request

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with motivation to the Minister for the extension of the agreement.

**Above wording not for inclusion in the Gazette.**

## **2. Process issues**

### **1. Job Grading & Training**

The parties agree to refer any industry related training and grading issues ,as previously formulated in their respective proposal documents(which proposals should be re-worded in order to reflect topics and not outcomes),to the Job Grading & Training Committee. The Parties further agree to participate, with the necessary expertise to provide a better dispensation for the industry

The Parties commit themselves to participate in the necessary activities and forums to increase the skills base of the Industry. This include certain time frames for consultation or research for implementation as the parties may agree from time to time

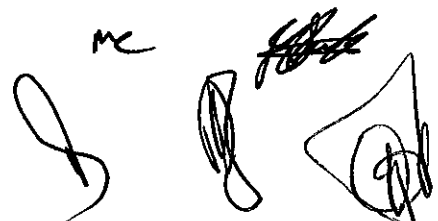
### **2. Component Manufacturing( Chapter 3)**

Reduction in hours of work and cycle of agreement referred to process in order to research possible impact on the component manufacturing industry.

Matters referred to process are strictly process issues and not a continuation of negotiations. Items referred to process shall not be the subject matter for a dispute at any forum.

## **3. Tow-Bar Fitter**

To be grade 5 which function includes the connection of pre-fitted couplings only. Actual wiring to be done at Grade 7 or 8.

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**4. Ratio Clauses**

Division D - Clause 6 to read as follows:

*"4 (a) In addition to the above ratio provisions, an employer may apply for exemption i.r.o one additional employee per the categories under clause 6 (1) (a) & 3 (a).*

*4 (b) Applications for exemption as per 4(a) shall be issued administratively by the Regional Secretaries of the Council and ratified by the first ensuing Regional Council meeting.*

*4 (c) The minimum prescribed wages to apply.*

*4 (d) Application for exemption shall be supported by proof of -*

*(i) Accredited skills programme or learnership programmes*

*(ii) Duration thereof.*

*(iii) Proof of registration with a relevant SETA*

*4 (e) Clauses 4(a) to 4(d) to be viewed as a transitional arrangement until the conclusion of the job grading and training committee processes"*

**5. Item 29 – Experiential Student**

Increase the limitation from six months to one year provided it is related to the individual's studies or curriculum.

**6. Additional Holiday Pay**

Equal to two weeks prescribed minimum wages.

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**7. Standby and Call Out Allowances**

Standby: R70  
Call-Out: R75

In respect of employees currently entitled to these allowances.

The above allowances will increase with the same % wage increase of grade 8 employees in year 2 and 3 of the agreement.

**8. Supply of Tools**

R30 per week with a maximum of R4500 (equal to a three year trade).

**9. Item 11 – Suspension of Employee**

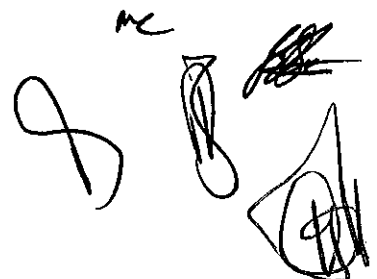
An employee, who is a commission earner, who is suspended pending a disciplinary hearing, shall receive his remuneration in the event that he is not found guilty. For the purposes of this clause, remuneration shall be calculated as provided in Division B Clause 8 (Annual Leave), sub-section 1 (c) i.e employees found not guilty will be paid basic wages plus average commission earned as calculated i.t.o clause 8 for the period of suspension.

**10. Item 7 – Retirement Capping**

To be lifted to R9000

**11. Item 3 – Changes to Commission**

1. The basis on which the commission that an employer contracts to pay an employee, in addition to his wage, shall be specified in writing.

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2. When an employer contemplates to change or cancel the basis of the commission stipulated in (1), the employer shall:
  - 2.1 Give 4 weeks' written notice of his intention to change or cancel the basis of the contract, to the employee; provided that if the employee affected is a parts salesperson or service supply sales person, the notice period shall be one week.
  - 2.2 The written notice shall contain at least the following information;
    - 2.2.1 the reasons for the proposed changes or cancellation;
    - 2.2.2 the date when the said changes or cancellation are likely to take effect.
    - 2.2.3 Allow the employee/s an opportunity to make representations about any matter dealt within the notification and consider such representation before any change.

## 12. **Scope of Application**

To increase the Scope of Application to the same amount as per the current Basic Conditions of Employment Act in Area A and to retain the differential in other areas, i.e. R115 500 and R98 200 respectively.

## 13. **Waiting period for Retirement Funds**

Waiver of the waiting period for retirement funds – excluding fixed term employees and probationary employees to a maximum of 6 months.

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Fixed term employees re-appointed after 6 months would qualify for benefits i.t.o. the retirement fund rules .Fund rules to be amended accordingly.

**14. HIV/AIDS**

The parties commit to participate in the relevant Social Benefit Fund Committee in order to discuss this issue.

**15. LABOUR BROKERS**

The parties commit to facilitating better regulation and enforcement by MIBCO of Main Agreement compliance.

**16. SIMPLIFICATION OF AGREEMENT**

The parties agree to the appointment of experts to simplify the reading of the Main Agreement for the Motor Industry insofar as it does not change the provisions, content or the intention of the parties as the agreement currently stands, including the alignment of clause 33, Division A and clause 5 of the Administrative agreement.

**17. RETRENCHMENT PAY**

As per the wording contained in the Main Agreement except for the reference to "8 years" to be replaced by " 12 years".

**18. WAGES**

Based on the current wage model, relating to Sectors or Chapters on Minimum prescribed wages / Guaranteed Monetary Increases or Actual rates of pay, the following minimum wage increases on minima, with the equivalent of the monetary value, in respect of guaranteed monetary increases, where applicable.

**Grade 1 – Chars**

|                      |   |     |
|----------------------|---|-----|
| 1 <sup>st</sup> year | - | 10% |
| 2 <sup>nd</sup> year | - | 10% |
| 3 <sup>rd</sup> year | - | 10% |

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### **Forecourt Attendants**

➤ For year one see separate Forecourt Attendant Agreement attached.

➤ For 2<sup>nd</sup> and 3<sup>rd</sup> year linked to profit margin –

|                      |   |      |
|----------------------|---|------|
| 2 <sup>nd</sup> year | - | 8%   |
| 3 <sup>rd</sup> year | - | 7.5% |

➤ Forecourt attendant wages subject to profit margin adjustments

### **Grade 1 (Parking Attendants & Watchmen), Grades 2- 4**

|                      |   |      |
|----------------------|---|------|
| 1 <sup>st</sup> year | - | 9%   |
| 2 <sup>nd</sup> year | - | 8%   |
| 3 <sup>rd</sup> year | - | 7,5% |

### **Grades 5 – 6**

|                      |   |      |
|----------------------|---|------|
| 1 <sup>st</sup> year | - | 9%   |
| 2 <sup>nd</sup> year | - | 8%   |
| 3 <sup>rd</sup> year | - | 7,5% |

### **Grades 7 & 8 and Division B**

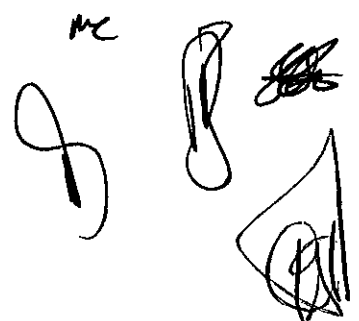
|                      |   |      |
|----------------------|---|------|
| 1 <sup>st</sup> year | - | 8%   |
| 2 <sup>nd</sup> year | - | 7,5% |
| 3 <sup>rd</sup> year | - | 7%   |

### **Apprentices**

|                      |   |     |
|----------------------|---|-----|
| 1 <sup>st</sup> year | - | 12% |
| 2 <sup>nd</sup> year | - | 11% |
| 3 <sup>rd</sup> year | - | 10% |

➤ The same monetary value as Area A to apply to other areas.

➤ The current off-setting provisions of the Agreement to be maintained.

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- The increased Gazetted wage, table for sector 6, both Division B and other employees will form the basis on which the new percentages to be applied.
- The Parties agreed that the current wage dispensation for Chapter 2 is inclusive of a guaranteed monetary increase.


19. **COMPONENT MANUFACTURING – CHAPTER III**

**WAGES AND OTHER**

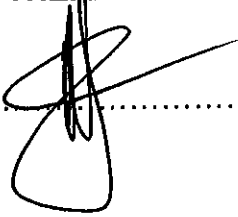
- Increase on actual rates of pay: 9%, 8% and 7.5% over 3 years
- Increase in minimum entry level wage from R8.36 to R11.36 phased over 3 years i.e. R1-00 per hour per annum.
- 4 Weeks leave after 5 years of service effective from signing of the agreement.
- Annual bonus of 3 weeks calculated on actual wages (no capping) effective from signing of the agreement.
- Chapter III employers will be urged to implement the wage agreement from 1 September 2007.

**Signed for and on behalf of the MOTOR INDUSTRY BARGAINING COUNCIL - MIBCO at Randburg this 25<sup>th</sup> day of September 2007.**

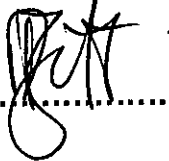
**Signed for and on behalf of the RETAIL MOTOR INDUSTRY ORGANISATION at Randburg this 25<sup>th</sup> day of September 2007.**

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Signed for and on behalf of the FUEL RETAILERS ASSOCIATION OF SOUTHERN AFRICA at Randburg this 25<sup>th</sup> day of September 2007.

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Signed for and on behalf of MISA/SAMU at Randburg this 25<sup>th</sup> day of September 2007.

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Signed for and on behalf of the NATIONAL UNION OF METALWORKERS OF SOUTH AFRICA at Randburg this 25<sup>th</sup> day of September 2007.

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