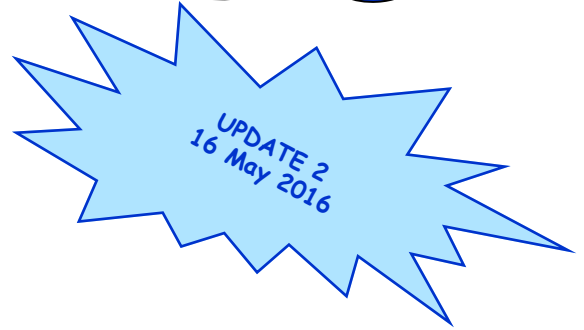


CUTTING EDGE



Registered as a trade union in terms of the labour relations Act, (Act 66 of 1995) as amended

Room 205, Hangar 5
Annex Building
SAA Technical Area,
O R Tambo Int. Airport
Tel: (011)978-6508
Fax: 086 696 2131 or
(011)978-3616
E-mail: info@ausa.co.za
Web: www.ausa.co.za



Dear Members,

RELATIONSHIP BY OBJECTIVES PROCESS (RBO) WORKSHOP

As communicated in the previous Cutting Edge, the RBO took place at Kopanong Conference Centre on the 11th and 12th of April 2016. The participating parties in the workshop were AUSA, SATAWU and SAAT Management. There were frank discussions between the parties to determine why there is a breakdown in the relationship between the parties and how to improve the relationship in the future. Building a relationship cannot be limited to an event, but it is a process. Undertakings were made by all parties to work together.

Only time will tell ...

SAAT / SAA ANNUAL WAGE NEGOTIATIONS 2016/2017

The first meeting for the 2016/17 Negotiations was re-scheduled for the 26th of April 2016. We informed the Company that we request an independent Chairperson to chair the Negotiation meetings. We are currently waiting for dates from the Chairperson to start with the process.

We also had discussions with the Company to accommodate some of the other Unions in the Negotiation process.

The SAA Unions and SAA Corporate are still busy with their Negotiations at SAA and the final offer from the Company is the following increase:

- ◆ 6% on Basic salary;
- ◆ 7% on Medical Aid; and
- ◆ 7% on Housing allowance.

Feedback indicates that the parties have deadlocked and that the Unions have approached the CCMA.

AUSAURF

Over the last couple of months, correspondence between the Fund, Employers (SAAT & SAA) and the Financial Services Board was exchanged. This also resulted in various meetings between the parties.

Based on the above, the AUSAURF Board understood the following (next page):

- i. The Employers and Labour (AUSA & SATAWU) do not wish to continue with the fund and signed an addendum to the 2014/2015 Wage Agreement to combine the Basic and Secondary Salary to one Pensionable Salary and secondly;
- ii. To transfer the members Fund value to their Primary Fund for AUSA members and to an Approved Fund of SATAWU's choice for their members.
- iii. A group of Fund members also expect to receive all or a portion of their accrued benefits in cash, despite them not terminating service with the employer.

With this background in mind the Board agreed to the following:

- ⇒ To withdraw the appeal against the Pension Fund Adjudicator (PFA)
- ⇒ To terminate the Fund, as it would not be in any of the stakeholders' best interest to continue operating the fund, as 99 % of the Fund members will cease contributions to the Fund
- ⇒ Taking note of the above, the only solution would then to pursue the liquidation of the fund.

The above would now accelerate the process to combine the Basic and Secondary Salary to one Primary Pensionable Salary (i.e. ultimately contributing to one primary Retirement Fund—the TRF or the SAA Funds at Work). Hopefully this could be achieved within the next few months.

The liquidation process could have various permutations such as;

- The transfer of the members' Fund value to the Primary Fund,
- Transfer to a Preservation fund, or
- A total or partial Cash withdrawal

More information regarding liquidation and the way forward will only be communicated after the next BoT meeting that is scheduled for the 3rd of June 2016. It is important to note that the transfer of the Member fund value or the liquidation is a complex matter and time consuming process.

CHANGING OF THE PAY-MONTH

We are still discussing the matter at the TCF. The proposal is to change the pay month from the 16th of the month to the 1st of the month. The pay date will still remain on the 27th of every month as currently. This will allow the Company to align with the pay structures of all the other subsidiaries with in SAA and to align with the Pension Fund rules. This would mean that all overtime that is worked in the current month would only be paid in the following month. This would also give the HR Practitioners sufficient time load the overtime correctly for payment. If this is implemented every person would receive 6 weeks salary for the first month to adjust for the additional 2 weeks from the 16th of the month to the 31st of the following month.

VERIFICATION

After several extensions and delays the process has now finally been concluded. The outcome reflected that we are presently the only Union in SAAT that has Bargaining rights. The results is as follows:

A total of 2332 Employees in the Bargaining Unit was done.

- * AUSA = 40,3%
- * SATAWU = 24%
- * NUMSA = 20,1%
- * SOLIDARITY = 5,5%
- * NTM—3%

However, there is no better time to increase our membership than now. Let us all make an effort to recruit new members. We would also like to thank our members for your loyal support.

The Company and NUMSA also signed an Organisational Rights Agreement. In terms of this Agreement, NUMSA is entitled to the following rights:

- ◆ Access to the Workplace in accordance with Section 12 of the LRA Act;
- ◆ Deduction of Union subscriptions from Salaries in accordance with Section 13 of the LRA;
- ◆ Access to relevant information;
- ◆ The right to elect Shopstewards and to form a Shopstewards Committee;
- ◆ The right to hold meetings on Company premises for a maximum of two (2) hours during working time. For this purpose, it is agreed that reasonable prior notice shall be given by the Union for consideration by Management;
- ◆ The agreement further makes provision for meetings between NUMSA and Management for consultation purposes not less than once per month.

We would also like to welcome NUMSA on board at SAAT and look forward to a fruitful and productive relationship.

5th QUADRENNIAL CONGRESS

The 5th Quadrennial Congress is scheduled for the 30th of October 2016. The last Congress was held in 2012. The process to elect the new EXCO for the next 4 years and the Congress will be communicated to you in the next few weeks.

STRUCTURES

The Company is in the process of completing the Structures for SAAT after the S189. The final structures have been signed off by the HOD's from each department. These signed structures will be presented to Labour at the next TCF scheduled for the end of May 2016.

FEEDBACK ON CHARLIE BECKER

We visited Charlie three weeks back and his situation has not changed. He still does not move any part of his body and is still in coma (it's been 6½ months now). The family confirmed that Charlie was taken to the Donald Gordon institute for a MRI scan. The result from the attending Neurologist remains the same. He is off some of the drugs that were making him drowsy and it seems that he is little more "awake".

Our thoughts and support are still with the family.

Regards,
AUSA

oooOooo