

## DEPARTMENT OF EMPLOYMENT AND LABOUR

NO. R. 1742

11 February 2022

## LABOUR RELATIONS ACT, 1995

**NATIONAL BARGAINING COUNCIL OF THE LEATHER INDUSTRY OF SOUTH AFRICA:  
EXTENSION TO NON-PARTIES OF THE SICK BENEFIT FUND AMENDING COLLECTIVE  
AGREEMENT**

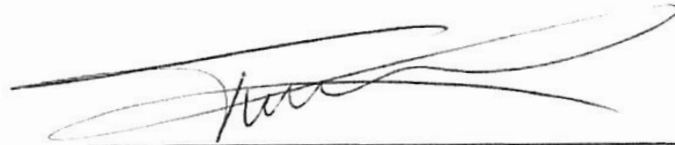
I, **THEMBELANI WALTERMADE NXESI**, Minister of Employment and Labour, hereby in terms of section 32(2) of the Labour Relations Act, 1995, declare that the Collective Agreement which appears in the Schedule hereto, which was concluded in the **National Bargaining Council of the Leather Industry of South Africa**, and is binding in terms of section 31 of the Labour Relations Act, 1995, on the parties which concluded the Agreement, shall be binding on the other employers and employees in that Industry with effect from the second Monday after the date of publication of this notice and for the period ending 30 June 2027.



MR TW NXESI, MP  
MINISTER OF EMPLOYMENT AND LABOUR  
DATE: 02/02/2022

**UMNYANGO WEZEMISEBENZI NEZABASEBENZI****UMTHETHO WOBUDLELWANO KWEZABASEBENZI KA 1995****UMKHANDLU KAZWELONKE WOKUXOXISANA PHAKATHI KWABAQASHI NABASEBENZI  
BEMBONI YEZIKHUMBA: UKWELULWA KWESIVUMELWANO SABAQASHI NABASEBENZI  
ESICHIBIYELAYO, SELULELWA KULABO ABANGEYONA INGXYENYE YESIVUMELWANO**

Mina, **THEMBELANI WALTERMADE NXESI**, onguNgqongqoshe Wezemisebenzi NezabaSebenzi, ngokwesigaba-32(2) soMthetho Wobudlelwano KwezabaSebenzi ka-1995, ngazisa ukuthi isiVumelwano sabaqashi nabasebenzi esitholakala kwiSheduli yesiNgisi exhunywe lapha, esenziwa **kuMkhandlu KaZwelonke Wokuxoxisana phakathi kwabaQashi Nabasebenzi Embonini Yezikhumba**, futhi ngokwesigaba 31 soMthetho Wobudlelwano kwezabaSebenzi, ka 1995 esibopha labo abasenzayo, sizobopha bonke abanye abaqashi nabasebenzi kuleyoMboni, kusukela ngoMsombuluko wesibili emva kosuku lokushicilelwa kwalesiSaziso kuze kube isikhathi esiphela mhlaka 30 kuNhlanguvana 2027.



**MNUMZANE TW NXESI, MP**  
**UNGQONGQOSHE WEZEMISEBENZI EZABASEBENZI**  
**USUKU: 02/02/2022**

## SCHEDULE

NATIONAL BARGAINING COUNCIL OF THE  
LEATHER INDUSTRY OF SOUTH AFRICASICK BENEFIT FUND  
COLLECTIVE AGREEMENT

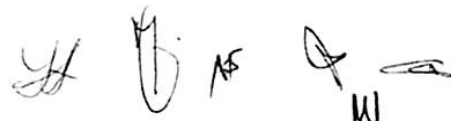
In accordance with the provisions of the Labour Relations Act, 1995, made and entered into between the

- (a) Southern African Footwear and Leather Industries Association (SAFLIA),
  - (b) Association of South African Manufacturers of Luggage, Handbags and General Goods,
  - (c) South African Tanning Employers' Organisation (SATEO)
- and

(Hereafter referred to as the "employers" or the "employers' organisation") of the one part, and

- (d) National Union of Leather and Allied Workers (N.U.L.A.W)
- and
- (e) Southern African Clothing and Textile Workers' Union

(Hereafter referred to as the "employees" or the "trade unions") of the other part, being the parties to the National Bargaining Council of the Leather Industry of South Africa.



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2. Date and period of operation
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13. Amendments to this agreement

**ANNEXURES**

A - Exemptions and Exemptions Appeal Policy and Procedure

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### 1. SCOPE OF APPLICATION OF AGREEMENT

- (1) The terms of this Agreement shall be observed in the Leather Industry -
- (a) by all employers who are members of the employer organisation and by all employees who are members of the trade unions, who are engaged and employed in the Leather Industry, respectively;
  - (b) in the Republic of South Africa.
  - (c) Notwithstanding the provisions of subclause (1)(a), the terms of this Agreement shall not apply to non-parties in respect of Clauses 1(1)(a), 2.1, 7(5) and 13.

### 2. DATE AND PERIOD OF OPERATION

- (1) This Agreement will come into operation for the parties on 25 August 2021 and remain in force for the period ending 30 June 2027.
- (2) This Agreement will come into operation for non-parties on such date as the Minister of Labour extends the agreement to them, and will thereafter remain in force for the period ending 30 June 2027.

### 3. DEFINITIONS

All expressions used in this Agreement which are defined in the Labour Relations Act, 1995, shall have the same meaning as in that Act; and unless the contrary intention is indicated, words importing the masculine gender shall include the feminine. Further, unless inconsistent with the context -

"Council" means the National Bargaining Council for the Leather Industry "of South Africa.

"Footwear Section" shall mean that part of the Leather Industry in which employers and employees are associated for the manufacture


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of all types of footwear from leather or any other material, but excluding bespoke made footwear;

“Fund” means the Sick Benefit Fund of the Leather Industry of South Africa.

“General Goods Section” shall mean that part of the Leather Industry in which employers and employees are associated-

- (1) for the manufacture, mainly from leather, of -
  - (a) attache cases, bags and all other containers designed to hold personal effects, sporting kit, tools and documents;
  - (b) harnesses, bridles, saddlery, saddle bags, leggings, girths, stirrup straps, military equipment other than clothing, ladies= bags, shopping bags, knitting bags, wallets, purses, watch straps, wrist straps, dog collars, dog leads, rugstraps, braces, belts, suspenders, garters, armllets, and all other like articles irrespective of their description but which are designed as substitutes for any of the aforementioned;
- (2) in establishments in which leather goods are also manufactured, for the manufacture, from materials other than leather, of the articles mentioned in paragraph (1): Provided that this paragraph does not include the manufacture of shopping bags made mainly of paper;
- (3) for the manufacture of travelling requisites, including trunks, mainly from leather, fibre, wood, cloth, canvas or fabric or any combination thereof;
- (4) for the manufacture-
  - (a) wholly or mainly from leather, of footballs, punchballs, netball balls, and boxing gloves;
  - (b) of leather-covered hockey and/or cricket balls;
- (5) in establishments in which leather goods are not manufactured for the manufacture from materials other than leather, of -
  - (a) attache cases, bags and all other containers designed to hold personal effects, sporting kit and documents;

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- (b) harnesses, bridles, saddlery, leggings stirrup straps, shopping bags, wallets, purses, watch straps, wrist straps, rug straps, braces and all other like articles, irrespective of their description, but which are designed as substitutes for any of the aforementioned;
- (c) travelling requisites, including trunks, from materials other than leather, fibre, wood, cloth, canvas or fabric or any combination thereof;

Provided that paragraphs (a), (b) and (c) shall not be construed to include -

- (i) the manufacture of metal components and/or attachments;
- (ii) the manufacture of canvas bank bags, canvas kit bags, canvas rucksacks, canvas haversacks, canvas sampling bags and canvas explosive bags;
- (iii) the manufacture of any article from rubber;
- (iv) the manufacture of any article or the practice of any trade or occupation covered by the Printing Industry which, without in any way limiting the generally accepted meaning thereof, means that industry which, or undertaking in which employers and employees are associated in the production of printed matter of any nature whatsoever;
- (v) the manufacture of any articles from metal and of any kind of container (with or without metal parts) from fibre and/or cardboard (corrugated or otherwise) and/or paper or any compound of paper and/or any like material a constituent of which is fibre and/or cardboard and/or paper and/or any constituent of paper and/or plastics, but excluding the manufacture, wholly or mainly from fibre or plastic sheeting material, of trunks, attache cases, bags and all similar containers designed to hold personal effects, musical instruments and sporting kit;

Provided further that the word 'plastic' as contained in paragraph (v) means any of the group of materials which consists of or contains as an essential ingredient an organic substance of a large molecular mass and which while solid in the finished state, at some stage in its manufacture has been or can be forced i.e. cast, calendered, extruded or moulded, into various shapes by flow, usually through the application, singly or together, of heat and pressure.

"Handbag Section" shall mean that part of the Leather Industry in which employers and employees are associated for the manufacture of ladies' and children's bags.

Leather Industry" means the industry in which employers and their employees are associated for one or more of the following:

- (1) manufacture of -
  - (a) footwear, excluding bespoke made footwear;
  - (b) travel goods and requisites, including suitcases, trunks, travelling, folding, sling, shopping, knitting and school bags, satchels, rucksacks, attache, brief and vanity cases, and other similar containers;
  - (c) harnesses, saddlery, bridles, saddle bags, girths, leggings, stirrup straps and other similar equipment, wallets, purses, tobacco pouches, cases and boxes for jewellery, musical instruments, binoculars, arms, footwear, bottles, cigarettes, cigars and pipes, dog collars and leads, watch straps, rug straps, belts, braces, suspenders, garters, armlets, (excluding belts, braces, suspenders, garters, armlets manufactured from cloth) and other similar articles designed as substitutes;
  - (d) handbags and other bags, and containers designed to hold ladies' and gentlemen's personal effects;

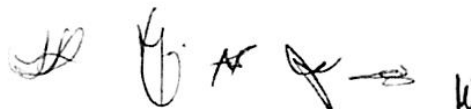




- (e) footballs, punch balls, netball balls and boxing gloves;
  - (f) hockey and cricket balls.
- (2) (a) For the tanning, dressing and fellmongering of hides and skins; and
- (b) (i) preparation of cured or uncured hides and/or skins for tanning; for this purpose "preparation of hides and/or skins for tanning" without detracting from its ordinary or technical meaning, includes any of the following:
    - washing, soaking, fleshing, deburring, liming, unhairing, dewooling, removing scales, deliming, batting and pickling; and
  - (ii) tanning of cured or uncured hides and/or skins; and/or
  - (iii) retanning and/or dyeing and/or drying and/or softening and/or buffing and/or dressing and/or finishing and/or laminating of leather and/or the combing and/or shearing and/or ironing of hides and/or skins with the wool or hair on; and
  - (iv) cutting of upholstery panels from leather, provided that, for the purposes of sub paragraphs (i) to (iii) "hides and skins", include the following: Pelts with or without the fur on; sheep skins with or without the wool on; game and goat skins with or without the hair on; all types of reptile skins, and bird skins, with or without the feathers attached: Provided that the activities listed under sub paragraphs (1)(b) and (c) shall not include -
    - (aa) the manufacture of metal

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- components and/or attachments;
- (bb) the manufacture of canvas bank bags, canvas kit bags, canvas ruck sacks, canvas haversacks, canvas sampling bags and canvas explosives bags;
- (cc) the manufacture of any article from rubber;
- (dd) the manufacture of any article or the practice of any trade or occupation covered by the "Printing Industry" which, without in any way limiting the generally accepted meaning of the term, means the industry or undertaking in which employers and employees are associated for the production of printed matter of any nature whatsoever;
- (ee) the manufacture of any article from metal or any kind of container (with or without metal parts) from fibre and/or cardboard (corrugated or otherwise) and/or paper or any compound of paper, and/or any like material, a constituent part of which is fibre and/or cardboard and/or paper and/or any constituent of paper and/or plastic, but excluding the manufacture wholly or mainly from fibres or plastic sheeting material of trunks, attache cases, bags and all similar containers designed to hold

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personal effects, musical instruments and sporting kit.

The word "plastic" as contained in the paragraph directly above, means any of the group of material which consists of or contains as an essential ingredient, an organic substance of a large molecular mass, and which, while solid in the finished state, at some stage in its manufacture has been or can be forced, i.e. cast, calendered, extruded or moulded into various shapes by flow, usually through the application singularly or together of heat and pressure.

"Management Committee" means the Committee appointed in terms of this agreement for the purpose of controlling and administering the Fund.

"Normal week" means the maximum period within the working week of the establishment which an employee may work without becoming entitled to payment for overtime.

"Secretary" means the General Secretary of the Council.

"Tanning Section" means that part of the Leather Industry in which employers and employees are associated for the -

- (1) tanning, dressing and/or fellmongering of hides and skins;
- (2) (a) preparation of cured or uncured hides and/or skins for tanning; for this purpose 'preparation of hides and/or skins for tanning' without detracting from its ordinary or technical meaning, includes any of the following: Washing, soaking, fleshing, deburring, liming, unhairing, dewooling, the removal of scales, deliming, bating and pickling; and
  - (b) tanning of the cured or uncured hides and/or skins; and/or
  - (c) retanning and/or dyeing and/or drying and/or softening and/or buffing and/or dressing and/or finishing and/or

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laminating of leather and/or the combing and/or shearing and/or ironing of hides and/or skins with the wool or hair on; and

- (d) cutting of upholstery panels from leather:

Provided that, for the purposes of subparagraphs (a) to (c), "hides and skins" includes the following:

Pelts with or without the fur on; sheepskins with or without the wool on; game and goat skins with or without the hair on; all types of reptile skins, and bird skins with or without the feathers on.

"Wage" means the wage prescribed for an Employee in Column A of the wage provisions of the relevant agreement of the Council and, in the case of the tanning industry, the wage rate prescribed in the agreement for that industry;

Provided that if an Employer regularly pays the Employee an amount higher than this prescribed rate (excluding incentives, overtime or bonus payments), it shall mean such higher amount.

#### 4. MEMBERSHIP OF THE FUND

- (1) The Sick Benefit Fund (hereinafter referred to as "The Fund") originally established on 3 September 1982 in terms of Government Notice No R.1792, is hereby continued.
- (2) Subject to any exemptions in terms of this agreement or by decision of the Management Committee of the Fund, all employees whose wages are prescribed in any Agreement of the Council shall become members of the Fund. Membership of the Fund will be extended to include dependants of a member in terms of the rules of the Fund. "Dependant" means the legal or lawful spouse or child of a member, and includes ethnic, tribal or common law spouses, (which includes same sex partners), legally adopted children and lawful stepchildren. The age limit for the child will be 18 years, except in the case of a child attending full-time tertiary education, where the age limit is extended to 23 years. Termination of a dependent's

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membership by a member is subject to a notice period of one calendar month.

- (3) Where an employee whose wages are prescribed in a Council agreement is transferred or promoted to an occupation for which wages are not prescribed, he may elect to remain a member of the Fund provided that:
- (a) he has been a member and has contributed to the Fund for not less than 5 consecutive years; and
  - (b) his employer agrees.
- (4) Employees in the Industry whose wages are not prescribed by any Council agreement may apply, with the agreement of their employer, to be admitted to the Fund on such conditions as the Management Committee of the Fund may determine.

## 5. CONTRIBUTIONS

- (1) Employees  
All employees who are members of the fund shall contribute 1% of their basic wage rate to the fund. An employer shall deduct this amount from the employee's wage on every pay day. Where membership is extended to include a member's dependants, an additional 1% of the member's basic wage will be deducted by the employer for each dependant.
- (2) The term "basic wage rate", for **the purpose of calculating** the contributions, shall **be** the rate in Column 'A' of **those** Council Agreements that provide for an 'A' rate. For other employees, it shall mean the actual **basic** rate earned during a normal week, **excluding** extra income such as overtime and incentive payments: **Provided that, in any instance where an employee earns less than the prescribed rate of payment, the contribution must be calculated on the applicable prescribed rate of payment.**
- (3) Employers  
An employer must contribute an equal amount to the total

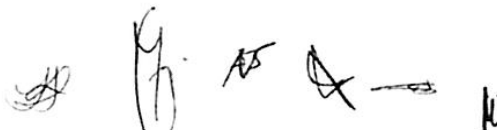
amount deducted from his employees in terms of (1), as well as a further levy, being 0,3% of the basic wage rate of every employee in his employment who is a member of the Fund for the purpose of funding the maternity leave benefit.

- (4) An employer must pay the total amount deducted in terms of (1) and contributed in terms of (3) to the Fund at **PO Box 3959, North End, 6056, PORT ELIZABETH, or at any such other address that the Council may decide from time to time**, on a monthly basis, not later than the 15th of the following month.
- (5) Interest  
Overdue payments in terms of (4) shall attract interest at the discretion of the Management Committee at a rate which shall be calculated from the first day of the month on which payment became due until received.

## 6. BENEFITS

### 6.1 Maternity Pay

- (1) The Management Committee may determine from time to time the maternity benefits to members as provided for in accordance with the rules of the Fund.
- (2) The employee must submit a medical certificate to the employer indicating the expected date of confinement.
- (3) For the purpose of calculating the maternity pay, 'basic wage rate' means the A-rate where applicable in terms of an agreement, or means the actual wage that the employee normally receive in cases where the A-rate does not apply.
- (4) The employer must pay the maternity pay and claim a refund from the Fund. The claim must be accompanied by a medical certificate and receipt signed by the employee for the amount of maternity pay received.
- (5) The Management Committee may refuse to refund an employer who did not claim a refund within two months of the day after the maternity payment has been made.



## 6.2 Medical Benefits

- (1) The Management Committee may determine from time to time the medical benefits granted to members.
- (2) The Management Committee may establish such facilities and appoint such persons as deemed necessary in order to provide these benefits to members.

## 7. ADMINISTRATION

### (1) Management Committee

The Fund shall be under the control of a Management Committee consisting of equal number of representatives from the employer and employee parties to this Agreement and appointed in terms of the Council's constitution.

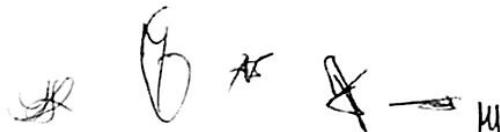
- (2) The Management Committee shall have the power to make, amend and replace rules to administer the Fund. The Rules shall form an integral part of the provisions regulating benefits for members.
- (3) Where the Management Committee is unable to perform its functions, the Council will assume its powers and perform its duties, but should the Council be dissolved or cease to function, the Fund shall be administered as provided for in Clause 9.

### (4) Other Committees

The Council may establish committees in terms of its constitution to assist with the administration and deal with any matters relating to the Fund. Such committees shall function on such terms as the Council may determine from time to time.

### (5) Agents

The Council may appoint agents to assist in giving effect to this agreement. An employer must give such agents access to his establishment and permit them to examine such documents, books, wage records, pay envelopes and to question such individuals as may be required to establish whether this agreement is complied with.

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## 8. FINANCIAL MATTERS

- (1) The Fund shall consist of:
  - (a) money standing to the credit of the Fund on the date of coming into operation of this Agreement;
  - (b) contributions paid into the Fund in accordance with this Agreement;
  - (c) interest derived from the investment of any money of the Fund;
  - (d) any other money to which the Fund may become entitled.
- (2) All money paid into the Fund shall be deposited in a special account in the name of the Fund at a bank approved by the Council.
- (3) All expenses incurred in the administration of the Fund shall be a charge upon the Fund.
- (4) Payments made by cheque on the Fund's account shall be signed by two persons appointed by the Management Committee for that purpose.
- (5) Payment of benefits shall cease whenever the amount standing to the credit of the Fund falls below an amount as determined by the Management Committee from time to time. Further payments shall only recommence when the amount standing to the credit of the Fund has risen above an amount as determined by the Management Committee from time to time. The Secretary shall advise employers immediately when either occurs.
- (6) The Secretary shall prepare an annual statement of income and expenditure for the Fund as soon as possible after 31 December. Such statement shall be submitted for audit by an auditor appointed by the Council. The audited statements shall be submitted to the Council for approval and shall also be made available for inspection at the Council offices.

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## 9. EXPIRY OF THE AGREEMENT OR DISSOLUTION OF THE COUNCIL

- (1) In the event of this Agreement or any extension thereof expiring, the Management Committee shall continue to administer the Fund until the Agreement is renewed, or until the Fund is liquidated or transferred by the Council to another Fund constituted for the same purpose as this Fund.
- (2) Where this Agreement is not renewed or the Fund is not transferred within 18 months of the expiry of the Agreement, the Fund must be liquidated according to the procedure as set out in Clause 10.
- (3) In the event that the Council is dissolved or ceases to function during the currency of this Agreement, the Management Committee or such other person as the Registrar of Labour Relations may designate, shall continue to administer the Fund.
- (4) The members of the Management Committee who were members at the time that the Council ceased to function or was dissolved shall constitute the Management Committee for the purpose of this subclause.
- (5) Any vacancy on the Committee at that time may be filled by the Registrar of Labour Relations by the appointment of employers and employees from the Industry so as to ensure an equality of employer and employee representatives on the Management Committee.
- (6) Should such committee be unable or unwilling to fulfil their duties or a deadlock arises between members of the committee which makes the administration of the Fund impractical or undesirable in the opinion of the Registrar, he may appoint a trustee or trustees to carry out the duties of the committee.
- (7) The trustee(s) will have all the powers of this committee for this purpose.
- (8) Should the Council no longer exist on expiry of this agreement,

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the Fund shall be liquidated according to clause 10. If at the date of expiry of the Agreement the Council had already been wound up and its assets distributed, the balance of the Fund shall be distributed as provided for in the Council's Constitution as if it formed part of the general funds of the Council.

#### 10. LIQUIDATION OF THE FUND

- (1) Should the Council wish to dissolve the Fund it shall convene a Special General meeting for this purpose where a decision to dissolve the Fund shall be carried if not less than two-thirds of the Employer representatives and two-thirds of the Employee representatives present at the meeting vote in favour of dissolution.
- (2) Should the required vote be attained, the meeting shall thereafter appoint a liquidator who shall liquidate the Fund in accordance with this Rule.
- (3) In the event of the meeting being unable to agree to the appointment of a liquidator the matter shall be reported to the Registrar of Labour Relations who shall be empowered to appoint a liquidator.
- (4) After liquidation of the Fund, the money remaining to the credit of the Fund after payment of all claims against the Fund, including administration and liquidation expenses, shall be paid into the funds of the Council. In the event that the Council no longer exists at this point in time, the money shall be distributed in terms of the Council's Constitution as if it formed part of the general funds of the Council.

#### 11. EXEMPTIONS

"Exemptions and exemption appeals shall be observed in terms of

**"EXEMPTION AND EXEMPTION APPEAL POLICY AND**

**PROCEDURE"** in Annexure A"

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## 12. DISPUTE RESOLUTION

- (1) The Secretary of the Council may at any time require a Designated Agent to monitor compliance with the provisions of this Agreement.
- (2) Any person may lodge a complaint or refer a dispute about the interpretation, application or enforcement of this Agreement to the Secretary of the Council for resolution in terms of this Agreement.
- (3) The Secretary of the Council may require a designated agent to investigate the complaint or dispute.
- (4) The designated agent shall investigate the facts surrounding the dispute and if the agent has reason to believe that a collective agreement has been breached, the agent may endeavour to secure compliance with the agreement through conciliation.
- (5) The designated agent must submit a written report to the Secretary on the investigation, the steps taken to secure compliance and the outcome of those steps.
- (6) If in the course of performing a designated agent's duties, an agent discovers what appears to be a breach of the Agreement, the agent:
  - (a) may investigate the alleged breach;
  - (b) may endeavour to secure compliance with the Agreement; and
  - (c) must submit a report to the Secretary on the investigation, the steps taken to secure compliance and the outcome of those steps.
- (7) On receipt of the report, the Secretary may:
  - (a) require the designated agent to make further investigations;
  - (b) if further conciliation is indicated, appoint a conciliator from the Council's panel of

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- conciliators;
- (c) refer the dispute for conciliation to the Disputes Committee of the Council;
  - (d) issue a compliance order; or
  - (e) refer the dispute to arbitration in terms of this Agreement.
- (8) If a conciliator is appointed or the dispute is referred to the Disputes Committee, the Secretary must decide the date, time and venue of the conciliation meeting and must serve notices of these particulars on the parties to the dispute.
- (9) Where a dispute is referred to conciliation, the conciliator or disputes committee must attempt to resolve the dispute within a period of 30 days or within an extended period as agreed by the parties to the dispute.
- (10) Where a dispute is not resolved after a conciliation meeting, or after 30 days, or after any extended period as agreed between the parties, the Council must issue a certificate stating that the dispute was not resolved.
- (11) Where the Act requires a dispute to be resolved through arbitration and a certificate has been issued in terms of (10), any party may request the Council to appoint an arbitrator to resolve the dispute. Such request must be made within 30 days of the date of the certificate issued in terms of (10). The parties to the dispute may agree to extend this period or the arbitrator may condone a late referral on good cause shown.
- (12) If a compliance order is issued, that order must be served on the party allegedly in breach of the Agreement.
- (13) The party on whom the order is served may object in writing. The objection must be served on the Council within 14 days service of the order.

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- (14) If a party objects, the Secretary may take any of the steps referred to in sub-clause (7) except the issue of another compliance order.
- (15) If a party fails to object, the Secretary may, at any time, apply to have the order made an arbitration award.
- (16) If the dispute is referred to arbitration, the Secretary must appoint an arbitrator from the Council's panel of arbitrators. Arbitrators serving on the panel shall be appointed to arbitrate matters on a rotational basis, unless the parties to the dispute agree on an Arbitrator from the panel, with the next available Arbitrator being appointed should any panel member(s) not be available in terms of such rotation.
- (17) The Secretary, in consultation with the arbitrator, must decide the date, time and venue of the arbitration hearing.
- (18) The Secretary must serve notices of the date, time and venue of the arbitration on:
- (a) the parties to the dispute;
  - (b) any person who may have a legal interest in the outcome of the arbitration.
- (19) Unless this agreement provides otherwise, the Arbitrator must resolve the dispute through arbitration.
- 20) The arbitrator must conduct the arbitration in a manner that the arbitrator considers appropriate in order to determine the dispute fairly and quickly, but must deal with the substantial merits of the dispute with the minimum of legal formalities.
- (21) Subject to the arbitrator's discretion as to the appropriate form of the proceedings, a party to the dispute, including the Council, may give evidence, call witnesses, question witnesses of any other party, and address concluding arguments to the arbitrator.
- (22) The arbitrator may suspend the arbitration proceedings

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and attempt to resolve the dispute through conciliation if the Council and the parties to the dispute consent to this.

- (23) In any arbitration proceedings, a party to the dispute may appear in person or be represented by a legal practitioner, a co-employee or by a member, office-bearer or official of that party's trade union or employers' organisation and, if the party is a juristic person, by a director or employee.
- (24) If the party who referred the dispute to the Council fails to appear in person or to be represented at the arbitration proceedings, the arbitrator may dismiss the matter.
- (25) If a party, other than the party who referred the dispute to the Council, fails to appear in person or be represented at the arbitration proceedings, the arbitrator may-
- (a) continue with the arbitration proceedings in the absence of that party; or
  - (b) adjourn the arbitration proceedings to a later date.
- (26) The Secretary may refer disputes to expedited arbitration if the Secretary is satisfied that-
- (a) a compliance order has been issued and the party on whom the order has been issued has not objected to the order;
  - (b) the dispute is capable of being determined by written evidence only;
  - (c) the dispute is only about the interpretation of the Agreement; or
  - (d) the parties to the dispute agree.
- (27) Notwithstanding the provisions of sub-clause (23), the arbitrator may determine the dispute and make the compliance order an award without hearing oral


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- evidence if the arbitrator is satisfied that-
- (a) the parties have been properly served; and
  - (b) it is appropriate in the circumstances to do so.
- (28) Within 14 days of the conclusion of the arbitration proceedings -
- (a) the arbitrator must issue an arbitration award with reasons, signed by the arbitrator; and
  - (b) the Council must serve a copy of that award on each party to the dispute.
- (29) On good cause shown, the Secretary of the Council may extend the period in which the arbitration award and the reasons are to be served and filed.
- (30) The arbitrator may make any appropriate award, including an order for costs, that gives effect to the collective agreement.
- (31) An arbitrator may at his or her own initiative or as a result of an application by an affected party, vary or rescind an award-
- (a) erroneously sought or made in the absence of any party affected by the award;
  - (b) in which there is ambiguity, or an obvious error or omission, but only to the extent of that ambiguity, error or omission; or
  - (c) granted as a result of a mistake common to the parties to the proceedings.
- (32) The Secretary of the Council may apply to make the arbitration award an order of the Labour Court under section 158(1) of the Labour Relations Act.
- (33) The provisions of this dispute procedure stand in addition to any other legal remedy through which the Council may enforce a collective agreement or recover any money due.
- (34) (a) If the Arbitrator finds that any party has

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failed to comply with any provision of the collective agreement which is binding on that party, the Arbitrator may, in addition to any other appropriate order, impose a penalty.

- (b) The maximum penalty that the Arbitrator may be impose-
- (i) for a failure to comply with a provision of the collective agreement not involving a failure to pay any amount due to an employee/party is the penalty determined in terms of Table One;
  - (ii) for a failure to comply with a provision of the collective agreement involving a failure to pay any amount due to an employee/party is the penalty determined in terms of Table Two.

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**TABLE ONE:  
MAXIMUM PERMISSIBLE PENALTY NOT INVOLVING AN UNDERPAYMENT**

No previous failure to comply	R300 per employee or incident in respect of whom/which the failure to comply occurs i.e. daily, weekly, fortnightly, monthly or otherwise as the case may be.
A previous failure to comply in respect of the same provision	R600 per employee or incident in respect of whom/which the failure to comply occurs. i.e. daily, weekly, fortnightly, monthly or otherwise as the case may be.
A previous failure to comply within the previous 12 months or two previous failures to comply in respect of the same provision within three years	R900 per employee or incident in respect of whom/which the failure to comply occurs. i.e. daily, weekly, fortnightly, monthly or otherwise as the case may be.
Three previous failures to comply in respect of the same provision within three years	R1200 per employee or incident in respect of whom/which the failure to comply occurs. i.e. daily, weekly, fortnightly, monthly or otherwise as the case may be.
Four previous failures to comply in respect of the same provision within three years	R1500 per employee or incident in respect of whom/which the failure to comply occurs. i.e. daily, weekly, fortnightly, monthly or otherwise as the case may be.

**TABLE TWO  
MAXIMUM PERMISSIBLE PENALTY INVOLVING AN UNDERPAYMENT**

No previous failure to comply	25% of the amount due, including any interest owing on the amount at the date of the order
A previous failure to comply in respect of the same provision within three years	50% of the amount due, including any interest owing on the amount at the date of the order
A previous failure to comply in respect of the same provision within a year, or two previous failures to comply in respect of the same provision within three years	75% of the amount due, including any interest owing on the amount at the date of the order
Three previous failures to comply in respect of the same provision within three years	100% of the amount due, including any interest owing on the amount at the date of the order
Four or more previous failures to comply in respect of the same provision within three years	200% of the amount due, including any interest owing on the amount at the date of the order

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### 13. AMENDMENTS TO THIS AGREEMENT

- (1) Other than amendments to provisions relating to substantive terms and conditions of employment, amendments to this Agreement may be requested by any party to this Agreement during any period up to 30 June 1999, subject to the following:
  - (a) Doubt or a dispute over the interpretation or application of the part requested to be amended must exist.
  - (b) Such doubt or dispute must be a consequence of the parties' attempts at rewording of such part during the simplification exercise, and
  - (c) The doubt or dispute must be capable of being resolved by reference to the wording of the part in question as it had existed in terms of the Agreement prior to the simplification exercise.
- (2) Any such dispute or request for amendments shall be referred to the Management Committee of the Council for resolution.
- (3) The Management Committee shall resolve the relevant dispute by :
  - (a) reverting back to the wording of the part in the Agreement prior to the simplification process;
  - (a) by a consensual amendment of the wording of the part to give effect to the true meaning of the part.

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**ANNEXURE A****EXEMPTION AND EXEMPTION APPEAL POLICY AND PROCEDURE****1. BACKGROUND**

Section 32(3)(dA) of the Labour Relations Act (the "Act") requires that a Bargaining Council have an effective procedure to deal with applications by non-parties for exemptions from the provisions of its collective agreements.

Accordingly an exemption and exemption appeal policy & procedure in respect of the National Bargaining Council of the Leather Industry of S.A (hereafter referred to as the "Council") for both party and non-party is established and maintained in terms hereof.

**2. DEFINITIONS**

'Act' means the Labour Relations Act, 1995 (Act 66 Of 1995) as amended

"Agent" means a designated agent of the National Bargaining Council of the Leather Industry of South Africa


"Agreements" means collective agreements concluded in the National Bargaining Council of the Leather Industry of South Africa

"Applicant" means a party or non-party employer conducting a business under the jurisdiction of the Council, a registered trade union or any person employed in the Industry and who applies for an exemption or appeals against a decision of the Exemptions Committee in terms of this procedure.

"Bargaining Council or Council" means the National Bargaining Council of the Leather Industry of South Africa

"Day" means any day other than a Saturday, Sunday or public holiday, and when any particular number of days is prescribed for the doing of any act, the number of days must be calculated by excluding the first day and including the last day;

'Exemptions Committee' means the National Exemptions Committee or any other sub-committee delegated by the National Exemptions

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Committee to perform all or part of its functions

“**Exemption Criteria**” means the exemption criteria contained in the collective agreements of the National Bargaining Council of the Leather Industry of South Africa

“**General Secretary**” means the General Secretary of the Council

### 3. EXEMPTIONS AND EXEMPTION APPEALS

3.1 **EXEMPTIONS:** An Applicant may apply to the Bargaining Council for exemption from the provisions of collective agreements concluded in the Bargaining Council.

3.1.1 The Council must consider applications for exemptions within 30 days of receipt of a valid application.

3.2 **EXEMPTION APPEALS:** An Applicant who is aggrieved by the Exemption Committee’s decision has the right to appeal to the Independent Exemptions Appeal Body appointed by the Council.

3.2.1 The Independent Appeal Body will hear and decide appeals as soon as possible and not later than 30 days after a valid appeal is lodged

3.2.2 A decision of the Independent Exemption Appeal Body shall be final.

### 4. EXEMPTIONS COMMITTEE

4.1 **Establishment & Composition of the Exemptions Committee:** The Council shall establish a National Exemptions Committee consisting of eight (8) members four (4) of whom are appointed by the employer organisations party to the Council and four (4) appointed by the trade unions party to the Council. The employer organizations are for the time being each entitled to one member, with the most representative being entitled to appoint an additional member. The trade unions to the Council are for the time being entitled to a minimum of one member each with the remaining two



positions being filled by the unions' based on their representativeness in the COUNCIL.

#### **4.2 Exemption Committee Meetings**

4.2.1 A quorum for the meetings shall be the attendance of at least two party employer members and at least two party trade union members.

4.2.2 Exemption Committee meetings shall be held on an ad-hoc basis in the province in which the applicant conducts business subject to the decision of the Exemptions Committee.

### **5. THE EXEMPTIONS MANDATE**

5.1 The Exemptions Committee is mandated by the Council to consider all party and non-party applications for exemption from the collective agreements concluded in the Bargaining Council.

5.2 The Exemptions Committee may delegate any of its functions or duties to a District Committee or any other committee of the Council as the case may be.

5.3 The Exemptions Committee will consider and determine applications for exemption in a manner it considers appropriate to determine the application fairly and quickly, which may be limited to a consideration of written motivations or the hearing of oral submissions as the case may be.

5.4 The Exemptions Committee, when considering an application for exemption must take into account the exemption criteria.

5.5 The Exemptions Committee shall have the power to approve, refuse, partly approve or withdraw an application for exemption

5.6 The Exemptions Committee, on not approving an application or part thereof or withdrawing an exemption must provide the Applicant with written reasons for its decision.

### **6. EXEMPTIONS**

#### **6.1 APPLICATION PROCESS**

6.1.1 Applications for exemption from the provisions of a

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Collective agreement must be made in writing on the prescribed application form, and lodged with the local office of the Council.

- 6.1.2 Applications must be motivated and supported by relevant documents, data and audited financial statements (where applicable) and other relevant financial information.
- 6.1.3 Applications that impact employees terms and conditions of employment must be accompanied by written proof that employees and/or their representatives/trade unions have been consulted and further accompanied by a record of their support or not of the application.
- 6.1.4 Applications must indicate the period for which the exemption is sought.

## 6.2 EXEMPTION PROCEDURE

- 6.2.1 The Council must open and maintain a register for each application which records the following:
  - 6.2.1.1 date of receipt of application
  - 6.2.1.2 reference number
  - 6.2.1.3 name of applicant
  - 6.2.1.4 brief description of exemption application
  - 6.2.1.5 name of the Agreement and the clause/s from which exemption is sought
  - 6.2.1.6 date of validation of exemption application
  - 6.2.1.7 date of exemption hearing
- 6.2.2 Upon receipt of an application, the date received must be recorded in the register
- 6.2.3 The agent of the relevant District Office shall on receipt of an application scrutinise the application to ensure that the application is complete and valid.
- 6.2.4 Should the agent find the application to be incomplete, the Agent shall send written communication to the applicant advising of this and what is required to complete the

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application

- 6.2.5 After the agent is satisfied that the application is complete, the application shall be considered valid and the agent shall record the date of validation accordingly.
- 6.2.6 Within five days from date of validation the agent shall verify the employer's consultation with the employees/trade union and report in writing whether the employees / trade union support or oppose the application.
- 6.2.7 Within seven days of receipt of the agent's report on the consultation process, the General Secretary shall arrange a date, time and venue for the hearing of the application.
- 6.2.8 The set down date for the hearing must not be later than 30 days of the validation of the application by the Agent.
- 6.2.9 The General Secretary shall notify the applicant in writing of the date, time and venue of the hearing.
- 6.2.10 In the event that the applicant does not attend the hearing, the Exemptions Committee will consider the application on the written application and supporting documents.
- 6.2.11 The General Secretary must within fourteen days of the exemption being granted advise the applicant of such decision in writing and issue a Licence of Exemption setting out the following:
- 6.2.11.1 The full names of the Applicant.
- 6.2.11.2 The provisions of the collective agreement from which the exemption has been granted.
- 6.2.11.3 The conditions subject to which the exemption is granted.
- 6.2.11.4 The period which the exemption will operate clearly stating the commencement and expiring dates.
- 6.2.12 Where the Committee does not approve an Application or part thereof or when deciding to withdraw an Exemption, the General Secretary must advise the applicant in writing within fourteen days of the date of such decision and

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provide the Applicant with reasons therefor.

## 7. EXEMPTION APPEALS

### 7.1 Establishment of an Independent Appeal Body

7.1.1 In terms of section 32(3)(e) of the Act, the Council creates and maintains an Independent Exemptions Appeal Body to hear and decide appeals against an Exemptions Committee's refusal or partial refusal to grant an exemption or its withdrawal or partial withdrawal of an exemption.

7.1.2 An Independent Appeal Body must be appointed by the Council and may consist of one or more persons, as determined by the Council

7.1.3 No representative, office-bearer or official of a trade union or employers' organisation party to the Council may be a member of the Independent Exemptions Appeal Body.

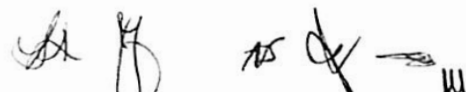
### 7.2 APPLICATION PROCESS & PROCEDURE

7.2.1 An Applicant aggrieved by an Exemptions Committee's decision shall within **30 days** of being notified of the Exemptions Committee's decision have the right to appeal to the Independent Exemptions Appeal Body.

7.2.2 Should the appellant show good cause, the Independent Appeal Body may condone a late appeal.

7.2.3 A valid notice of appeal must be in writing clearly setting out the grounds on which the appeal is based and be accompanied by relevant supporting documentation.

7.2.4 Upon receipt of an appeal application, the General Secretary shall forward the appeal application

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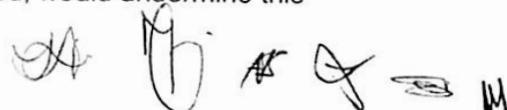
together with the original application for exemption and supporting documents to the Independent Appeal Body for a decision

- 7.2.5 The General Secretary in consultation with the Independent Appeal Body will arrange a date, time and venue for the appeal hearing. The date of the hearing shall not be later than 30 days from which a valid appeal was filed with the Council.
- 7.2.6 The Independent Appeal Body shall hear and determine appeals in any manner it considers appropriate to determine the application fairly and quickly.
- 7.2.7 The Independent Appeal Body shall render a decision within fourteen days from the last date of the appeal hearing
- 7.2.8 Should the Independent Appeal Body reverse a decision of the Exemptions Committee, the Council must issue the applicant with a licence of exemption accordingly
- 7.2.9 The Independent Appeal Body has discretion to order against the appellant payment of all costs incurred by the Council in arranging and conducting the appeal in the event of it upholding the decision of the Exemptions Committee

## 8. EXEMPTION CRITERIA

The Exemptions Committee and Independent Appeal Body must when considering an exemption application/appeal, take into account the following criteria:

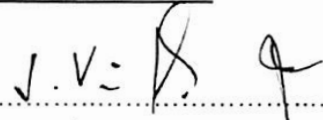
- (a) any written and/or verbal substantiation provided by the applicant
- (b) fairness to the employer, its employees and other employers and the employees in the industry;
- (c) whether an exemption, if granted, would undermine this



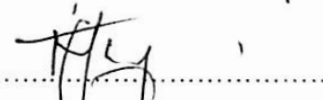
- Agreement or the collective bargaining process;
- (d) whether it will make a material difference to the viability of a new business, or a business previously outside the jurisdiction of the Council;
  - (e) unexpected economic hardship occurring during the currency of the Agreement, and job creation and/or loss thereof.
  - (f) the infringement of basic conditions of employment rights;
  - (g) the fact that a competitive advantage might be created by the exemption;
  - (h) comparable benefits or provisions where applicable;
  - (i) the applicant's compliance with other statutory requirements such as the Occupational Injuries and Diseases Act or Unemployment Insurance; or
  - (j) any other factor which is considered appropriate.

SIGNED AT DURBAN ON THIS 29<sup>TH</sup> DAY OF SEPTEMBER 2021.

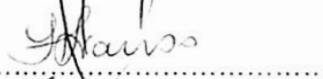
J J V VYMETAL, Member of the Council



M OOSTHUIZEN, Member of the Council



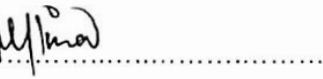
H STRAUSS, Member of the Council



A O BENJAMIN, Member of the Council



V MEMBINKOSI, Member of the Council



S NAIDOO, General Secretary of  
the Council

