

**MEDUPI AND KUSILE**

**PARTNERSHIP AGREEMENT (PA)**

Between

**ESKOM HOLDINGS SOC LIMITED**

**("Eskom")**

And

**The Principal Contractors:**

**Hitachi Power Africa (Pty) Ltd / Murray and Roberts Project (Pty) Ltd**

**Alstom**

**MPS Murray and Roberts Construction and Aveng Grinaker LTA a division of  
Aveng Africa Ltd**

**KCW (JV) (A joint venture between Basil Read (Pty) Ltd, Stefanutti Stocks  
Civils a Division of Stefanutti Stocks (Pty) Ltd, WBHO Construction (Pty) Ltd  
and Group Five Civil Engineering (Pty) Ltd)**

**Actom Contracting a division of Actom (Pty) Ltd**

**Siemens (Pty) Ltd**

**Tubular Zamani (JV) (Tubular Construction (Pty) Ltd and Zamani Engineering  
Services)**

**LPS (Lesedi, Wetback and IWC)**

**Esor Franki**

**SSBR (JV) (Stefanutti Stocks Building Inland a Division of Stefanutti Stocks  
(Pty) Ltd and Basil Read (Pty) Ltd)**

**WBHO Construction (Pty) Ltd**

**KSJV (A joint venture between Basil Read (Pty) Ltd, Stefanutti Stocks Civils a  
Division of Stefanutti Stocks (Pty) Ltd and WBHO Construction (Pty) Ltd)**

**Basil Read (Pty) Ltd**

**Bateman Africa (Pty) Ltd**

**And others represented by the CMF and duly authorized.**

**And**

**Trade Unions**

**Building Construction and Allied Workers Union (BCAWU)**

**Chemical Energy Paper Printing Wood and Allied Workers Union (CEPPWAWU)**

**Metal Electrical Workers Union of South Africa (MEWUSA)**

**National Union of Mine Workers (NUM)**

**National Union of Metal Workers of South Africa (NUMSA)**

**Solidarity (Solidarity)**

**UASA the Union (UASA)**

**Hereinafter referred to as "the Parties"**

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## **PREAMBLE**

Eskom, Principal Contractors and Trade Unions at Medupi and Kusile have resolved to enter a new era in employee relations by strengthening their relationship and the quality of their engagement through a range of measures contained in this Partnership Agreement (PA).

The PA sets out what the partnership represents, its aspirations and objectives, its principles and scope, and the commitments which the Parties will make to ensure its sustainability.

It emphasizes the importance of leadership and participation in forging a new approach to employee relations.

It respects each Party's independent interests, but seeks also to advance their shared interests and the advantages to be derived from a new partnership approach.

It therefore commits the Parties to participation in promoting principled driven partnerships, employee engagement, a fair and transparent workplace culture, and decent work. Equally it commits the Parties to participation in promoting innovation, best operating practices and high levels of efficiency and productivity.

It acknowledges the importance of skills and their development in order to equip employees to participate with confidence and competence in delivering the projects on time and to have portable skills when their participation in a project is complete.

The PA defines the basis of participation in partnership Processes at leadership and at central and Site level. It provides for partnership structures which devolve from the most senior strategic partnership leadership at the centre, to the operational partnership leadership at Site level.

It affirms the status and application of Industry Agreements at Medupi and Kusile, but provides for basic principles for dispute and for consultation and negotiation at the Leadership Partnership Forum and collective bargaining at a Site level on specific issues as reflected in 'Annexure 1'.

It enables an efficient project dispute resolution system with provision for negotiated, mediated or arbitrated outcomes, but which also enables recourse in disputes of interest to the relevant provisions of the Act.

## **1 LEADERSHIP COMMITMENT**

The Parties to the PA commit to a partnership that will elevate their relationship to a new level based upon the central principles of participation, transparent communication, information disclosure, good faith engagement and mutual gains.

The leadership of the Parties undertakes to ensure that their principals and constituencies are well briefed on the framework and content and purpose of the PA to facilitate a broad based understanding of its strategic significance not only for the projects and its people, but for the whole South African community.

The leadership of the Parties recognize and affirm their varied responsibility to give effect to partnership as the key ingredient of success for project delivery and for all associated with achieving its objectives.

## **2 PA OBJECTIVES**

- 2.1** To create a conducive environment for all Parties to achieve their common interest, and thereby delivering the Project on time, on budget and safely.
- 2.2** To optimize performance in order to achieve the Projects' strategic and operational goals, measures and targets.
- 2.3** To foster a principled driven partnership between Eskom, Principal Contractors and their Trade Union Partners.
- 2.4** To promote a fair and transparent workplace culture which gives the partnership leadership and employees a voice and a strong sense of self-worth in the workplace.
- 2.5** To optimize performance in the workplace by strengthening the skills, motivation and productivity of employees, and the skills of line management.

- 2.6** To understand and meet the transformation needs of the project.
- 2.7** To recognize the Contractors right to profitability and decent work for all Employees.
- 2.8** The Parties commit to promote a stable peaceful working, harmonious environment underpinned by fair practices, effective dialogue and communication, and a disciplined adherence to agreed procedures and lawful conduct.
- 2.9** To promote compliance with agreements relating to terms and conditions of employment across the Sites.
- 2.10** To promote a safe workplace that operates within the legal parameters of a relevant legal legislation.

### **3 PARTNERSHIP CHARACTERISTICS**

- 3.1** Parties that recognize the value of institutionalized engagement.
- 3.2** Parties that commit to employee motivation and workplace engagement.
- 3.3** Labour management relationship underpinned by fairness cooperation underpinned by fairness.
- 3.4** Strong independent Trade Unions.
- 3.5** Managing effectively the ambiguity of both aligned and divergent interests.
- 3.6** A joint problem solving culture and approach. Resolving differences in an atmosphere of trust.
- 3.7** A commitment to legal procedure.
- 3.8** Stakeholder participation that creates real possibilities to impact outcomes.
- 3.9** A joint commitment to the success of the project.
- 3.10** Transparency and information disclosure.
- 3.11** A shared commitment to transformation and an inclusive yet diverse workforce.

- 3.12** Asserting the importance of dialogue within established project forums and/or allow for collective bargaining.

#### **4. PARTNERSHIP PRINCIPLES**

- 4.1** Participation, underpinned by cooperation, healthy communication and information sharing to contribute to the advancement of employees and the success of the Projects.
- 4.2** Honesty and integrity in dealing with one another.
- 4.3** Problem solving to identify intelligent ways of confronting and resolving differences.
- 4.4** A commitment to optimize performance in order to achieve the Projects' strategic and operational goals, measures and targets.

#### **5 DEFINITIONS**

- 5.1** "Act" means the Labour Relations Act 66 of 1995 as amended.
- 5.2** "Agreement" means this Partnership Agreement (also referred to as "the PA") for the Projects.
- 5.3** "Bargaining Unit" means all employees falling within the categories of the respective industry schedule structures, sectoral determinations or relevant Industry Agreements, and any other category agreed by the Parties.
- 5.4** "BCCEI" means Bargaining Council for the Civil Engineering Industry.
- 5.5** "CMF" means the Contractors Management Forum which creates the opportunity for contractors to meet to consider issues for Site Collective Bargaining and prepare for engagement in Site Partnership Forums.
- 5.6** "Collective Agreement" means a collective agreement defined in section 213 of the Act.
- 5.7** "Contractor" means entities of the civil engineering, building, engineering,

structural, mechanical, electrical instrumentation and piping (SMEIP) contractors, joint ventures and contractors who procures employees conducting construction work and related activities on the relevant Sites for such contractor, joint venture or sub-contractor to work on the relevant Site.

- 5.8 "Contractors Industrial Relations Coordinator"("CIRC")** means the person employed by the Contractors to coordinate the industrial relations matters of the Contractors on the Projects. To be reflected in a Policy.
- 5.9 "Collective Bargaining Sub committees"** are forums established in terms of a Leadership Partnership Forum policy at which a specified set of issues are bargained at sites and in which SSA are concluded.
- 5.10 "Decision Making"** in Partnership Forums or Collective Bargaining sub committees will be by consensus unless otherwise agreed. In Partnership Forums all decisions will be made by consensus, except for issues that had been referred to the Negotiation Forum and requires an agreement between relevant parties. In such instances, the parties will through collective bargaining negotiate an agreement based on the recommendations of the Negotiation Forum.
- 5.11 "Eskom Project Management Team (EPM)"** means the Team appointed by Eskom as its agent for each site from time-to-time whose responsibilities may include engineering procurement and construction management.
- 5.12 "Employee"** means any person in the Bargaining Unit and employed by the Contractor in any of the Sites and who ordinarily works on Site. For the purposes of this agreement employee excludes all employees in the employment of Eskom.
- 5.13 "Eskom Project Management Team (EPM)"** means the Team appointed by Eskom as its agent for each site from time-to-time whose responsibilities may include engineering procurement and construction management.
- 5.14 "Eskom Site Project Director"** means the senior designated Eskom manager on the respective project Sites.



- 5.15 “Full Time Shop Steward Coordinator”** is a Full Time Shop Steward who is appointed as a shop steward coordinator per Trade Union and who is an employee of the Contractor and/or appointed as per the Trade Union Constitution. The Full Time Shop Steward Coordinator will coordinate the full time shop stewards in accordance with the provisions of the Trade Union Constitution, and the Organizational Rights Policy.
- 5.16 “Full Time Shop Steward”** is a full time employee who is an employee of a Contractor and/or appointed and the Trade Union Constitution, as per the Organizational Rights Policy.
- 5.17 "Industrial action"** means a lock-out or strike as defined in the Act.
- 5.18 "Industry Agreements"** mean the Sectoral Determination 2 (updated from time to time) and substantive agreements and addendums thereto for the BCCEI, and the Main Agreement of the MEIBC respectively, that regulate terms and conditions of employment of Employees.
- 5.19 “Kusile”** means the Kusile power station project situated in the province of Mpumalanga in the eMalahleni Municipality.
- 5.20 “Local Employees”** in respect of the Medupi project mean employees who have registered their home address in their employment contract as being from the magisterial district of Lephalale. In respect of Kusile site mean employees who have registered their home address in their employment contract as being either in the magisterial district of Bronkhorspruit or Ogies or Phola or Delmas or eMalahleni or Wilge and surrounding farms.
- 5.21 “Medupi”** means the Medupi power station project situated in the Lephalale municipal area.
- 5.22 “MEIBC”** means Metal Engineering Industry Bargaining Council.
- 5.23 “Negotiating Forum”** is a forum where senior representatives or delegated representatives of the Parties develop and recommend policies to the Leadership

Partnership Forum for its consideration.

- 5.24 "PA"** means this Partnership Agreement concluded and signed by the Parties.
- 5.25 "Parties"** means Eskom, Principal Contractors and the Registered Trade Unions who are signatories to this Partnership Agreement.
- 5.26 "Partnership Forums"** mean forums that are established at strategic and operational levels within the Project and include:
- 5.26.1 "A Leadership Partnership Forum"** which comprises the CEO's of Principal Contractors, designated Eskom executives and national and regional Trade Union leadership and including delegated Trade Union representatives that make strategic and policy decisions at the highest level for the Project.
- 5.26.2 "Site Partnership Forums"** which comprise site representatives of the Principal Contractors, Eskom and Trade Union leadership at Medupi and Kusile which are responsible for addressing all issues of a strategic or operational nature impacting on project objectives at site.
- 5.26.3 "Principal Contractor Partnership Forums"** which comprise the Principal Contractor, their sub-contractors and Trade Union leadership which are responsible for addressing operational and Employee Relations issues which inhibit the achievement of the partnership objectives at a package level.
- 5.26.4 "Contractor Partnership Forums"** which comprise contractor and Trade Union representatives who are responsible for addressing operational, employee relations and company specific issues at a contractor and sub-contractor level.
- 5.27 "Principal Contractors"** means entities of the civil engineering, building, engineering, structural, mechanical, electrical instrumentation and piping (SMEIP) contractors, joint ventures and contractors who procures Employees partner agreements conducting construction work and related activities on the Project who hold the primary commercial contracts with Eskom.
- 5.28 "Projects"** means the construction of either the Medupi or Kusile power stations.

- 5.29 "Project Employee Relations Manager" ("PERM")** means the person appointed by the Eskom Project Management Team, to oversee all employee relations issues on their respective Project Sites.
- 5.30 "Policies"** for the purposes of the PA mean the instruments approved by the Leadership Partnership Forum which provide a policy framework within which each site is lead and managed.
- 5.31 "Policy Directives"** for the purposes of the PA mean directives from Eskom to the Sites to implement a particular policy or policies after engagement with the Parties at the Leadership Partnership Forum.
- 5.32 "SAFCEC"** means South African Federation of Civil Engineering Contractors and registered in terms of the Act.
- 5.33 "Support Service Providers"** mean contractors who provide support services, excluding Support Service Contractors employed full time by Contractors on Site. Support Service Providers will be contained to those Service Providers working on the Site and/or providing a service which is a benefit under the PA and/or SSA. The list of Support Service Providers entitled to receive benefits will be agreed and issued as a policy.
- 5.34 "Sites"** means the work places at the Medupi and Kusile sites.
- 5.35 "Shop Steward"** means a member of a Trade Union who is elected to represent members as a shop steward from amongst employees of a Contractor and who is employed on a Site and who is employed on Organisational Rights Policy.
- 5.36 "SLF"** means the Site Labour Forum which creates the opportunity for Trade Union representatives to meet to consider issues and prepare for engagement in Site Partnership Forums.
- 5.37 "SSA"** means Site Specific Agreement, a Collective Agreement concluded between the Contractors and Trade Unions in respect of site specific issues in the collective bargaining sub committee.

**5.38 "Stakeholders"** for the purposes of the PA mean Eskom, Trade Unions and Contractors.

**5.39 "Trade Union"** means a registered, recognized Trade Union that is signatory to this Agreement.

**5.40 "Trade Union Official"** means a full-time employee of a Trade Union, or an office bearer of such Trade Union designated to represent the Trade Union in terms of the Act and Union Constitution.

## **6 APPLICATION OF THIS AGREEMENT**

**6.1** This Agreement applies to Eskom, all Contractors and Employees in the Bargaining Unit and employees contracted to them and Trade Unions and their members as well as to Employees who are non-members of Trade Unions, for the duration of the Project.

**6.2** This Agreement excludes Support Services Providers. The employees of Support Services Providers will be considered for Site benefits as agreed at the PA Leadership Forum.

**6.3** This Agreement does not apply to any employee of a Contractor who is seconded to the Project for a period of less than one calendar month or who will perform work on the Site for a period of less than one calendar month.

**6.4** Any other Trade Union which is registered with either of the MEIBC or BCCEI and which meets the threshold specified in terms of the policy on Trade Union recognition under this agreement may become party to this Agreement by signing it.

## **7. COMMUNICATION AND INFORMATION SHARING**

**7.1** In order to facilitate consultation and to foster sound employee relations, it is important that there is effective communication and that relevant information be shared between the Parties to this Agreement. A communications policy containing the principles which will govern the achievement of effective communication and relevant information sharing will be a priority for the Leadership Partnership Forum to

develop. The key principles which will inform this policy are:

- 7.1.1** The Parties must be open and honest with each other when disclosing information;
- 7.1.2** Information should be shared proactively in accordance with the LRA and in accordance with any other applicable law;
- 7.1.3** Information to be exchanged between the Parties shall only be information in respect of Collective Bargaining issues or issues dealt with in any Industry Agreement or SSA, or any other Collective Agreement, and in terms of Section 16 of the Act;
- 7.1.4** Where possible information supplied should be in an easily accessible and understandable format;
- 7.1.5** Agreements concluded between the Parties should be jointly communicated where practically feasible; and
- 7.1.6** Contractors have a responsibility to communicate on an on-going basis with their employees.

## **8. PARTNERSHIP FORUMS**

**8.1** The following Partnership Forums will be established:

- 8.1.1** An overarching Leadership Partnership Forum
- 8.1.2** A Site Partnership Forum at each Site
- 8.1.3** A Principal Contractor Partnership Forum at a company level
- 8.1.4** A Contractor Partnership Forum at each company

**8.2** Operating procedures and guidelines will be developed to ensure that the partnership forums operate effectively. This will include:

- 8.2.1** Proper notice of meetings and timeous circulation of agenda's

**8.2.2** Standardized agenda items

**8.2.3** Effective meeting management by the chair

**8.2.4** A minute recording decisions, accountability for implementation and timeframes. For all these Forums, a protocol is requested for a Schedule of Meetings, where delegates are notified upfront / timely and Minutes are kept

**8.2.5** An action item list confirmed and distributed at the end of each meeting

**8.2.6** Rules of engagement

**8.3** The support structures to the Partnership Forums will be:

**8.3.1** A Site Labour Forum at each Project Site

**8.3.2** A Contractor Management Forum at each Project Site

#### **8.4 LEADERSHIP PARTNERSHIP FORUM**

**8.4.1** The role of the Leadership Partnership Forum is to:

**8.4.1.1** Review project and site performance and productivity against the Projects' strategic and operational goals, measures and targets.

**8.4.1.2** To review and approve policy instruments as recommended by the Negotiating Forum or to be issued as a Policy Directive, which Policies will be Annexures to be agreed and attached to this Agreement. The policies will be contained in 'Annexures 1' depicting them as instruments to be approved by the Leadership Partnership Forum or to be issued as policy directives by Eskom or referred as matters for Collective Bargaining in a Collective Bargaining Sub Committee at Site.

**8.4.1.3** Submit reports to relevant Government departments and other stakeholders on project progress.

**8.4.1.4** Share information subject to the Law on strategic issues.

**8.4.1.5** Resolve disputes in accordance with Dispute Resolution Policy.

**8.4.2** Operate as a sounding board for all Parties.

**8.4.2.1** The following representatives will constitute the Leadership Partnership Forum:

**8.4.2.1.1** Eskom Executive Leadership

**8.4.2.1.2** Eskom Site Project Directors.

**8.4.2.1.3** Principal Contractor CEO's.

**8.4.2.1.4** Operations Managers or Project Director of the Principal Contractors (s)

**8.4.2.1.5** Trade Union Officials (National and Regional) and the Full Time Shop Stewards.

**8.4.2.1.6** PERM

**8.4.3** Meetings:

**8.4.3.1** The Leadership Partnership Forum will meet quarterly or as often as required.

**8.4.4** Negotiating Forum:

**8.4.4.1** The Leadership Partnership Forum will establish a negotiating forum comprising senior representatives, delegated Trade Union representatives where policy proposals are developed and recommendations made to the Leadership Partnership Forum for approval.

**8.4.4.2** The Negotiating Forum members will attempt to reach agreement at the Negotiating Forum, failing which any of the Parties may follow the

Dispute Resolution Policy

**8.5 SITE PARTNERSHIP FORUMS**

**8.5.1** The role of the Site Partnership Forums will be:

**8.5.1.1** Assess site performance results in respect of Health, Safety and Environment (HSE), people including mobilization, demobilization, training and skills development, schedule adherence, project milestones, quality, and cost impacts.

**8.5.1.2** Overseeing the implementation of policies approved by the Leadership Partnership Forum and policy directives.

**8.5.1.3** Ensuring an abiding consistency in the application of employee relations policies across site.

**8.5.1.4** Identifying problems impacting on employee relations and developing appropriate solutions.

**8.5.1.5** Engaging external stakeholders on issues which impact on employee relations.

**8.5.1.6** Establishing a collective bargaining sub-committee to negotiate on site specific issues.

**8.5.1.7** Monitoring adherence to fair labour practices on site.

**8.5.1.8** Ensuring that relevant information is communicated to all Employees.

**8.5.2** Representatives on Site Partnership Forums:

**8.5.2.1** The Site Partnership Forums will be chaired by the Eskom Project Director.

**8.5.2.2** Eskom, CPF Chair, PERM, CIRC, Site Main Contractor HR/ER Managers, - and Full-Time Shop Steward(s) per trade union



**8.5.3 Sub-Committees:**

**8.5.3.1** The Site Partnership Forums may establish sub-committees other than the collective bargaining sub-committee to deal with specific issues.

**8.5.3.2** The sub-committees will operate under clear terms of reference and make recommendations to the Site Partnership Forums.

**8.5.4 Meetings:**

**8.5.4.1** The Site Partnership Forums shall meet once a month or as often as may be required.

**8.6 PRINCIPAL CONTRACTOR PARTNERSHIP FORUM**

**8.6.1** The role of the Contractor Partnership Forum will be:

**8.6.1.1** Monitoring package performance results in respect of HSE, people including mobilization, demobilization, training and skills development, schedule adherence, project milestones, quality, and cost impacts.

**8.6.1.2** Ensuring an abiding consistency in the application of employee relations policies across the package.

**8.6.1.3** Identifying problems impacting on employee relations and developing appropriate solutions.

**8.6.1.4** Engaging external stakeholders on issues which impact on employee relations.

**8.6.1.5** Monitoring adherence to fair labour practices at each package.

**8.6.1.6** Ensuring that relevant information is communicated to all Employees.

**8.6.2** Representatives on Principal Contractor Partnership Forums:

**8.6.2.1** The Principal Contractor Partnership Forums will be chaired by the

Principal Contractors Operations Director

**8.6.2.2** Attendees will be representatives from the Sub Contractors, the CIRC, the Contractor HR/IR managers, Full Time Shop Steward and Shop Stewards, and PERM by invitation.

**8.6.3** Meetings:

**8.6.3.1** The Contractors Partnership Forum shall meet once every two weeks or as often as may be required.

## **8.7 CONTRACTOR PARTNERSHIP FORUM**

**8.7.1** The role of the Contractor Partnership Forum will be:

**8.7.1.1** Monitoring company performance results in respect of HSE, people including mobilization, demobilization, training and skills development, schedule adherence, project milestones, quality, and cost impacts.

**8.7.1.2** Ensuring an abiding consistency in the application of employee relations policies across the company.

**8.7.1.3** Identifying problems impacting on employee relations and developing appropriate solutions.

**8.7.1.4** Monitoring adherence to fair labour practices at each package.

**8.7.1.5** Ensuring that relevant information is communicated to all Employees.

**8.7.2** Representatives on Contractor Partnership Forums:

**8.7.2.1** The Contractor Partnership Forums will be chaired by the Contractor Operations Manager

**8.7.2.2** Attendees will be, the Contractor HR/IR managers, Full Time Shop Steward(s) and Shop Stewards.

**8.7.2.3** Principal Contractor HR representative, IR Manager and by invitation the CIRC and PERM.

**8.7.3** Meetings:

**8.7.3.1** The Contractors Partnership Forum shall meet once every two weeks or as often as may be required.

**9. POLICY DIRECTIVES**

**9.1** Eskom has the responsibility to issue policy directives in relation to HR issues including those contained in 'Annexure 1' hereto.

**9.2** Such policy directives will apply and bind Parties across sites.

**9.3** Prior to issuing policy directives Eskom will engage with Parties in the Leadership Partnership Forum to ascertain their views on the content.

**10 COLLECTIVE BARGAINING**

**10.1** Levels at which Collective Bargaining Agreements may be concluded:

**10.1.1** Industry (MEIBC and BCCEI agreements)

**10.1.2** Site

**10.2** Levels at which agreements may be concluded:

**10.2.1** Leadership Partnership Forum

**10.3** Collective bargaining may be undertaken at the Site on issues not governed by any applicable Industry Agreement. The issues for Collective Bargaining at Site will be determined by the Leadership Partnership Forum.

## **11 RIGHTS AND RESPONSIBILITIES OF PARTIES TO THIS AGREEMENT**

### **11.1 ESKOM RIGHTS AND RESPONSIBILITIES**

#### **11.1.1 Eskom will:**

- 11.1.1.1** Comply with legislative requirements, all agreements and directives.
- 11.1.1.2** Monitor, support and oversee that the Contractors and the Trade Unions give full effect to this Agreement.
- 11.1.1.3** Monitor, support and oversee the Parties to implement ensure fair and equitable labour practices between Contractors, Trade unions, Support Service Providers, Employees and Eskom. Monitor and oversee the implementation of fair and equitable labour practices.
- 11.1.1.4** Issue policy directives.
- 11.1.1.5** Participate in the Leadership, Site and Principal Contractor Partnership Forums In order to ensure alignment with Eskom Policy Directives and other agreed Policies.
- 11.1.1.6** Monitor compliance with all agreements and legislative requirements.
- 11.1.1.7** Monitor effective communication and engagements with Stakeholders, Parties and employees.

### **11.2 CONTRACTORS RIGHTS AND RESPONSIBILITIES**

#### **11.2.1 Contractors will:**

- 11.2.1.1** Comply with Legislative requirements, all agreements, policies and directives.

- 11.2.1.2** Implement fair and equitable labour practices.
- 11.2.1.3** Participate in the Leadership Partnership Forums.
- 11.2.1.4** Ensure that the PA and the policies, policy directives and SSA's are given effect to in terms of the letter and spirit of this agreement.
- 11.2.1.5** Prioritize a safe site-environment.
- 11.2.1.6** Execute works with labour harmony and reduce the risks associated with labour unrest and industrial action so as to achieve its objectives.
- 11.2.1.7** Recruit, select, employ, train and develop their employees, including where there is a skills shortage, recruit expatriates to perform critical tasks on site, this will be covered in the appropriate policy to be developed in line with the recruitment policy.
- 11.2.1.8** Communicate with their Employees on all matters relating to the employment relationship and project delivery.
- 11.2.1.9** Set company specific performance standards and targets and manage these at an operational level.

### **11.3 TRADE UNION RIGHTS AND RESPONSIBILITIES**

- 11.3.1** Comply with Legislative requirements, all agreements, policies and directives.
- 11.3.2** Participate in the Leadership Partnership Forum.
- 11.3.3** Upon signature of this agreement, Trade union recognition will be accorded on the basis of meeting a threshold of 300 members per site. Recognition at this threshold level will entitle a Trade Union to a Full Time Shop Steward as well as participation within the Partnership Forums and

Collective Bargaining Structures.

- 11.3.4** Within four months after signature, the threshold will increase to 500 members per site.
- 11.3.5** Should a Trade Union achieve a threshold of 750 members at a particular site, it will be entitled to a second Full Time Shop Steward. Thereafter, it will be entitled to a further Full Time Shop Steward for every additional 750 members.
- 11.3.6** Shop Stewards will have the opportunity to meet to prepare and plan for the meeting of the Site Labour Forum and Partnership Forum meetings.
- 11.3.7** A Full Time Shop Steward Coordinator will be elected from among the Full Time Shop Stewards to coordinate the Full Time Shop Stewards in carrying out their responsibilities.
- 11.3.8** Further Shop Steward and Trade Union rights including, but not limited to, access, facilities, elections, reporting relationships and skills development will be included in a Shop Stewards policy.
- 11.3.9** Should a Trade Union fall below the threshold necessary for recognition at a Project Site the CIRC will notify it in writing that it faces de-recognition should it not within the space of 90 days bring its membership level above the threshold.

## **12 PRODUCTIVITY**

- 12.1** The Parties recognize the strategic importance to the industry and country of improving progress in order to complete the Projects on time and on budget. The Parties commit to ensure high levels of production and productivity. A policy for productivity will be developed and approved in the Leadership Partnership Forum and implemented across the Sites.
- 12.2** The Contractors and Trade Unions will jointly commit to identifying and developing solutions to issues impacting the achievement of productivity targets.

- 12.3** Eskom commits to creating a conducive environment that will enable the Contractors and Trade Unions to achieve their productivity targets.
- 12.4** The productivity policy to be developed needs to remove road blocks to progress and to include for measurement and evaluation against best industry standards and practice. It is the Contractors responsibility to ensure that the productivity policy developed is aligned to these industry standards and practices. The evaluation and measurement will require a detailed analysis of the milestones, key performance targets and measures, and quality.
- 12.5** Contractors will fairly recognized and reward employees for the achievement of project milestones, productivity targets and quality.
- 12.6** Such productivity agreement will be negotiated as part of the relevant SSA.

### **13 DISPUTE RESOLUTION**

- 13.1** The Parties reaffirm their fundamental belief and commitment to dialogue as the preferred method of conducting their relationship and for preventing and resolving disputes expeditiously.
- 13.2** Disputes will be handled according to the Dispute Resolution policy and procedure which will be developed by the Parties and referred to their legal department for comments. This will be approved as a matter of priority by the Leadership Partnership Forum.
- 13.3** Such policy will provide for a resolution of disputes by negotiation and mediation and failing this by arbitration of rights disputes and a resort to the provisions of the Act for interest disputes.
- 13.4** Disputes will be addressed at the lowest level, preferably at Site level.
- 13.5** Disputes will only be declared once all internal procedures have been followed.
- 13.6** Parties will not engage in Industrial Action prior to the Leadership Forum having the

opportunity to resolve the issue.

#### **14 AMENDMENT OF THIS AGREEMENT**

**14.1** Any amendment to this PA must be reduced to writing and signed by the parties. For the purposes of this Clause, this undertaking constitutes a collective agreement in terms of the Act.

**14.2** The Parties agree that any one of the Parties may give 30 days notice to the other Parties to renegotiate this PA or parts thereof. Should a Party refuse to negotiate, the principles of the Act shall apply.

#### **15 DURATION OF THIS AGREEMENT**

**15.1** This Agreement shall come into operation on the date upon which it is signed and shall remain in effect for the duration of the Projects.

**15.2** Existing policies and terms and conditions of employment applicable at the Sites at the date of signature will remain in place until replaced by amendments to industry agreements, new policies emanating from the Leadership Partnership Forum, policy directives issued by Eskom and/or SSA's negotiated in the Collective Bargaining Sub Committees at Site level.

#### **16 NON-COMPLIANCE WITH THE PROVISION OF THIS AGREEMENT**

**16.1** If a Party fails to comply with any provision of this Agreement or any policy developed or agreement reached in terms of this Agreement, and after attempts by the Partnership Forums have failed to resolve the breach, the matter must be dealt with in terms of the Dispute Resolution Procedure or by Eskom in terms of the relevant provisions of its commercial contracts with contractors.



Thus signed at \_\_\_\_\_ on \_\_\_\_ day of \_\_\_\_ 2013, the signatories having secured the necessary authority to sign on behalf of their Parties.

**ESKOM HOLDINGS SOC LIMITED**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

And

**The Principal Contractors:**

**Actom Contracting a division of  
Actom (Pty) Ltd**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Alstom**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Basil Read (Pty) Ltd**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Bateman Africa (Pty) Ltd**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Esor Franki**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Hitachi Power Africa (Pty) Ltd /  
Murray and Roberts Project (Pty)  
Ltd**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_

\_\_\_\_\_

**KCW (JV) (A joint venture between Basil Read (Pty) Ltd, Stefanutti Stocks Civils a Division of Stefanutti Stocks (Pty) Ltd, WBHO Construction (Pty) Ltd and Group Five Civil Engineering (Pty) Ltd)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**KSJV (A joint venture between Basil Read (Pty) Ltd, Stefanutti Stocks Civils a Division of Stefanutti Stocks (Pty) Ltd and WBHO Construction (Pty) Ltd)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**LPS (Lesedi, Wetback and IWC)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**MPS Murray and Roberts Construction and Aveng Grinaker LTA a division of Aveng Africa Ltd Siemens (Pty) Ltd**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**SSBR (JV) (Stefanutti Stocks Building Inland a Division of Stefanutti Stocks (Pty) Ltd and Basil Read (Pty) Ltd)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Tubular Zamani (JV) (Tubular Construction (Pty) Ltd and Zamani Engineering Services)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**WBHO Construction (Pty) Ltd**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**CMF Medupi**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**CMF Kusile**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Trade Unions**

**Building Construction and Allied  
Workers Union (BCAWU)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Chemical Energy Paper Printing  
Wood and Allied Workers Union  
(CEPPWAWU)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Metal Electrical Workers Union of  
South Africa (MEWUSA)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**National Union of Mine Workers  
(NUM)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**National Union of Metal Workers  
of South Africa (NUMSA)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Solidarity (Solidarity)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**UASA the Union (UASA)**

\_\_\_\_\_  
Name

\_\_\_\_\_  
Signature

**Annexure 1: The annexure relating to the list of the substantive issues to be dealt with (being refined)**

The Parties agree that the attached list of substantive issues will be dealt with in terms of the following four (4) levels. The first order of business for the PLF will be to prioritise the Directives/Policies and Demarcation Issues in order of importance and implementation. The Parties will endeavour to have all these resolved as soon as possible.

1. Industry Level
2. Eskom Directive
3. PLF Policy Level (Negotiations Forum)
4. Site Specific Level (SSA)
  - a. Level1: Industry Issues as per the 'Demarcation Issues Table'
  - b. Level 2: The following will be issued as Eskom Directives;
    - Minimum Project Wage Rates
    - Standardisation of Wages
    - Centralised Wage Bureau
    - Transport (Rate per Kilometre, Travelling Time and Means of Transport)
    - Training and Development
    - Eskom overall HR Policy
  - c. Level 3: Policies to be Reviewed and Approved at the LPF;
    - Organisational Rights Policy: Shop Stewards
    - Remuneration Policy (Balance)
    - Roles and Responsibilities of the PERM and the CERC
    - Full Time Shop Steward(s) Roles and Responsibilities

- Bargaining Sub-Committee: Purpose, Roles and Responsibilities
- Allowance Policy
- Accommodation Policy
- Transport Policy (Balance)
- Dispute Resolution Policy
- Recruitment Policy (Local and International)
- Productivity Policy
- Training and Development Policy (Balance)
- Services and Support Services Providers Policy
- Issues to be dealt with in task teams for policy development and Industry Negotiations
- Communication Policy
- Substance Abuse Policy
- HSE Policy / Charter

d. Level 4: Site Specific Issues: As per the `Demarcation Issues Table`

Preliminary list of issues are tabled below:

| DEMARCATIION ISSUES TABLE                                    |                            |                     |               |
|--|----------------------------|---------------------|---------------|
| Issue  | Eskom Directive/LPF policy | Industry Agreements | Project / SSA |
| Minimum wage rate  |                            | x                   |               |
| Project Rate   | x                          |                     |               |
| Standardisation of Wage Rates as a entry levels across bands | x                          |                     |               |
| Employee Relations policy                                    | x                          |                     |               |
| Increases Across The Board                                   |                            | x                   |               |
| Productivity (Targets and Incentives)                        | x                          |                     | x             |
| Hours of work (Max/normal Hours)                             |                            | x                   |               |
| Shift Patterns   |                            |                     | x             |
| H & S  | x                          |                     | x             |
| Transport Allowance  | x                          |                     |               |
| Housing / Accommodation                                      | x                          |                     |               |
| Living out allowance   |                            | x                   |               |
| Training and development                                     | x                          |                     | x             |
| Centralization of Pay Systems                                | x                          |                     |               |
| Access to Site   | x                          |                     |               |
| Shop Steward Resources                                       | x                          |                     |               |
| Shop Steward Time off  |                            |                     | x             |
| Shop Stewards Training                                       |                            |                     | x             |
| Benefits for Regional Organisers                             | x                          |                     |               |
| Dispute procedure (Dispute Resolution)                       | x                          |                     |               |

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|  |   |   |   |
|--|---|---|---|
| Individual dismissal (Disciplinary code)                                 |   |   | x |
| Grievance Procedure  |   |   | x |
| Incentives (Excluding Productivity)                                      | x |   |   |
| Height Allowance   |   | x |   |
| Confined Space Allowance   |   | x |   |
| Night Shift Allowance  |   | x |   |
| Food Allowance   | x |   |   |
| Benefits (medical aid, provident fund including death benefit insurance) |   | x |   |
| Death Benefits (death and family assistance, transports, funeral etc.)   |   | x |   |
| Training on tax  | x |   | x |
| Benefits from mother company transferred to sites.                       |   | x |   |
| Averaging of hours   |   | x |   |
| Temporary Employment Services (TES)                                      |   |   | x |
| Collective Bargaining  | x | x | x |
| Loss of hours / Leave enhancements                                       |   | x |   |
| Payment period   |   |   | x |
| Annual Shutdowns   |   | x | x |
| Project Long Weekends  |   |   | x |
| Tool allowances  |   | x |   |
| Standardisation on inclement weather                                     |   | x |   |
| Expatriates  | x |   |   |
| Demobilisation benefits  | x | x |   |
| Payments during off time   | x |   |   |
| Severance Pay  |   | x |   |
| Benefits on Secondment   |   | x |   |
| No Poaching Clause   | x |   | x |
| Cooling Off Period   | x |   | x |
| Non-destructive behaviour  | x |   | x |
| Role of Employer Bodies  |   | x | x |
| Role of Eskom  | x |   |   |
| Site Facilities provided by Eskom  | x |   |   |
| Training on PA agreement (for all parties)                               | x |   | x |
| Union threshold for membership (300)                                     |   |   | x |
| Definition of the Bargaining Unit  |   | x |   |
| Alleviation of Congestion  | x |   |   |
| Protocols during Mass Meetings   | x |   | x |
| Standardization of Information on Payslips                               | x |   |   |
| Time Keeping - Workers not observing time keeping regulations            |   |   | x |
| Absenteeism  |   |   | x |
| Lunch break discipline on returning                                      |   |   | x |
| Substance abuse  | x |   | x |

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|                   |   |  |   |
|-------------------|---|--|---|
| Recruitment       | x |  | x |
| Social plan       | x |  |   |
| Service Providers | x |  |   |