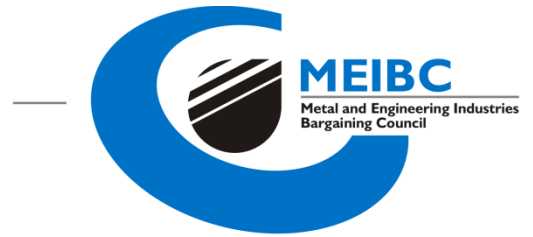


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CIRCULAR

Date issued: 26 August 2011

Kindly place on your staff notice board for the attention of your employees

Cape Region
Tel: 021 421 6140
Fax: 086 636 8696

Border Region
Tel: 043 743 7747
Fax: 086 636 8691

KwaZulu Natal Region
Tel: 031 305 4761
Fax: 086 636 8693

Midland Region
Tel: 041 586 1542
Fax: 086 636 8694

Gauteng Region
Tel: 011 639 8000
Fax: 086 636 8689

Free State &
Northern Cape Region
Tel: 057 352 4142
Fax: 086 636 8697

Tshwane Office
Tel: 012 320 2566
Fax: 086 648 3582

Centre for Dispute
Resolution
Tel: 011 834 4660
Fax: 086 636 8699

To: **General Manager**

UPDATE ON THE MAIN AGREEMENT

On 18 July 2011, the majority of employer parties and all trade union parties agreed that the industry settlement agreement (the Main Agreement) concerning wages and conditions of employment in the metal and engineering industries would be back dated to the 1 July 2011.

This was communicated to the industry in a circular dated 18 July 2011, which contained the new applicable wage increases.

Subsequently, the Department of Labour, based on a legal opinion prepared by the State Law Adviser, recommended that the parties review the effective date of the agreement. The State Law Adviser confirmed that section 32 of the Labour Relations Act does not expressly empower the Minister to retrospectively extend a collective agreement to non-parties.

The parties, having considered the State Law Adviser's legal opinion and an independent legal opinion, have agreed to the recommendation of the Department of Labour and have accordingly amended the collective agreement as submitted to the Department.

The parties have agreed that the Main Agreement will become applicable and legally binding on **all parties and non-parties** in industry on the date to be specified by the Minister in her notice in the Government Gazette.

We, however, understand that SEIFSA will be recommending to its membership that member companies observe the terms of the new Main Agreement with effect from 1 July 2011.

A further circular will be sent to the industry once the Government Gazette has been published.

Yours faithfully

A handwritten signature in black ink, appearing to read 'Nick Faasen', is written over a light blue horizontal line.

Nick Faasen
Operations Manager