

**MEMORANDUM OF 2012/13 WAGE AGREEMENT**

entered into by and between

**THE EMPLOYERS ASSOCIATION FOR THE PULP AND PAPER INDUSTRY**

hereinafter referred to as "The Employers"

ON THE ONE HAND

and

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

and

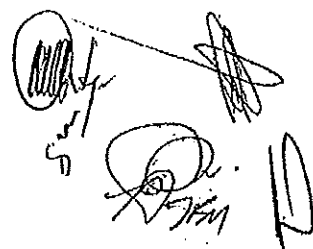
**UNITED ASSOCIATIONS OF SOUTH AFRICA**  
**(UASA: The Union)**

and

**SOLIDARITY**

hereinafter referred to as "The Trade Unions"

ON THE OTHER HAND

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**PREAMBLE**

WHEREAS the Employers and the Trade Unions have been engaged in collective bargaining under the auspices of the National Bargaining Council for the Wood and Paper Sector, to review the terms and conditions of employment in the Pulp and Paper Industry.

NOW THEREFORE the Employers and the Trade Unions wish to record the terms of this agreement in the following terms:

**1. The Scope of the Agreement**

This agreement shall apply to all employees in the current bargaining unit of the Pulp and Paper Chamber of the Bargaining Council.

The parties agreed to convene a special session of the Chamber within 60 days of signing of this agreement to engage on the extension of the existing bargaining unit to Paterson grades C4 and C5 (C upper) and Peromnes grades 9 and 10. Should the parties not reach consensus the Trade Unions reserve the right to refer a dispute.

**2. The Duration of the agreement**

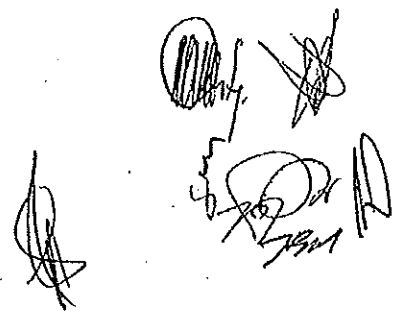
This agreement is valid for a period of 1 year commencing on 1 July 2012 to 30 June 2013.

**3. Wage Increase**

The parties agree to an increase of 7.5% on wages across the board for all employees in the Bargaining Unit with effect from 1 July 2012.

**4. Minimum wage**

The minimum wage for the industry will be increased to R 5 887. Notwithstanding this, any company paying a higher minimum wage shall continue to pay such higher wage.

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5. **Labour Brokers / Service Providers**

The Employers shall abide by the provisions of the Labour Relations Act, and any future amendments in respect of the regulation of temporary employment services, labour brokers and independent contractors. Notwithstanding this, the Employers undertake not to use the services of any temporary employment service provider unless furnished with satisfactory proof of compliance by the service provider of the following:

- 5.1 Unemployment Insurance Fund Act;
- 5.2 Compensation for Occupational Injuries and Diseases Act;
- 5.3 Income Tax Act, IT3 Certificate issued by the relevant Revenue Authorities;
- 5.4 Basic Conditions of Employment Act and;
- 5.5 Any other relevant legislation.

Any Union that is party to this agreement may request and inspect such proof of compliance from any employer in respect of existing temporary service providers. When a new service provider is appointed, the Unions will be notified of such appointment and proof of compliance by that service provider will be made available to the unions for inspection upon request.

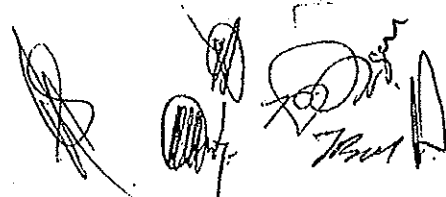
Any Union that is party to this agreement may report non-compliance in respect of employees sourced through a temporary employment service to the respective employer for investigation and corrective action as required.

Where a permanent position is filled through a temporary employment service provider for a period of 6 months, that position will be filled in terms of the employer's recruitment and selection policy and procedure.

6. **Hours of work**

The parties agree that working hours in the sector will be reduced to forty-two (42) hours per week and that such reduction will be completed within nine (9) months of the date that this agreement is signed.

The reduction in working hours will be effected based on the conclusion of a Company/Plant level implementation plan, without loss of pay and without additional cost to the affected companies. This shall be done following the model

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employed by Mondi South Africa Division, a Division of Mondi Ltd for reducing working hours.

The process of finalising and reaching agreement on the implementation plan at company or plant level, to reduce working hours will commence no later than ninety (90) days after the date of the signing of this agreement. This period will not be in addition to the 9 month period referred to above.

An Oversight Committee will be established to monitor and evaluate the implementation process. The committee shall consist of eight (8) members, four (4) representatives from the Employers Association and four (4) representatives from Trade Unions.

The committee shall receive regular progress reports from the affected companies in order to monitor the implementation process in accordance with this agreement.

**7. Education Assistance for Employees' children.**

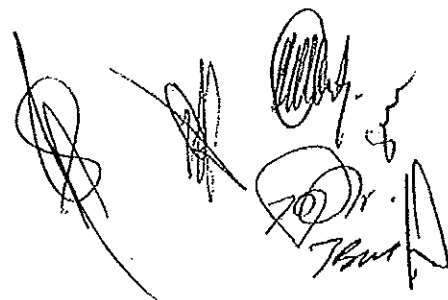
The parties agree to re-constitute the task teams at regional level, within six (6) months of signing of this agreement, to investigate and make recommendations to the respective companies regarding the education assistance for employees' children.

**8. Housing.**

The parties agree to refer the housing issue to company level for the purpose of discussing and sharing historical information regarding housing within 90 days of the signing of this agreement. The task team will report back to the Chamber.

**9. Study Assistance to employees.**

The parties agree to refer the study assistance for employees to company level for the purpose of discussing and sharing information regarding study assistance. The task team will report back to the Chamber.

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**10. Total Temporary Disability**

The parties agree to refer Total Temporary Disability to a separate committee within 90 days of signing this agreement. This committee will be made up of some of the members of the oversight committee dealing with the 42 hour work week issue to unpack and investigate this issue. The task team will report back to the Chamber.

**11. Shift Allowance**

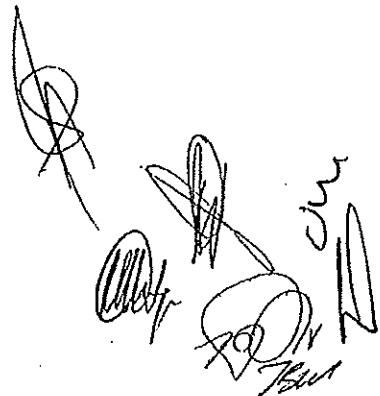
The parties agree to implement shift allowance in accordance with the 2011 / 2012 agreement.

The 2011 / 2012 agreement clause reads as follows:

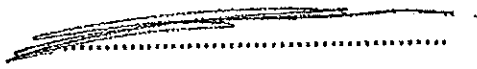
"The industry minimum shift allowance shall be set at 8.5%. Employers, who are not yet paying a shift allowance of 8.5%, will increase the shift allowance by 1% with effect from 1 July 2012".

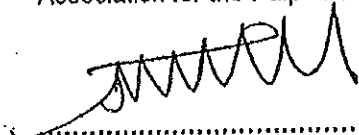
**12. Full and Final Settlement**

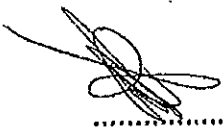
The foregoing will be in full and final settlement of all and any of the Trade Union demands submitted to the National Bargaining Council for the Wood and Paper Sector for the 2012/2013 negotiations in the Pulp and Paper Chamber. All other terms and conditions of service not covered by this agreement will remain in force.

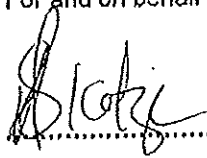
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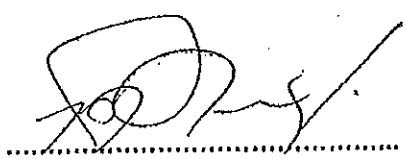
Thus done and signed at Johannesburg on this 1st day of August 2012.


  
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For and on behalf of the Employers  
Association for the Pulp and Paper Industry

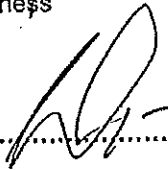
  
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For and on behalf of the CEPPWAWU


  
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For and on behalf of Solidarity

  
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For and on behalf of UASA: The Union

  
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Witness  
  
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