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DOCS

COMPANY REPORTS
FOR THE
CODE OF CONDUCT CONCERNING THE
EMPLOYMENT PRACTICES OF CANADIAN COMPANIES
OPERATING IN SOUTH AFRICA

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FOR THE
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EMPLOYMENT PRACTICES OF CANADIAN COMPANIES
OPERATING IN SOUTH AFRICA



Form 675 G (5)
PROCÉDÉ **Piasdex**® PROCESS
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Dept. of External Affairs
Min. des Affaires extérieures
OTTAWA

JAN 24 1991

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CODE OF CONDUCT CONCERNING THE
EMPLOYMENT PRACTICES OF CANADIAN COMPANIES
OPERATING IN SOUTH AFRICA

STANDARD REPORTING FORMAT

GENERAL

- 1.1 Date
- 1.2 Twelve Month Period: from 01/04/89 to 31/03/90
- 1.3 Name of Canadian Company Government of Canada
Address Department of External Affairs
Ottawa, Ontario K1A 0G2
- 1.4 Canadian Contact (who can answer questions or provide clarifications concerning this report).

Name Ms. Lucy Edwards
Title Chairman, Southern Africa Task Force
Address Department of External Affairs
Ottawa, Ontario K1A 0G2
Tel. No. (613) 990-6572

- 1.5 South African Subsidiary, Associate Branch, etc.
(Separate report should be submitted for all affiliates).

Name Canadian Embassy
Address P.O. Box 26006, Arcadia 0007
Location Pretoria, South Africa
Type *

Percentage Equity Held
Years in Operation

- 1.6 Work Force
 - (a) Total number of employees: 36 (CDA-BASED AND LES)
 - (b) Number of white employees: 24 "

- (c) Number of black employees: 9 (LES)
- (d) Number of black employees on annual contracts: 4
of which, number of black employees separated from their families and accommodated in hostels: N/A
- (e) Number of other non-white employees: 3 (LES)

1.7 If workforce has significantly increased or decreased or changed in racial composition over the last 12 months and over the last four years, please indicate the number of employees concerned and state the reasons why:

One Canada-based employee has been added to the workforce.

Please indicate the major industry this reporting unit is involved in; 1. Automobile and Related Industries; 2. Computer/Electronics; 3. Consumer/Goods; 4. Banking/ Finance/Travel; 5. Industrial Equipment Supplied 6. Farm/ Forestry; 7. Pharmaceuticals/Hospitals and Health Care Supplies; 8. Mining and Quarrying; 9. Petroleum and Related Industries; 10. Chemicals; 11. Insurance; 12. Advertising; 13. Publishing; 14. Construction; 15. Agricultural Equipment and Supplies; 16. Entertainment; 17. Distribution of Consumer Goods; 18. Distribution of Industrial Goods; 19. Metals Fabrication; 20. Other (Write in);

Diplomatic relations with the Government and people of South Africa.

2. GENERAL WORKING CONDITIONS

2.1 Has a comprehensive procedure for handling individual racial complaints of employees on a non-discriminatory basis been established?

Procedure is, or is being, established (describe):

Guidelines for handling all grievances, including racial complaints of employees, have been established. These provide for a two-step grievance procedure, involving an initial complaint to the employee's supervisor, and if necessary referral to the Head of Mission.

2.2 Have all employees been informed of their rights under a single grievance and disciplinary procedure which applies equally to all races? If not, please explain:

Yes. They have all been provided with copies of the Employee Handbook and these grievance provisions have been discussed with them. The grievance procedure applies to all employees regardless of race.

2.3 Have work committees or liaison committees representing black employees been set up? If so, please describe; if not, please explain:

A liaison committee representing all employees exists, and is extremely active in presenting its concerns on a range of issues to management. There has been no interest expressed on the part of the non-white locally-engaged staff to set up a liaison committee restricted to them. We assume that there is no interest in this concept because the attitudes to racial questions within the Canadian Embassy are closer to Canadian than South African norms, i.e. racially colour-blind. The non-white locally-engaged staff have commented many times how much they appreciate working in an environment where race is not a factor.

3. COLLECTIVE BARGAINING

3.1 Are all employees, irrespective of racial or other distinctions, able to choose freely and without hindrance the type of union organization to represent them?

(a) Trade union(s) representing employees of all races. Please describe:

The labour practices of the Canadian Embassy are in full conformity with Canadian law. The Public Service Staff Relations Act specifically excludes locally-engaged personnel abroad from the collective bargaining framework created by that legislation. In accordance with international diplomatic practice, Canadian embassies are not subject to local labour laws. However, staff associations have been formed at many missions, including in South Africa, to consult with management on various issues.

(b) Trade union(s) representing black employees. Please describe.

All locally-engaged staff may be represented by the staff association.

(c) Trade union(s) representing black employees which has/have been formed under the auspices of previously established trade union(s) representing white employees. Please describe.

Locally-engaged staff are represented by the staff association which does not discriminate amongst locally-engaged staff on any basis.

(d) Other arrangements. Please describe and explain why black employees are not represented by trade union(s):

While no employee engaged locally abroad has been given the right to belong to a trade union, they are encouraged to organize themselves into staff associations within the missions and elect representatives to interface with management on both interests and rights problems. The staff association is particularly active at this mission.

3.2

Measures taken to establish a climate of confidence in the workplace and to extend customary basic rights to bargaining units representing black employees.

- Inform Black employees regularly and unequivocally that it is part of company policy to facilitate consultations and collective bargaining with organizations which are freely elected and representative of employees (describe procedures):

All employees have been informed regularly that the mission welcomes the views of their staff association and a liaison is maintained through regular meetings between the association and management.

- Permit trade union officials to undertake normal duties on company premises in relation to their units among black employees and accord them reasonable time off in this regard:

The elected representatives of the staff association are indeed permitted to undertake normal duties as employee representatives, e.g. meet individually and collectively with staff on Embassy premises, and are accorded reasonable time off to do so.

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- Permit the dissemination on company premises of information from accredited trade unions among black employees:

The Embassy welcomes the dissemination of information and questionnaires by the Staff Association on company premises.

- Ensure that black trade union representatives are included in work and/or liaison committees:

Two of the four elected representatives on the staff association are black.

- Ensure at regular intervals that black employees are familiar with the Code of Conduct in a language which they understand, informing them what the company is doing to implement the Code and reviewing and discussing with them or their representatives the company's annual report on the implementation of the Code:

Locally-engaged staff have been fully briefed on the contents of the Code and have been given copies of the Code itself as well as this annual report.

4.

MIGRANT LABOUR

If company employs migrant labour, any other form of contract labour, or employs black persons who are accommodated in hostels please state company policy with respect to such employees and what action the company is taking to alleviate the effects of existing regulations and restrictions on employees and their families. Indicate particular measures, special facilities and amenities, including efforts to facilitate:

- (a) the opportunity to lead a family life;
- (b) the regular renewal of contracts; and
- (c) any arrangements for making it easier for the families of employees to settle near their companies.

Three locally-engaged employees travel to Capetown with the Ambassador for the annual parliamentary session. They are provided with staff housing in both Pretoria and Capetown. A fourth employee who has remained in Capetown for the past few years, after the end of the parliamentary session, is provided with housing. The staff housing in Pretoria was substantially expanded and renovated in March 1990. It is intended to undertake a similar renovation project for the staff housing in Capetown during the 1990-91 fiscal year. The parliamentary session is normally six months long; when the term of residence in Capetown is extended, the Embassy arranges for the return of locally-engaged employees once every six months for family reunification, medical check-ups, etc. One locally-engaged employee is accompanied by her elderly husband. All locally-engaged staff travelling to Capetown with the Ambassador receive a special family separation allowance during the period of their temporary duty in Capetown designed to cover the extraordinary expenses associated with family separation.

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5. WAGES

5.1 Does the company implement the principle of "equal pay for equal work" by paying black employees the same wage as other employees for the same work and for the same period of time? YES

If not please explain:

5.2 Percentage average pay increase

| | <u>Black Employees</u> | <u>Non-White Employees</u> | <u>White Employees</u> |
|------|----------------------------|--------------------------------|----------------------------|
| 1988 | 27% | Across the board (see below) | |
| 1989 | 12% | Across the board | |

If increases for salaried employees are different from increases for daily/hourly employees please indicate and explain the different treatment:

5.3 The unusually high increase in 1988 reflects both an increase in the cost of living and the one-time effects of a major salary survey undertaken which established new "markers" in local industry.

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5.3 Minimum Pay for Black Employees

| Number of black employees earning minimum wage | Districts where lowest paid are employed | Monthly living level (MLL) or Household subsistence level (HSL) for family of 5 or 6 | City or town selected by University of South Africa (UNISA) or University of Port Elizabeth (UPE) to set MLL or HSL and date | Percentage by which minimum wage exceeds this MLL or HSL |
|--|--|--|--|--|
| 1988 | 2 Pretoria/Capetown | R481.34 | Pretoria August 1988 | 96% |
| 1989 | 2 Pretoria/Capetown | R511.59 | Pretoria February 1989 | 84% |

Minimum pay is to be understood as the monthly cash pay in salary or wages received by the lowest-paid employees. Include amounts withheld for employee contributions for health, pension, or other benefit plans plus scheduled bonuses prorated but not the cost of company-contributed benefits or overtime. The salary or wages of an employee engaged on a part-time basis only is to be prorated to the equivalent full-time salary for the purpose of this section.

Companies with jobs requiring employees to live at or near the workplace in company-provided housing and companies operating in rural areas may make special minimum pay calculations based on the inclusion of a special allowance covering the cost to the company of such items as housing and meals. The actual amount of pay in cash received by the employee should be clearly specified. Such calculations and data should conform to the standards and estimates obtainable from the University of South Africa or the University of Port Elizabeth and should assure the lowest paid employees of compensation at a supplemental living level or better. A company using this special arrangement should submit a supplemental statement explaining the circumstances and how its calculations are made.

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5.4 When was the latest revision of the salary or wages of the lowest-paid black employees undertaken? Reason for that revision and its relation to change in the cost of living: July 1989. This was the annual salary revision required under the regulations for locally-engaged employees. An annual survey is undertaken of comparable salaries paid by other diplomatic missions and similar organizations in the private sector. It resulted in a 12% salary increase for all locally engaged employees.

5.5 What is the company policy, including timetable (a) for achieving, if that is not already the case, the pay levels recommended in the Code; and (b) for improving the overall level of average remuneration?

As a matter of policy, the Department of External Affairs accepts responsibility for achieving the minimum salary levels recommended in the Code of Conduct. The Mission adheres to the MLL plus 50% minimum standard.

5.6 Highest wage or salary paid to black employees:

| | Number receiving highest pay | Position(s) | Monthly wage or salary | Percentage by which pay exceeds MLL or HSL |
|------|------------------------------|--------------|------------------------|--|
| 1988 | 1 | Receptionist | R1,957 | 407% |
| | 1 | Visa Clerk | R1,957 | 407% |
| 1989 | 1 | Visa Clerk | R2,773 | 342% |

(SEE NOTE BELOW 5.7)

11a

CANADIAN EMBASSY

LES SALARY SCALE - PRETORIA/CAPE TOWN

EFFECTIVE: JULY 1, 1989

| | Step | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 | 9 | 10 | Increment |
|------------------------|------|-------|--------|--------|--------|--------|--------|--------|--------|--------|--------|-----------|
| LEVEL | 8 | 48384 | 50 532 | 52 680 | 54 826 | 56 976 | 59 124 | 61 272 | 63 420 | 65 568 | 67 716 | 2148 |
| | 7 | 37128 | 38 712 | 40 296 | 41 880 | 43 464 | 45 048 | 46 632 | 48 216 | 49 800 | 51 384 | 1584 |
| | 6 | 26628 | 27 816 | 29 004 | 30 192 | 31 380 | 32 568 | 33 756 | 34 944 | 36 132 | 37 320 | 1188 |
| | 5 | 23448 | 24 444 | 25 440 | 26 436 | 27 432 | 28 428 | 29 424 | 30 420 | 31 416 | 32 412 | 996 |
| | 4 | 18684 | 19 536 | 20 388 | 21 240 | 22 092 | 22 944 | 23 796 | 24 648 | 25 500 | 26 352 | 852 |
| | 3 | 16656 | 17 340 | 18 024 | 18 708 | 19 392 | 20 076 | 20 760 | 21 444 | 22 128 | 22 812 | 684 |
| HOP CHAUFFEUR | | 18996 | 19,656 | 20,316 | 20,976 | 21,636 | 22,296 | 22,956 | 23,616 | 24,276 | 24,936 | 660 |
| DRIVERS/ MESSENGERS | | 15288 | 15,996 | 16,704 | 17,412 | 18,120 | 18,828 | 19,536 | 20,244 | 20,952 | 21,660 | 708 |

Senior Servant & Cook - R13 404
 Gardeners - R12 708

LEVEL CLASSIFICATION EQUIVALENT

- 8 Economic Officer
- 7 Visa or Information Assistant
- 6 Accountant or Consular Assistant or Senior Secretary
- 5 Junior Secretary, Administration Clerk/Secretary
- 4 Receptionist, Visa Clerk
- 3 Junior Clerk

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5.7 Average monthly wage or salary:

| | | Black Employees | Other Non-White Employees | White Employees |
|-----------------|--------|--------------------|---------------------------------|--------------------|
| Salaried |) 1988 | R1,369 | R2,144 | R3,102 |
| Employees |) 1989 | R1,369 | R2,156 | R2,913 |
| Daily/Hourly |) 1988 | | | |
| Wage employees) | 1989 | | | |

A company using the special arrangement to which reference is made in section 5.3 should submit a supplemental statement explaining the circumstances and how its calculations with respect to average monthly pay are made.

5.8 As an alternative to sub-sections 5.6 and 5.7 you may wish to provide a complete salary and wage profile for the company as an attachment to this reporting format.

NOTE TO 5.6 and 5.7

The Embassy does not reserve positions on the basis of race nor are wages based on race. When positions are vacant they are open to all and staffed on the basis of merit. The figures provided in response to questions 5.6 and 5.7 are based on actual salaries paid to LES at the Embassy. These salaries flow from the attached (see page 11a) salary scale which applies to all LES at the Embassy in South Africa. There are two factors which determine an employee's placement in the scale: (1) the difficulty level of the job the employee is to perform, and (2) the employee's length of service with the Embassy. Comparable systems are employed throughout the Public Service of Canada.

6. TRAINING AND PROMOTION

Please describe company programmes for the training and advancement of black employees. Include details of company's use of outside educational facilities and university bursaries for both general and specialized technical and professional development of employees. Indicate numbers of black employees involved in programmes at each level of employment positions, actual progress achieved during the annual period concerned in promotions to all levels and total costs to companies. For similar categories of information compare such programmes with similar programmes the company has made available to other non-white employees and to white employees during the same period.

Five employees were enrolled in training courses, two non-white, notably in the use of computers and word-processing equipment. The Embassy will continue its training program during the 1989-90 fiscal year.

Multiple horizontal lines for additional text entry.

7. FRINGE BENEFITS

7.1 Do black employees benefit from medical, dental, life insurance, accident insurance, disability insurance and other plans on an equal basis with other employees? YES

If there are differences, please explain.

Please detail the various plans or arrangements under this subsection made available to black employees, distinguishing between statutory entitlements and company-sponsored ones. With respect to company-sponsored plans and arrangements indicate the cost to black employees relative to the cost to other employees and the cost to the company to cover black employees relative to the cost to cover other employees.

The Embassy has contributory medical plan, voluntary for long-service employees and compulsory for all new employees. Contributions are calculated on the basis of salary and number of dependents. Benefits available under the medical plan are the same for all employees, regardless of race. All LES, regardless of race, qualify for compensation for injury received in the course of their duties through the Canadian Government Employee Compensation Act. The Head of Mission may grant "injury on duty" leave with pay to an employee if the employee is unable to work because of personal injury or industrial illness arising out of his/her employment. All LES are automatically covered by the Locally-engaged Pension Plan (non-contributory). Minimum period of employment for receiving benefits under the plan is five years. Because the laws of South Africa provide

(CONTINUED BELOW)

7.2 Annual vacation: Do black employees enjoy the same vacation plan as other employees? YES. If some vacation plans are different, how many vacation days are accorded annually to black employees? , and how many vacation days are accorded annually to other employees?

7.3 company programmes, loans and other contributions to assist employees to purchase houses or obtain accommodation enabling them to live with their families near the workplace:

(see attached page 13a)

7.1 CONTINUED: that female employees may retire at age 60, all female employees would be entitled to full benefits under the plan if they elected to retire at 60. As these are global plans administered from Canada, we are unable to calculate the total cost or the cost by racial group of these fringe benefits.

HOUSING ASSISTANCE

The Employer, on a one-time basis only, may provide the 20% down payment requirement to obtain a housing loan for the purchase of a principal residence which includes house and land where the purchase price does not exceed R70,000. Should the Employee dispose of the house, resign or be discharged from his employment within five years of the grant, he/she is liable for repayment on a pro rata basis. This benefit may be applied retroactively at the discretion of the Head of Mission in exceptional circumstances but not beyond a two year period.

The Employer may subsidize the interest payable on the downpayment on a 60/40 basis for a primary residence, which includes house and land, which has a value over R70,000, but the amount subsidized shall not be greater than R14,000.

The Employee's monthly repayment, 40 percent plus principal, shall not exceed 25% of the employees monthly salary. Where such repayments after the loan has been established exceed 25% of the employees monthly salary, the employer will pay the difference.

The Employer may, on a one time only basis, provide 20% or a home improvement loan (which should not exceed R20,000) for the Employee's primary residence. In no circumstances can the maximum of the grant exceed R4,000. Should the Employee dispose of the home, resign or be discharged from his employment within five years of the grant he/she is liable for repayment on a pro rata basis. This benefit may be applied retroactively in exceptional circumstances at the discretion of the Head of Mission but not beyond a two year period.

The Employer, at the discretion of the Head of Mission may, on a one-time only basis, grant up to R1,000 for the express purpose of providing such basic services as electricity or water improvement, etc.

This housing assistance benefit is to be reviewed in its entirety before April 1, 1991, and unless renewed or modified by that time, it shall lapse on that date.

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| Number of black employees benefitting | Annual cost to company | Number of other employees benefitting | Annual cost to company |
|--|---------------------------|--|---------------------------|
|--|---------------------------|--|---------------------------|

1988 (As these are global plans administered from
1988 Canada, we are unable to calculate the
total cost or the cost by racial groups.)

7.4 Transportation: Do black employees live at some distance from the workplace? Indicate transport arrangements provided by the company to alleviate difficulties facing those employees who are obliged to commute daily some distance to the workplace and include any transport arrangements intended, for example, to enable Black employees and their families in remote areas to obtain medical services, attend school and to be reunited frequently and regularly.

A transportation assistance programme is available to all locally-engaged staff. It covers the excess transportation expenses for Embassy employees living in remote areas over and above the cost of a monthly bus pass from Pretoria's white suburbs.

7.5 Other benefits provided to black employees, e.g., assistance in the education of their families; providing advice and assistance on legal and other problems these employees may encounter with the authorities over their movement from one place to another, their choice of residence and their employment; leisure facilities. Please describe.

An education assistance programme does exist.

(See attached page 14a).

EDUCATION ASSISTANCE FOR DEPENDENTS

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The Employer, at the discretion of the Head of Mission, may reimburse Employees up to a maximum of R2,342 for costs arising from dependents attending school.

For the purpose of this benefit school is defined as including kindergarden to undergraduate study at university, and it also includes technical or other vocational training; dependent is defined as a child under age 23 or a spouse who is pursuing education through college or university at undergraduate level in fields that will enhance family economic well being.

The following expenses are eligible for reimbursement and must be supported by school documents and/or invoices:

- (a) basic tuition for required courses;
- (b) costs for books required by the school which are not provided by the education systems;
- (c) fees such as laboratory, library, registration, and examination which are required by the institution;
- (d) costs of daily transportation to and from school, fully itemized;
- (e) costs for periodic public transportation to and from boarding school, fully itemized;
- (f) costs for required uniforms which may include for:

- GIRLS:-
- two summer school dresses, or two blouses and two skirts
 - two gym tunics or two dungarees
 - two winter tunics and two blouses
 - one blazer
 - one tracksuit
 - one school jersey

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EDUCATION ASSISTANCE FOR DEPENDENTS (Cont'd)

- BOYS: - two summer safari suits or two pairs of shorts
and two shirts
- two pair of winter long trousers
- one blazer
- one tie
- one tracksuit
- one school jersey

The following costs are not eligible for reimbursement:

- (a) child care costs, nursery schools, etc.
- (b) extramural activities such as tennis, swimming lessons, etc.
- (c) elective enhancement programs such as ballet, music, etc.
- (d) classroom supplies such as pencils, paper, etc.

Should money be returned to the Employees by the educational institution at any time during the year, it must be returned immediately to the administration of the Mission.

7.6

Community development: Describe the company's support in the form of expertise, sharing of experience and financial contributions to community programmes designed to improve the quality of life of black workers and their families, e.g., housing, education (including access to integrated facilities), health care, child welfare, legal aid, sanitation, water supply and any other useful social services.

Development assistance, both in South Africa and in the neighbouring states of Swaziland and Lesotho. 2.7 of the 14 Canada-based person years are dedicated to development assistance. Within South Africa, the Embassy administers two major programs: the Canada Fund for Local Initiatives, with a budget in 1989/90 of \$400,000; and the Canadian Education Fund, with a budget of \$1,670,000. The Public Affairs Dialogue Fund, a program in support of interracial communication in South Africa, with a budget of \$1,000,000 and the Programme to Combat Censorship and Propaganda, funded at \$300,000 for 1989. The Embassy has supported projects funds projects in all the sectors and funds projects throughout South Africa, but we recognize a particular responsibility to our home communities of Pretoria and Cape Town. A list of the projects we have funded in the past year is attached.

CANADIAN EDUCATION FUND PROJECTS IN PRETORIA, 1989/90

PROJECT NUMBER: 89/067

ORGANIZATION: U. PRETORIA

PROJECT TITLE: U. PRET LAW BURSARIES

DESCRIPTION R 60,000 over 3 years to provide full bursaries for two black students at the University of Pretoria's Centre for Human Rights Studies.

PROJECT NUMBER: 89/069

ORGANIZATION: ST. MARY'S DSG

PROJECT TITLE: ST. MARY'S OUTREACH PROGRAM

DESCRIPTION R 75,000 (over 2 years) to support the Maths Upgrading Program for black students operated by St. Mary's DSG.

PROJECT NUMBER: 89/080

ORGANIZATION: ST. ALBAN'S

PROJECT TITLE: ST. ALBAN'S BURSARY FUND '90

DESCRIPTION R 10,000 to cover the greatest portion of the costs of tuition, room and board for one Sixth Form girl at St. Alban's.

PROJECT NUMBER: 89/097

ORGANIZATION: WHPS

PROJECT TITLE: WHPS BURSARIES 1990

DESCRIPTION Rand 10,000 for 3 black students to attend the Waterkloof House Preparatory School.

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CANADA FUND PROJECTS IN PRETORIA, 1989/90

PROJECT NUMBER: 15/89

ORGANIZATION: PDAO

PROJECT TITLE: ADVICE OFFICE COMPUTER

DESCRIPTION Rand 8828 for the purchase of a computer and two software packages to be used in the Pretoria and District Advice Office.

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CANADIAN EDUCATION FUND PROJECTS IN CAPE TOWN, 1989/90

PROJECT NUMBER: 89/019

ORGANIZATION: UWC

PROJECT TITLE: ACTION RESEARCH UNIT

DESCRIPTION R 25,000 to serve as seed money for the establishment of an Action Research Unit which will promote the introduction of transformative teaching in black schools.

PROJECT NUMBER: 89/082

ORGANIZATION: USWE

PROJECT TITLE: ENGLISH TEACHER TRAINING PGM

DESCRIPTION R 354,531 over 3 years for a program to train English Language literacy trainers.

PROJECT NUMBER: 89/074

ORGANIZATION: CEAP

PROJECT TITLE: CATHOLIC ED AID PROGRAM 90/91

DESCRIPTION R 266,200 for bursaries for 55 black students at technikons, teacher training colleges, technical colleges and skills training centres in each of 1990 and 1991.

PROJECT NUMBER: 89/103

ORGANIZATION: CDRA

PROJECT TITLE: COMMUNITY DEVT RESOURCE ASSOC

DESCRIPTION Rand 150,000 over three years to support the operating costs of the Community Development Resource Association.

CANADA FUND PROJECTS IN CAPE TOWN, 1989/90

PROJECT NUMBER: 42/89 ORGANIZATION: BLACK SOLIDARITY

PROJECT TITLE: YOUTH CENTRE

DESCRIPTION R 2750 towards costs of a bungalow to be used as a youth centre in Langa township.

PROJECT NUMBER: 02/89 ORGANIZATION: LRC

PROJECT TITLE: LRC COMPUTERIZATION

DESCRIPTION R 42,352 to computerize the LRC Offices in Cape Town and Port Elizabeth.

PROJECT NUMBER: 10/89 ORGANIZATION: UCT

PROJECT TITLE: TOWARDS JUSTICE CONFERENCE

DESCRIPTION Rand 13,000 to cover the costs of a conference on crime and state control in South Africa.

PROJECT NUMBER: 14/89 ORGANIZATION: WCCT

PROJECT TITLE: WESTERN CAPE ORAL HISTORY

DESCRIPTION Rand 12,600 to cover the costs of equipment and materials for a community theatre and oral history training project.

PROJECT NUMBER: 20/89 ORGANIZATION: PNC

PROJECT TITLE: PHILANI NUTRITION CENTRE

DESCRIPTION Rand 25,000 to purchase and erect one prefab nutrition clinic for Town Two in Khayelitsha.

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CANADA FUND PROJECTS IN CAPE TOWN, 1989/90

PROJECT NUMBER: 21/89 ORGANIZATION: CARPENTERS SHOP

PROJECT TITLE: CARPENTERS SHOP EQUIPMENT

DESCRIPTION Rand 1350 for improvements to the a Street
People's cottage.

PROJECT NUMBER: 22/89 ORGANIZATION: NLP

PROJECT TITLE: NATIONAL LANGUAGE PROJECT

DESCRIPTION Rand 4,500 to purchase a computer for use in the
National Language Project.

PROJECT NUMBER: 31/89 ORGANIZATION: CRIC

PROJECT TITLE: AUDIO VISUAL EQUIPMENT

DESCRIPTION Rand 5000 to purchase audio-visual equipment for
use in Career guidance programs.

PROJECT NUMBER: 36/89 ORGANIZATION: KHANYISA

PROJECT TITLE: KHANYISA UPHOLSTERY WORKS

DESCRIPTION Rand 5,000 to purchase equipment required to set
up a business in upholstery and carpet cleaning in
Guguletu.

PROJECT NUMBER: 38/89 ORGANIZATION: BYM

PROJECT TITLE: MEDIA MATERIAL

DESCRIPTION Rand 700 to print posters and pamphlets aimed at
stopping youth violence in the Bonteheuvell area of
the Cape Flats...

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CANADA FUND PROJECTS IN CAPE TOWN, 1989/90

PROJECT NUMBER: 57/89

ORGANIZATION: PHANDULWAZI

PROJECT TITLE: SKILLS DEVELOPMENT PROJECT

DESCRIPTION Rand 4097 to purchase brickmaking machines for a self-help project in Langa township.

- \$19143.85 to St. Mary's Diocesan School for Girls in Pretoria to support the Interact Programme Through Music with their weekly classes, two youth camps and the participation of some of their students at the Youth Orchestra Course.

- \$16557.16 to National Medical and Dental Association in Johannesburg to help fund NAMDA's sixth annual conference.

- \$ 2518.93 to Critical Health in Johannesburg to purchase a laser printer for desk-top publishing.

- \$ 5289.09 to Concerned Social Workers in Johannesburg to subsidize the conference expenses of the National Social Welfare Conference.

- \$12594.32 to South African Youth Symposia in Bryanston to assist with some of the conference expenses incurred as hosts for the South Africa Youth Symposium (Transvaal Region).

- \$15037.86 to Dept. of Political Science, University of Port Elizabeth in Port Elizabeth to establish an Institute for the Study and Resolution of Conflict which will train mediators and community leaders to enable them to promote dialogue and thus to break down the cycle of political conflict.

- \$15037.86 to Weekly Mail in Johannesburg to support screenings of human rights films in urban white areas but more particularly, in the townships.

- \$11999.79 to Organisation for Appropriate Social Services in S.A. in Johannesburg to help support a conference on "Social Services in a Changing South Africa" which will explore ways of dealing with and combatting social problems which are a result of apartheid.

- \$ 9999.72 to Africa Enterprize in Pietermaritzburg to support the costs of two Youth Discipleship Camps.

- \$ 5999.65 to Centre for Human Rights Studies in Pretoria for the purchase of books and teaching materials for the Street Law Programme.

- \$19000.00 to Lawyers for Human Rights, National Directorate in Pretoria to support the establishment of a Research Unit that will examine human rights abuses at the community level in South Africa and identify possible solutions.

- \$25000.00 to Cross Times Trust in Cape Town to sponsor 3 full-time and 8 part time students (one half the enrolment) for one year in the Mediation and Conflict Management training project.

- \$12500.00 to Centre for Adult Education, University of Natal in Pietermaritzburg to support the conference on Education for Development in a Post Apartheid South Africa.

- \$10000.00 to Labour Research Service in Cape Town to sponsor a national seminar of economic support groups to discuss and debate a wide range of economic issues relevant to a changing South Africa.

- \$27500.00 to Institute for a Democratic Alternative for South Africa in Mowbray to sponsor the IDASA Rural Land Workshop on the Land Question in a Post-Apartheid South Africa.

20300
-\$ 8500.00 to Association of Black Accountants of Southern Africa in Johannesburg to support nine monthly seminars designed to change the perceptions that black and white South Africans in the business community have of each other.

-\$ 8000.00 to St. Alban's College in Pretoria to pay for 125 students to attend St. Alban's Youth Meet 1989.

-\$ 4000.00 to Edendale Ecumenical Centre in Pietermaritzburg to sponsor the Black-White consultations aimed at developing better mutual appreciation among young people of different racial origins.

-\$19000.00 to National Union of South African Students in Johannesburg to assist the National NUSAS-SANSCO Workshop to bring black and white university students together with the cost of media, communications, transport and other related expenses.

-\$13611.26 to National Association of Democratic Lawyers in Johannesburg to cover the expenses of the Lusaka meeting of three NADEL representatives with those of the A.N.C. Legal Department, and to contribute towards the cost of subsequent meetings in May on Returning Exiles, and in July on Constitutional Options.

9. ENCOURAGEMENT OF BLACK BUSINESSES

Describe what the company is doing to encourage the setting up and expansion of black businesses, e.g., by contributing expertise, counselling and advice, by sub-contracting and by preferential, priority treatment in customer-supplier relations.

The Embassy has supported black entrepreneurship programs through the Canada Fund, and vocational training is a priority of the Education Fund. It is an active participant in the Canadian Export Association's initiative in support of black entrepreneurship in South Africa.

10. SOCIAL JUSTICE

Describe any efforts or activities by the company on its own initiative or in co-operation with other companies and organizations in South Africa to deal more directly with the laws and customs which impede social and political justice:

In addition to operating busy consular and immigration programmes, the Embassy's main objective are (1) promoting dialogue in South Africa aimed at establishing non-racial and representative government; (2) maintaining close ties with the victims of apartheid and the agencies representing their interests including labour, church, political, and social organizations; (3) administering development and education assistance projects in support of the victims of apartheid community in South Africa; and (4) assisting with the implementation of agreed sanctions and the assessment of their internal and regional impact.

Form 675 G (5)
PROCÉDÉ **Plassini**® PROCESS
MONTREAL - TORONTO

CODE OF CONDUCT CONCERNING THE
EMPLOYMENT PRACTICES OF CANADIAN COMPANIES
OPERATING IN SOUTH AFRICA

STANDARD REPORTING FORMAT

GENERAL

- 1.1 Date May 2, 1990
- 1.2 Twelve Month Period: from Jan./89 to Jan./90
- 1.3 Name of Canadian Company BOCKNEK LTD.
Address 165 Bethridge Road
Rexdale, Ontario M9W 1N4
- 1.4 Canadian Contact (who can answer questions or provide clarifications concerning this report).
Name Zelik L. Bocknek
Title President
Address 165 Bethridge Road
Rexdale, Ontario M9W 1N4
Tel. No. 1-416-745-0796
- 1.5 South African Subsidiary, Associate Branch, etc.
(Separate report should be submitted for all affiliates).
Name Bocknek (PTY) Ltd.
Address 127 Greenway, Greenside
Location Johannesburg
Type * Ltd., Co., incorporated in South Africa
Percentage Equity Held 75%
Years in Operation 8
- 1.6 Work Force
- | | |
|--------------------------------|---|
| (a) Total number of employees: | 6 |
| (b) Number of white employees: | 4 |

- (c) Number of black employees: 2
- (d) Number of black employees on annual contracts: NIL
of which, number of black employees separated from their families and accommodated in hostels: NIL
- (e) Number of other non-white employees: NIL

1.7

If workforce has significantly increased or decreased or changed in racial composition over the last 12 months and over the last four years, please indicate the number of employees concerned and state the reasons why:

N/A

*

Please indicate the major industry this reporting unit is involved in: 1. Automobile and Related Industries; 2. Computer/Electronics; 3. Consumer/Goods; 4. Banking/ Finance/Travel; 5. Industrial Equipment Supplied 6. Farm/ Forestry; 7. Pharmaceuticals/Hospitals and Health Care Supplies; 8. Mining and Quarrying; 9. Petroleum and Related Industries; 10. Chemicals; 11. Insurance; 12. Advertising; 13. Publishing; 14. Construction; 15. Agricultural Equipment and Supplies; 16. Entertainment; 17. Distribution of Consumer Goods; 18. Distribution of Industrial Goods; 19. Metals Fabrication; 20. Other (Write in);

- Supplying Animal based raw materials to
Pharmaceutical Companies.

2. GENERAL WORKING CONDITIONS

2.1 Has a comprehensive procedure for handling individual racial complaints of employees on a non-discriminatory basis been established?

Procedure is, or is being, established (describe):

N/A We are so small that all situations are handled
on a personal level between the director of the
company and employees.

2.2 Have all employees been informed of their rights under a single grievance and disciplinary procedure which applies equally to all races? If not, please explain:

Yes

2.3 Have work committees or liaison committees representing black employees been set up? If so, please describe; if not, please explain:

N/A - Company too small.
Black Employees (1) Driver, messenger, packer and
general work.
(2) Lab assistant - trimming, packaging,
etc.

3. COLLECTIVE BARGAINING

3.1 Are all employees, irrespective of racial or other distinctions, able to choose freely and without hindrance the type of union organization to represent them?

(a) Trade union(s) representing employees of all races. Please describe:

N/A No unions

(b) Trade union(s) representing black employees. Please describe.

N/A No unions

(c) Trade union(s) representing black employees which has/have been formed under the auspices of previously established trade union(s) representing white employees. Please describe.

N/A No unions

(d) Other arrangements. Please describe and explain why black employees are not represented by trade union(s):

N/A No unions

3.2

Measures taken to establish a climate of confidence in the workplace and to extend customary basic rights to bargaining units representing black employees.

- Inform Black employees regularly and unequivocally that it is part of company policy to facilitate consultations and collective bargaining with organizations which are freely elected and representative of employees (describe procedures):

- small company with good inter-personal relations

Irrespective of race

- open-door policy

- Permit trade union officials to undertake normal duties on company premises in relation to their units among black employees and accord them reasonable time off in this regard:

N/A

- Permit the dissemination on company premises of information from accredited trade unions among black employees:

Yes - free access to post and press. If unions, etc.
send information, it is made available to all employees
in the common eating area.

- Ensure that black trade union representatives are included in work and/or liaison committees:

N/A

- Ensure at regular intervals that black employees are familiar with the Code of Conduct in a language which they understand, informing them what the company is doing to implement the Code and reviewing and discussing with them or their representatives the company's annual report on the implementation of the Code:

N/A We did not know there was such a Code. Received
our copy in Toronto April 10, 1990.

NOTE: PLEASE SEND US ANOTHER COPY OF THE CODE TO BE
FORWARDED TO SOUTH AFRICA. ✓

5. WAGES

5.1 Does the company implement the principle of "equal pay for equal work" by paying black employees the same wage as other employees for the same work and for the same period of time? Yes.

If not please explain:

5.2 Percentage average pay increase

| | <u>Black</u> <u>Employees</u> | <u>Non-White</u> <u>Employees</u> | <u>White</u> <u>Employees</u> |
|------|----------------------------------|--------------------------------------|----------------------------------|
| 1988 | 10% | | 10% |
| 1989 | 15% | | 15% |

If increases for salaried employees are different from increases for daily/hourly employees please indicate and explain the different treatment:

N/A

5.3 Minimum Pay for Black Employees

| Number of black employees earning minimum wage | Districts where lowest paid are employed | Monthly living level (MLL) or Household subsistence level (HSL) for family of 5 or 6 | City or town selected by University of South Africa (UNISA) or University of Port Elizabeth (UPE) to set MLL or HSL and date | Percentage by which minimum wage exceeds this MLL or HSL |
|--|--|--|--|--|
|--|--|--|--|--|

Because we are small, we are not under any prescribed minimum. Each industry has negotiated salary levels.

1988

1988

Minimum pay is to be understood as the monthly cash pay in salary or wages received by the lowest-paid employees. Include amounts withheld for employee contributions for health, pension, or other benefit plans plus scheduled bonuses prorated but not the cost of company-contributed benefits or overtime. The salary or wages of an employee engaged on a part-time basis only is to be prorated to the equivalent full-time salary for the purpose of this section.

Companies with jobs requiring employees to live at or near the workplace in company-provided housing and companies operating in rural areas may make special minimum pay calculations based on the inclusion of a special allowance covering the cost to the company of such items as housing and meals. The actual amount of pay in cash received by the employee should be clearly specified. Such calculations and data should conform to the standards and estimates obtainable from the University of South Africa or the University of Port Elizabeth and should assure the lowest paid employees of compensation at a supplemental living level or better. A company using this special arrangement should submit a supplemental statement explaining the circumstances and how its calculations are made.

5.4 When was the latest revision of the salary or wages of the lowest-paid black employees undertaken? Reason for that revision and its relation to change in the cost of living:

Each employee irrespective of race receives a salary
review on anniversary of his/her employment.

5.5 What is the company policy, including timetable (a) for achieving, if that is not already the case, the pay levels recommended in the Code; and (b) for improving the overall level of average remuneration?

N/A

Current company practices will be reviewed in light
of recently received code and adjustments, where warranted,
will be made.

5.6 Highest wage or salary paid to black employees:

| Number receiving highest pay | Position(s) | Monthly wage or salary | Percentage by which pay exceeds MLL or HSL |
|------------------------------|-------------|------------------------|--|
|------------------------------|-------------|------------------------|--|

1987

N/A due to size

1988

5.7 Average monthly wage or salary:

| | | Black Employees | Other Non-White Employees | White Employees |
|-----------------|--------|--------------------|---------------------------------|--------------------|
| Salaried |) 1987 | R750 | | R900 |
| Employees |) 1988 | R825 | | R1000 |
| Daily/Hourly |) 1987 | | | |
| Wage employees) | 1988 | | | |

A company using the special arrangement to which reference is made in section 5.3 should submit a supplemental statement explaining the circumstances and how its calculations with respect to average monthly pay are made.

5.8 As an alternative to sub-sections 5.6 and 5.7 you may wish to provide a complete salary and wage profile for the company as an attachment to this reporting format.

Differences in salaries are a reflection only of the different job being done.

7. FRINGE BENEFITS

7.1 Do black employees benefit from medical, dental, life insurance, accident insurance, disability insurance and other plans on an equal basis with other employees? Yes

If there are differences, please explain.

Please detail the various plans or arrangements under this subsection made available to black employees, distinguishing between statutory entitlements and company-sponsored ones. With respect to company-sponsored plans and arrangements indicate the cost to black employees relative to the cost to other employees and the cost to the company to cover black employees relative to the cost to cover other employees.

- 1) Statutory entitlements - Unemployment Insurance Funds.
 - 2) Company Sponsored - None at this time. Offered but none of the employees wanted to participate.
-
-
-
-
-
-
-

7.2 Annual vacation: Do black employees enjoy the same vacation plan as other employees? Yes. If some vacation plans are different, how many vacation days are accorded annually to black employees? N/A, and how many vacation days are accorded annually to other employees? N/A.

7.3 company programmes, loans and other contributions to assist employees to purchase houses or obtain accommodation enabling them to live with their families near the workplace:

Black employees received greater loan facilities. (Probably because of greater need.)

| Number of black employees benefitting | Annual cost to company | Number of other employees benefitting | Annual cost to company |
|--|---------------------------|--|---------------------------|
| 1987 | NIL - Loan only | | |
| 1988 | NIL - Loan only | | |

Money is loaned and is paid back. It is more of a cash flow assistance.

7.4 Transportation: Do black employees live at some distance from the workplace? Indicate transport arrangements provided by the company to alleviate difficulties facing those employees who are obliged to commute daily some distance to the workplace and include any transport arrangements intended, for example, to enable Black employees and their families in remote areas to obtain medical services, attend school and to be reunited frequently and regularly.

N/A

7.5 Other benefits provided to black employees, e.g., assistance in the education of their families; providing advice and assistance on legal and other problems these employees may encounter with the authorities over their movement from one place to another, their choice of residence and their employment; leisure facilities. Please describe.

Loans made available.

9. ENCOURAGEMENT OF BLACK BUSINESSES

Describe what the company is doing to encourage the setting up and expansion of black businesses, e.g., by contributing expertise, counselling and advice, by sub-contracting and by preferential, priority treatment in customer-supplier relations:

N/A

Have just become involved with the Canadian Association of Black Business in South Africa in association with the Canadian Export Association.

10. SOCIAL JUSTICE

Describe any efforts or activities by the company on its own initiative or in co-operation with other companies and organizations in South Africa to deal more directly with the laws and customs which impede social and political justice:

Company not directly involved as it is too small.

Offer equal opportunity to all employees, regardless of race or colour.

Form 675 G (S)
PROCEDE **Plasser**® PROCESS
MONTREAL - TORONTO

CODE OF CONDUCT CONCERNING THE
EMPLOYMENT PRACTICES OF CANADIAN COMPANIES
OPERATING IN SOUTH AFRICA

STANDARD REPORTING FORMAT

GENERAL

- 1.1 Date 22/3/90
- 1.2 Twelve Month Period: from Feb 89 to March 90
- 1.3 Name of Canadian Company IICO UNICAN CORP.
Address 7301 DEGRAS BLVD. MONTREAL QUEBEC.
- 1.4 Canadian Contact (who can answer questions or provide clarifications concerning this report).
Name MR ARON FISH
Title PRESIDENT of COMPANY
Address 26 BURNHILL HAMPSTEAD QUEBEC CANADA.
Tel. No. (514) 735-0633
- 1.5 South African Subsidiary, Associate Branch, etc.
(Separate report should be submitted for all affiliates).
Name IICO-UNICAN SA (PTY) LTD.
Address 91 BEDFORD AVE
Location BENONI
Type * WHOLESALE DISTRIBUTION
Percentage Equity Held
Years in Operation 7 years
- 1.6 Work Force
(a) Total number of employees: 4
(b) Number of white employees: 2

- (c) Number of black employees: 2
- (d) Number of black employees on annual contracts: Nil
of which, number of black employees separated from their families and accommodated in hostels: Nil
- (e) Number of other non-white employees: Nil

1.7

If workforce has significantly increased or decreased or changed in racial composition over the last 12 months and over the last four years, please indicate the number of employees concerned and state the reasons why:

Nil

* Please indicate the major industry this reporting unit is involved in: 1. Automobile and Related Industries; 2. Computer/Electronics; 3. Consumer/Goods; 4. Banking/ Finance/Travel; 5. Industrial Equipment Supplied 6. Farm/ Forestry; 7. Pharmaceuticals/Hospitals and Health Care Supplies; 8. Mining and Quarrying; 9. Petroleum and Related Industries; 10. Chemicals; 11. Insurance; 12. Advertising; 13. Publishing; 14. Construction; 15. Agricultural Equipment and Supplies; 16. Entertainment; 17. Distribution of Consumer Goods; 18. Distribution of Industrial Goods; 19. Metals Fabrication; 20. Other (Write in);

17 Distribution of Computer goods

2. GENERAL WORKING CONDITIONS

2.1 Has a comprehensive procedure for handling individual racial complaints of employees on a non-discriminatory basis been established?

Procedure is, or is being, established (describe):

*Only 2 employees who discuss directly
any problems or complaints*

2.2 Have all employees been informed of their rights under a single grievance and disciplinary procedure which applies equally to all races? If not, please explain:

[Blank lines with a diagonal slash through them]

2.3 Have work committees or liaison committees representing black employees been set up? If so, please describe; if not, please explain:

[Blank lines with a diagonal slash through them]

3. COLLECTIVE BARGAINING

3.1 Are all employees, irrespective of racial or other distinctions, able to choose freely and without hindrance the type of union organization to represent them?

(a) Trade union(s) representing employees of all races. Please describe:

THEY ARE BUT DO NOT CHOOSE
TO BELONG TO UNION

(b) Trade union(s) representing black employees. Please describe.

NIL

(c) Trade union(s) representing black employees which has/have been formed under the auspices of previously established trade union(s) representing white employees. Please describe.

NIL

(d) Other arrangements. Please describe and explain why black employees are not represented by trade union(s):

THEY DO NOT WISH TO BELONG TO
UNION

3.2

Measures taken to establish a climate of confidence in the workplace and to extend customary basic rights to bargaining units representing black employees.

- Inform Black employees regularly and unequivocally that it is part of company policy to facilitate consultations and collective bargaining with organizations which are freely elected and representative of employees (describe procedures):

- Permit trade union officials to undertake normal duties on company premises in relation to their units among black employees and accord them reasonable time off in this regard:

WE HAVE NO VOLUNTARY OR
OTHER CONTACT WITH TRADE UNIONS.

- Permit the dissemination on company premises of information from accredited trade unions among black employees:

- Ensure that black trade union representatives are included in work and/or liaison committees:

- Ensure at regular intervals that black employees are familiar with the Code of Conduct in a language which they understand, informing them what the company is doing to implement the Code and reviewing and discussing with them or their representatives the company's annual report on the implementation of the Code:

5. WAGES

5.1 Does the company implement the principle of "equal pay for equal work" by paying black employees the same wage as other employees for the same work and for the same period of time? YES.

If not please explain:

5.2 Percentage average pay increase

| | <u>Black Employees</u> | <u>Non-White Employees</u> | <u>White Employees</u> |
|------|----------------------------|--------------------------------|----------------------------|
| 1988 | | | |
| 1989 | 20% | | NIL |

If increases for salaried employees are different from increases for daily/hourly employees please indicate and explain the different treatment:

5.3 Minimum Pay for Black Employees

| Number of black employees earning minimum wage | Districts where lowest paid are employed | Monthly living level (MLL) or Household subsistence level (HSL) for family of 5 or 6 | City or town selected by University of South Africa (UNISA) or University of Port Elizabeth (UPE) to set MLL or HSL and date | Percentage by which minimum wage exceeds this MLL or HSL |
|--|--|--|--|--|
|--|--|--|--|--|

1988

1989

Minimum pay is to be understood as the monthly cash pay in salary or wages received by the lowest-paid employees. Include amounts withheld for employee contributions for health, pension, or other benefit plans plus scheduled bonuses prorated but not the cost of company-contributed benefits or overtime. The salary or wages of an employee engaged on a part-time basis only is to be prorated to the equivalent full-time salary for the purpose of this section.

Companies with jobs requiring employees to live at or near the workplace in company-provided housing and companies operating in rural areas may make special minimum pay calculations based on the inclusion of a special allowance covering the cost to the company of such items as housing and meals. The actual amount of pay in cash received by the employee should be clearly specified. Such calculations and data should conform to the standards and estimates obtainable from the University of South Africa or the University of Port Elizabeth and should assure the lowest paid employees of compensation at a supplemental living level or better. A company using this special arrangement should submit a supplemental statement explaining the circumstances and how its calculations are made.

5.4 When was the latest revision of the salary or wages of the lowest-paid black employees undertaken? Reason for that revision and its relation to change in the cost of living:

_____ FEB 1990 _____

_____ 6 MONTHLY INCREASE _____

5.5 What is the company policy, including timetable (a) for achieving, if that is not already the case, the pay levels recommended in the Code; and (b) for improving the overall level of average remuneration?

5.6 Highest wage or salary paid to black employees:

| | Number receiving highest pay | Position(s) | Monthly wage or salary | Percentage by which pay exceeds MLL or HSL |
|------|------------------------------|------------------|------------------------|--|
| | | DRIVER PACKER | | |
| 1988 | 2 | | R 866.00 | |
| 1989 | 2 | | R 1039.20 | |

5.7 Average monthly wage or salary:

| | | Black Employees | Other Non-White Employees | White Employees |
|-----------------|--------|--------------------|---------------------------------|--------------------|
| | | <hr/> | <hr/> | <hr/> |
| Salaried |) 1988 | | | |
| Employees |) 1989 | | | |
| Daily/Hourly |) 1988 | | | |
| Wage employees) | 1989 | | | |

A company using the special arrangement to which reference is made in section 5.3 should submit a supplemental statement explaining the circumstances and how its calculations with respect to average monthly pay are made.

5.8 As an alternative to sub-sections 5.6 and 5.7 you may wish to provide a complete salary and wage profile for the company as an attachment to this reporting format.

7. FRINGE BENEFITS

7.1 Do black employees benefit from medical, dental, life insurance, accident insurance, disability insurance and other plans on an equal basis with other employees?

If there are differences, please explain.

Please detail the various plans or arrangements under this subsection made available to black employees, distinguishing between statutory entitlements and company-sponsored ones. With respect to company-sponsored plans and arrangements indicate the cost to black employees relative to the cost to other employees and the cost to the company to cover black employees relative to the cost to cover other employees.

Black employees have
unemployment insurance
and Workmen's Compensation insurance

White employees have No insurance

7.2 Annual vacation: Do black employees enjoy the same vacation plan as other employees? no. If some vacation plans are different, how many vacation days are accorded annually to black employees? 3 weeks paid leave and how many ~~paid~~ vacation days are accorded annually to other employees?

only 1 week Christmas other leave unpaid to whites

7.3 company programmes, loans and other contributions to assist employees to purchase houses or obtain accommodation enabling them to live with their families near the workplace:

They make direct loans from Company interest free and pay back on weekly basis.

| Number of black employees benefitting | Annual cost to company | Number of other employees benefitting | Annual cost to company |
|--|---------------------------|--|---------------------------|
|--|---------------------------|--|---------------------------|

1988

1989

7.4 Transportation: Do black employees live at some distance from the workplace? Indicate transport arrangements provided by the company to alleviate difficulties facing those employees who are obliged to commute daily some distance to the workplace and include any transport arrangements intended, for example, to enable Black employees and their families in remote areas to obtain medical services, attend school and to be reunited frequently and regularly.

Nil

7.5 Other benefits provided to black employees, e.g., assistance in the education of their families; providing advice and assistance on legal and other problems these employees may encounter with the authorities over their movement from one place to another, their choice of residence and their employment; leisure facilities. Please describe.

Nil

9. ENCOURAGEMENT OF BLACK BUSINESSES

Describe what the company is doing to encourage the setting up and expansion of black businesses, e.g., by contributing expertise, counselling and advice, by sub-contracting and by preferential, priority treatment in customer-supplier relations:

Nil

10. SOCIAL JUSTICE

Describe any efforts or activities by the company on its own initiative or in co-operation with other companies and organizations in South Africa to deal more directly with the laws and customs which impede social and political justice:

CODE OF CONDUCT CONCERNING THE
EMPLOYMENT PRACTICES OF CANADIAN COMPANIES
OPERATING IN SOUTH AFRICA

STANDARD REPORTING FORMAT

GENERAL

- 1.1 Date 21st JUNE 1990
- 1.2 Twelve Month Period: from 1989 to 1990
- 1.3 Name of Canadian Company MENORA RESOURCES INC
Address TORONTO ONTARIO
- 1.4 Canadian Contact (who can answer questions or provide clarifications concerning this report).

Name

Title

Address

Tel. No.

N/A

- 1.5 South African ~~Subsidiary, Associate Branch, etc~~ INVESTMENT
(Separate report should be submitted for all affiliates).

Name

Address

Location

Type *

Percentage Equity Held

Years in Operation

OCEAN DIAMOND MINING LTD

129 BEACH ROAD MOUVILLE POINT

CAPE TOWN SOUTH AFRICA

15.8%

6 1/2 YEARS

- 1.6 Work Force

(a) Total number of employees:

+ 20

(b) Number of white employees:

+ 4

- (c) Number of black employees: ± 10
- (d) Number of black employees on annual contracts: NIL
of which, number of black employees separated from their families and accommodated in hostels: N/A
- (e) Number of other non-white employees: ± 6

1.7

If workforce has significantly increased or decreased or changed in racial composition over the last 12 months and over the last four years, please indicate the number of employees concerned and state the reasons why:

WORK FORCE NUMBERS VARY CONSIDERABLY
RELATIVE TO WHICH VESSELS OPERATIONAL
AT ANY ONE TIME AND DISTANCE FROM
BASE PORT LUDERITZ NAMBIA

* Please indicate the major industry this reporting unit is involved in: 1. Automobile and Related Industries; 2. Computer/ Electronics; 3. Consumer/ Goods; 4. Banking/ Finance/ Travel; 5. Industrial Equipment Supplied 6. Farm/ Forestry; 7. Pharmaceuticals/ Hospitals and Health Care Supplies; 8. Mining and Quarrying; 9. Petroleum and Related Industries; 10. Chemicals; 11. Insurance; 12. Advertising; 13. Publishing; 14. Construction; 15. Agricultural Equipment and Supplies; 16. Entertainment; 17. Distribution of Consumer Goods; 18. Distribution of Industrial Goods; 19. Metals Fabrication; 20. Other (Write in);

8 SEA MINING

2. GENERAL WORKING CONDITIONS

2.1 Has a comprehensive procedure for handling individual racial complaints of employees on a non-discriminatory basis been established?

Procedure is, or is being, established (describe):

ALWAYS HAVE DIRECT ACCESS TO
MANAGEMENT

2.2 Have all employees been informed of their rights under a single grievance and disciplinary procedure which applies equally to all races? If not, please explain:

YES

2.3 Have work committees or liaison committees representing black employees been set up? If so, please describe; if not, please explain:

NOT REQUIRED

3. COLLECTIVE BARGAINING

3.1 Are all employees, irrespective of racial or other distinctions, able to choose freely and without hindrance the type of union organization to represent them?

(a) Trade union(s) representing employees of all races. Please describe:

YES
SEAMANS MARITIME UNION

(b) Trade union(s) representing black employees. Please describe.

N/A

(c) Trade union(s) representing black employees which has/have been formed under the auspices of previously established trade union(s) representing white employees. Please describe.

NOT APPLICABLE

(d) Other arrangements. Please describe and explain why black employees are not represented by trade union(s):

N/A

3.2 Measures taken to establish a climate of confidence in the workplace and to extend customary basic rights to bargaining units representing black employees.

- Inform Black employees regularly and unequivocally that it is part of company policy to facilitate consultations and collective bargaining with organizations which are freely elected and representative of employees (describe procedures):

NOT APPLICABLE

- Permit trade union officials to undertake normal duties on company premises in relation to their units among black employees and accord them reasonable time off in this regard:

N/A

- Permit the dissemination on company premises of information from accredited trade unions among black employees:

N/A

- Ensure that black trade union representatives are included in work and/or liaison committees:

N/A

- Ensure at regular intervals that black employees are familiar with the Code of Conduct in a language which they understand, informing them what the company is doing to implement the Code and reviewing and discussing with them or their representatives the company's annual report on the implementation of the Code:

N/A

4. MIGRANT LABOUR

If company employs migrant labour, any other form of contract labour, or employs black persons who are accommodated in hostels please state company policy with respect to such employees and what action the company is taking to alleviate the effects of existing regulations and restrictions on employees and their families. Indicate particular measures, special facilities and amenities, including efforts to facilitate:

- (a) the opportunity to lead a family life;
- (b) the regular renewal of contracts; and
- (c) any arrangements for making it easier for the families of employees to settle near their companies.

NO MIGRANT LABOUR EMPLOYED

5. WAGES

5.1 Does the company implement the principle of "equal pay for equal work" by paying black employees the same wage as other employees for the same work and for the same period of time? YES.

If not please explain:

N/A

5.2 Percentage average pay increase

| | <u>Black Employees</u> | <u>Non-White Employees</u> | <u>White Employees</u> |
|------|------------------------|----------------------------|------------------------|
| 1988 | | | |
| 1990 | 15% | 15% | 15% |

If increases for salaried employees are different from increases for daily/hourly employees please indicate and explain the different treatment:

ALL PAID MONTHLY

5.3 Minimum Pay for Black Employees

| Number of black employees earning minimum wage | Districts where lowest paid are employed | Monthly living level (MLL) or Household subsistence level (HSL) for family of 5 or 6 | City or town selected by University of South Africa (UNISA) or University of Port Elizabeth (UPE) to set MLL or HSL and date | Percentage by which minimum wage exceeds this MLL or HSL |
|--|--|--|--|--|
|--|--|--|--|--|

1988

1989

NIL

N/A

N/A

N/A

N/A

Minimum pay is to be understood as the monthly cash pay in salary or wages received by the lowest-paid employees. Include amounts withheld for employee contributions for health, pension, or other benefit plans plus scheduled bonuses prorated but not the cost of company-contributed benefits or overtime. The salary or wages of an employee engaged on a part-time basis only is to be prorated to the equivalent full-time salary for the purpose of this section.

Companies with jobs requiring employees to live at or near the workplace in company-provided housing and companies operating in rural areas may make special minimum pay calculations based on the inclusion of a special allowance covering the cost to the company of such items as housing and meals. The actual amount of pay in cash received by the employee should be clearly specified. Such calculations and data should conform to the standards and estimates obtainable from the University of South Africa or the University of Port Elizabeth and should assure the lowest paid employees of compensation at a supplemental living level or better. A company using this special arrangement should submit a supplemental statement explaining the circumstances and how its calculations are made.

5.4 When was the latest revision of the salary or wages of the lowest-paid black employees undertaken? Reason for that revision and its relation to change in the cost of living:

N/A

5.5 What is the company policy, including timetable (a) for achieving, if that is not already the case, the pay levels recommended in the Code; and (b) for improving the overall level of average remuneration?

EMPLOYMENT TERMS AND CONDITIONS ARE ABOVE AVERAGE AND THUS THERE IS NO MINIMUM IN THE SENSE OF THIS QUESTION

5.6 Highest wage or salary paid to black employees:

| Number receiving highest pay | Position(s) | Monthly wage or salary | Percentage by which pay exceeds MLL or HSL |
|------------------------------|-------------|------------------------|--|
|------------------------------|-------------|------------------------|--|

| | | | |
|------|---|---|--|
| 1988 | } | OF THE ORDER OF R1500 PER MONTH TAKING INTO ACCOUNT SPECIAL LEAVE PAY CONDITIONS AND OTHER BONUS BENEFITS | |
| 1988 | | | |

5.7 Average monthly wage or salary:

| | | Black Employees | Other Non-White Employees | White Employees |
|-----------------------------|------------------|--------------------|---------------------------------|--------------------|
| Salaried Employees |) 1983) 1989 | <i>SEE</i> | <i>5.6</i> | |
| Daily/Hourly Wage employees |) 1983) 1989 | | | |

A company using the special arrangement to which reference is made in section 5.3 should submit a supplemental statement explaining the circumstances and how its calculations with respect to average monthly pay are made.

5.8 As an alternative to sub-sections 5.6 and 5.7 you may wish to provide a complete salary and wage profile for the company as an attachment to this reporting format.

6. TRAINING AND PROMOTION

Please describe company programmes for the training and advancement of black employees. Include details of company's use of outside educational facilities and university bursaries for both general and specialized technical and professional development of employees. Indicate numbers of black employees involved in programmes at each level of employment positions, actual progress achieved during the annual period concerned in promotions to all levels and total costs to companies. For similar categories of information compare such programmes with similar programmes the company has made available to other non-white employees and to white employees during the same period.

OPERATIONAL ACTIVITIES ALLOW VIRTUALLY
NO SCOPE FOR IN-HOUSE TRAINING ON
A FORMAL BASIS. THUS ADVANCEMENT
IN THE ACADEMIC ASPECTS OF MARINE
MINING LEFT TO THE INDIVIDUAL WHETHER
THEY BE BLACK, COLOURED OR WHITE.

7. FRINGE BENEFITS

7.1 Do black employees benefit from medical, dental, life insurance, accident insurance, disability insurance and other plans on an equal basis with other employees?

If there are differences, please explain.

Please detail the various plans or arrangements under this subsection made available to black employees, distinguishing between statutory entitlements and company-sponsored ones. With respect to company-sponsored plans and arrangements indicate the cost to black employees relative to the cost to other employees and the cost to the company to cover black employees relative to the cost to cover other employees.

ALL EMPLOYEES RECEIVE
ONE DAY'S EXTRA PAID LEAVE
FOR EACH 3 DAYS SPENT AT
SEA, OVER AND ABOVE THEIR
ANNUAL LEAVE ENTITLEMENT.

7.2 Annual vacation: Do black employees enjoy the same vacation plan as other employees? YES. If some vacation plans are different, how many vacation days are accorded annually to black employees? N/A, and how many vacation days are accorded annually to other employees? N/A.

7.3 company programmes, loans and other contributions to assist employees to purchase houses or obtain accommodation enabling them to live with their families near the workplace:

N/A

| | Number of black employees benefitting | Annual cost to company | Number of other employees benefitting | Annual cost to company |
|------|--|---------------------------|--|---------------------------|
| 1982 | | | | |
| 1989 | | | | |

N/A

7.4 Transportation: Do black employees live at some distance from the workplace? Indicate transport arrangements provided by the company to alleviate difficulties facing those employees who are obliged to commute daily some distance to the workplace and include any transport arrangements intended, for example, to enable Black employees and their families in remote areas to obtain medical services, attend school and to be reunited frequently and regularly.

IN SOME CASES IN WHICH EVENT
THEY FLY WITH THE REMAINDER
OF THE TEAM TO AND FROM CAPE TOWN/
LUDERITZ AT COMPANY'S EXPENSE.

7.5 Other benefits provided to black employees, e.g., assistance in the education of their families; providing advice and assistance on legal and other problems these employees may encounter with the authorities over their movement from one place to another, their choice of residence and their employment; leisure facilities. Please describe.

GOOD FOOD FOR ALL ONBOARD
FREE PROTECTIVE CLOTHING
PLENTY OF HOT WATER FOR SHOWER PURPOSES
INDIVIDUAL BUNKS ETC ETC

7.6

Community development: Describe the company's support in the form of expertise, sharing of experience and financial contributions to community programmes designed to improve the quality of life of black workers and their families, e.g., housing, education (including access to integrated facilities), health care, child welfare, legal aid, sanitation, water supply and any other useful social services.

N/A

8. RACE RELATIONS

8.1 Facilities integrated:

| | | | |
|--------------------|---|-------|-------|
| Food services | } | _____ | _____ |
| Dining areas | | _____ | _____ |
| Washrooms | | _____ | _____ |
| Work areas | | _____ | _____ |
| Locker rooms | | _____ | _____ |
| Medical facilities | | _____ | _____ |
| Recreation areas | | _____ | _____ |
| Sports areas | | _____ | _____ |

AHL

8.2 Reasons for segregated facilities where these still exist:

N/A

8.3 Removal of racial segregation signs:

| | Yes | No |
|-------------------|-------|-------|
| All signs removed | _____ | _____ |

N/A

N/A

If not, please explain.

NEVER EXISTED

9. ENCOURAGEMENT OF BLACK BUSINESSES

Describe what the company is doing to encourage the setting up and expansion of black businesses, e.g., by contributing expertise, counselling and advice, by sub-contracting and by preferential, priority treatment in customer-supplier relations:

N/A

10. SOCIAL JUSTICE

Describe any efforts or activities by the company on its own initiative or in co-operation with other companies and organizations in South Africa to deal more directly with the laws and customs which impede social and political justice:

N/A

Form 675 G (5)
PROCÉDÉ **Plassdex**® PROCESS
MONTREAL - TORONTO

CODE OF CONDUCT CONCERNING THE
EMPLOYMENT PRACTICES OF CANADIAN COMPANIES
OPERATING IN SOUTH AFRICA

STANDARD REPORTING FORMAT

GENERAL

- 1.1 Date
- 1.2 Twelve Month Period: from 01/01/1989 to 31/12/1989
- 1.3 Name of Canadian Company : QIT-Fer et Titane Inc.
Address 770 Sherbrooke Street West, Suite 1800
Montreal, Quebec H3A IGI
- 1.4 Canadian Contract (who can answer questions or provide clarifications concerning this report).
Name Raymond L. Soucy
Title Vice-President, Human Resources & Public Affairs
Address 770 Sherbrooke Street West, Suite 1800
Montreal, Quebec H3A IGI
Tel. No. (514) 288-8400
- 1.5 South African Subsidiary, Associate Branch, etc.
(Separate report should be submitted for all affiliates).
Name Richards Bay Minerals
Address P.O. Box 401, Richards Bay, 3900, Natal, R.S.A.
Location Richards Bay, R.S.A.
Type * 8 - Surface sand mining and smelting
Percentage Equity Held 50 % equity held by QIT's U.K. parent.
QIT has administrative responsibility
not legal ownership.
Years in Operation 14 years (started in March 1976)
- 1.6 Work Force
(a) Total number of employees: 2058
(b) Number of white employees: 595

(c) Number of black employees: 1453

(d) Number of black employees on annual contracts: Nil
of which, number of black employees separated from their families and accommodated in hostels: Nil

(e) Number of other non-white employees: 10

1.7 If workforce has significantly increased or decreased or changed in racial composition over the last 12 months and over the last four years, please indicate the number of employees concerned and state the reasons why:

Workforce increased by 7,8 % in 1989 (8,3 % in 1988)
Apart from an increase in the people concerned with the expansion project, there were small complement increases in most departments. The racial composition over the last few years has not varied more than 1%

Please indicate the major industry this reporting unit is involved in: 1. Automobile and Related Industries; 2. Computer / Electronics; 3. Consumer/Goods; 4. Banking/ Finance/Travel; 5. Industrial Equipment Supplied; 6. Farm/ Forestry; 7. Pharmaceuticals/Hospitals and Health Care Supplies; 8. Mining and Quarrying; 9. Petroleum and Related Industries; 10. Chemicals; 11. Insurance; 12. Advertising; 13. Publishing; 14. Construction; 15. Agricultural Equipment and Supplies; 16. Entertainment; 17. Distribution of Consumer Goods; 18. Distribution of Industrial Goods; 19. Metals Fabrication; 20. Other (Write in);

8: Mining and Smelting

2. GENERAL WORKING CONDITIONS

2.1 Has a comprehensive procedure for handling individual racial complaints of employees on a non-discriminatory basis been established?

Procedure is, or is being, established (describe):

The Company has a formal grievance procedure which has been
ratified by Unions. The grievance procedure provides for
any employee to have the right to appeal to the immediate
superior and if still dissatisfied, to succeeding higher
levels of authority, up to and including management level.
The aggrieved employee may have the assistance of a Union
official or a fellow employee. In all cases, the policy
provides that Industrial Relations personnel will assist
the employee. This procedure provides for any complaint be
it racial or related to any other matter.

2.2 Have all employees been informed of their rights under a single grievance and disciplinary procedure which applies equally to all races? If not, please explain:

Yes. All employees are briefed at induction. The industrial
relations department also has an ongoing series of briefings
to employees on conditions of service. Special emphasis is
laid at these meetings on employee rights and the use of the
grievance procedure to pursue these rights.

2.3 Have work committees or liaison committees representing black employees been set up? If so, please describe; if not, please explain:

No - As all employees are represented by Unions, there has
been no need for Liaison Committees.

3. COLLECTIVE BARGAINING

3.1 Are all employees, irrespective of racial or other distinctions, able to choose freely and without hindrance the type of union organization to represent them?

(a) Trade union(s) representing employees of all races. Please describe:

Yes. 1) Unions: National Union of Metal Workers of South Africa (NUMSA) represents all employees in the unskilled and semi-skilled areas. These employees are mostly Black. 2) The Richards Bay Employees Union (RBEU). This Union represents skilled employees and supervisors at first line level. Members are White and Black. There is no racial distinction regarding Union membership.

(b) Trade union(s) representing black employees. Please describe.

See 3.1 (a) above. No Union represents only Black employees. Union represents employees of a certain status as determined by the bargaining units agreed per the Recognition Agreements.

(NUMSA represents employees in Grades 1 - 9)

(RBEU represents employees in Grade 10 upwards)

(c) Trade union(s) representing black employees which has/have been formed under the auspices of previously established trade union(s) representing white employees. Please describe.

See 3.1 (a) and (b) above.

(d) Other arrangements. Please describe and explain why black employees are not represented by trade union(s):

N/A

3.2 Measures taken to establish a climate of confidence in the workplace and to extend customary basic rights to bargaining units representing black employees.

- Inform Black employees regularly and unequivocally that it is part of company policy to facilitate consultations and collective bargaining with organizations which are freely elected and representative of employees (describe procedures):

The Company has recognition agreements with two Unions.

Black employees have been unionized since 1983 so that

Union activity in attending to the rights of their members

has now become custom and practice throughout the

Company. New employees are fully briefed on this at

induction and monthly briefs throughout the organization

keep employees informed (in English and Zulu) on all

negotiations and agreements. These briefs also appear on

all company notice boards.

- Permit trade union officials to undertake normal duties on company premises in relation to their units among black employees and accord them reasonable time off in this regard:

Yes. The labour contract stipulates: "The shop stewards

shall be afforded reasonable opportunity during working

hours to attend to Union matters as it relates to this

agreement. Where Shift Representatives and/or Shop

Stewards need to attend to problems in their constituency,

other than in agreed formal meetings, they shall obtain the

permission of their superior which permission shall not be
unreasonably withheld". Union officials who are not
employees of the Company have access to Company premises on
request to Management. Such access is not unreasonably
withheld.

- Permit the dissemination on company premises of
information from accredited trade unions among black
employees:

Yes. Accredited Trade Unions are permitted to disseminate
information on Company premises to Black employees.

Unions are allowed to circulate information to their
members freely. Union agreements provide that the Unions
may freely use notice boards for Union literature without
any constraints. Both unions have been provided with
office facilities on Company premises to facilitate and
improve contact with their members.

- Ensure that black trade union representatives are
included in work and/or liaison committees:

As explained earlier, work and/or liaison committees do not
exist anymore since employees (Black and White) are
unionized in recognised Unions. These recognised Unions
have negotiated Labour Agreements which stipulates formal
and regular committees to meet with Management.

- Ensure at regular intervals that black employees are
familiar with the Code of Conduct in a language which
they understand, informing them what the company is doing
to implement the Code and reviewing and discussing with
them or their representatives the company's annual report
on the implementation of the Code:

All employees are aware that the Company has adopted
standards of employment practice based on the Code of
Conduct and Company's basic philosophy. Implementation of
the Code by the Company is reviewed with Union Shop Steward

OUR HUMAN RESOURCES OBJECTIVES *INHLOSO YETHU NGEZISEBENZI*



We will create an environment in which all employees will be equally and fairly treated. The dignity of the individual will be recognised and respected at all times.

SIYOKWENZA UKUTHI ZONKE IZISEBENZI ZIPHATHEKE NGOKULINGANA NANGOKUFANA. ISITHUNZI SOMUNTU SIYONAKWA FUTHI SIHLONISHWE ZONKE IZIKHATHI.



We will provide equal pay for all employees doing equal or comparable work.

SIYHOLELE IHOLO ELILINGANAYO ZONKE IZISEBENZI EZENZA UMSEBENZI OLINGANAYO NOQHATHANISEKAYO.



We will provide opportunities for training and developing all our employees, so that their skills can be used to maximum potential in terms of the company's requirements.

SIYONIKEZA ZONKE IZISEBENZI AMATHUBA OKUQEQESHWA NOKUTHUTHUKA UKUZE IKHONOLAZO LISETSHENZISWE NGOKUGCWELE NGENDLELA EFUNWA INKAMPANI.



We will create a climate and retain the right people. We will therefore seek, wherever possible, to promote people from within the company which includes promotion to supervisory and managerial positions.

SIYODALA INDLELA YOKUHEHA NOKUGCINA ABANTU OKUYIBONA. NGAKHOKE UMA KWENZEKA, SIYOFUNA UKUKHUPHULA EZIKHUNDLENI ABANTU ABANGAPHAKATHI OKUHLANGANISE NOKUKHUPHULELA EZIKHUNDLENI ZOKUBHEKA NOKUPHATHA.



We will continue to ensure that all eating, recreation and work facilities are de-segregated.

SIYOQHUBHEKA NOKUQINISEKA UKHUTHI ZONKE IZINDAWO ZOKUDLELA, ZOKUDLALA KANYE NEZOKUSEBENZA ZIHLANGENE.



We will strive to improve the quality of life of our employees outside the work environment

in such fields as housing, transportation, education, recreation and health facilities.

SIYOPHOPOHELELA UKUTHUTHUKISA IZINGA ELINHLALO YEZISEBENZI

NGAPHANDLE KWASEMSEBENZINI NJENGEZINDLU, IZITHUTHI, IMFUNDO, IMIDLALO KANYE NEZEMPILO.



RICHARDS BAY MINERALS

R B M

5. WAGES

5.1 Does the company implement the principle of "equal pay for equal work" by paying black employees the same wage as other employees for the same work and for the same period of time?
YES .

If not please explain:

5.2 Percentage average pay increase

| | <u>Black Employees</u> | <u>Non-White Employees</u> | <u>White Employees</u> |
|------|------------------------|----------------------------|------------------------|
| 1988 | 15,3 % | 13 % | 14 % |
| 1989 | 17,5 % | 22,9 % | 17,4 % |

If increases for salaried employees are different from increases for daily/hourly paid employees please indicate and explain the different treatment:

Salaried remuneration is based on national and regional market surveys and not on collective bargaining

5.3 Minimum Pay for Black Employees

| | Numer of black employees earning minimum wage | Districts where lowest paid are employed | Monthly living level (MLL) or Household subsistance level (HSL) for family of 5 or 6 | City or town selected by University of South Africa (UNISA) or University of Port Elizabeth (UPE) to set MLL or HSL and date | Percentage by which minimum wage exceeds this MLL or HSL |
|------|---|--|--|--|--|
| 1988 | 141 | RICHARDS BAY | R434,14 | RICHARDS BAY (2/88) | 54,3 % |
| 1989 | 164 | " | R496,86 | " (2/89) | 59,4 % |

Minimum pay is to be understood as the monthly cash pay in salary or wages recieved by the lowest-paid employees. Include amounts withheld for employee contributions for health, pension, or other benefit plans plus scheduled bonuses prorated but not the cost of company-contributed benefits or overtime. The salary or wages of an employee engaged on a part-time basis only is to be prorated to the equivalent full-time salary for the purpose of this section.

Companies with jobs requiring employees to live at or near the workplace in company-provided housing and companies operating in rural areas may make special minimum pay calculations based on the inclusion of a special allowance covering the cost to the company of such items as housing and meals. The actual amount of pay in cash recieved by the employee should be clearly specified. Such calculations and data should conform to the standards and estimates obtainable from the University of South Africa or the University of Port Elizabeth and should assure the lowest paid employees of compensation at a supplemental living level or better. A company using this special arrangement should submit a supplemental statement explaining the circumstances and how its calculations are made.

5.4 When was the latest revision of the salary or wages of the lowest-paid black employees undertaken? Reason for that revision and its relation to change in the cost of living:

July 1, 1989.

Annual wage negotiations with the trade union.

Lowest-paid black employee received a negotiated increase of 18,3 % whilst the C.O.L increased by 15,7 % (Year-on-Year to June 1989). Over the same period, the increase for the lower income group was 13,4 %.

5.5 What is the company policy, including timetable (a) for achieving, if that is not already the case, the pay levels recommended in the Code; and (b) for improving the overall level of average remuneration?

The pay level of the lowest paid employees exceeds the MLL by 59,4 %

5.6 Highest wage or salary paid to black employees:

| | Number receiving highest pay | Position(s) | Monthly wage or salary | Percentage by which pay exceeds MLL or HSL |
|------|------------------------------|----------------------------|------------------------|--|
| 1988 | 3 | IRO's | R2 167 | 449 % |
| | 1 | Public Affairs Officer | R2 874 | 662 % |
| | 1 | Shift Supervisor | R2 746 | 633 % |
| | 1 | Shift Supervisor | R2 719 | 626 % |
| | 1 | Shift Supervisor | R2 958 | 681 % |
| | 1 | Shift Supervisor | R2 800 | 645 % |
| 1989 | 1 | IRO | R3 075 | 619 % |
| | 1 | Public Affairs Officer | R2 710 | 545 % |
| | 1 | Shift Supervisor | R3 510 | 706 % |
| | 1 | Health and Welfare Officer | R3 052 | 614 % |

| | | | |
|---|------------------------|--------|-------|
| 1 | Head of Public Affairs | R4 800 | 966 % |
| 1 | Junior Engineer | R3 724 | 749 % |

5.7 Average monthly wage or salary:

| | | Black Employees | Other Non-White Employees | White Employees |
|---------------|--------|--------------------|---------------------------------|--------------------|
| | | _____ | _____ | _____ |
| Salaried |) 1988 | 1795 | 2121 | 3299 |
| Employees |) 1989 | 2250 | 1879 | 3702 |
| Daily/Hourly |) 1989 | 1065 | 1226 | 2644 |
| Wage employee |) 1989 | 1292 | - | 3855 |

A company using the special arrangement to which reference is made in section 5.3 should submit a supplemental statement explaining the circumstances and how its calculations with respect to average monthly pay are made.

5.8 As an alternative to sub-sections 5.6 and 5.7 you may wish to provide a complete salary and wage profile for the company as an attachment to this reporting format.

6. TRAINING AND PROMOTION

Please describe company programmes for the training and advancement of black employees. Include details of company's use of outside educational facilities and university bursaries for both general and specialized technical and professional development of employees. Indicate numbers of black employees involved in programmes at each level of employment positions, actual progress achieved during the annual period concerned in promotions to all levels and total costs to companies. For similar categories of information compare such programmes with similar programmes the company has made available to other non-white employees and to white employees during the same period.

a) It is the objective of the company to promote from within wherever possible. As a result, a variety of training and developmental programs have been implemented to achieve this objective.

b) The company provides structured in-house courses for the advancement of all employees at all levels. These courses include the Basic Supervisory Course, Interaction Management, Louis Allen Managerial training and various skills courses.

c) Structured operational and technical training programs are in place to provide all employees with the specific skills required to perform their jobs to a competent standard.

d) A fully equipped Technical Training Centre provides employees with approved instruction to achieve artisan status in the trades of boilermaking, fitting, fitting and turning, motor mechanic, instrumentation mechanic, and heavy earthmoving mechanic.

e) The company operates a sponsored educational scheme whereby any employee is afforded the opportunity of enhancing their academic or professional qualifications through correspondence at universities and technical institutions.

During 1989 66 Whites and 44 Blacks were sponsored. The amounts spent were R34 541,00 and R28 397,00 respectively.

f) Total amount spent on training during 1989 was R1 981 163,00 (excluding bursaries and grants)

g) Bursaries : 2 Whites (R16 179,75) and 1 Asian (R 5 790,00)

* Grants : 31 Whites (R58 000,00) and 9 Blacks (R13 500,00)

h) Specialist Technical Training for employee advancement :

4 Whites R14 246,18

1 Black R 1 770,00

HANDYMEN PASSED ASSESMENT TESTS IN 1989 AND PROMOTED TO THE FOLLOWING JOBS

| <u>NAME</u> | <u>CO.NO.</u> | <u>SECT</u> | <u>JOB TITLE</u> |
|---------------|---------------|---------------|------------------|
| S MARIQVELE | 9308 | SMELTER | WELDER |
| J MLAMBO | 9264 | VENTILATION | FITTER |
| J NDLOVU | 7A50 | REFRIGERATION | REFRIG.MECH. |
| S M MKHIZE | 8510 | REFRACTORY | IRON INJECT. |
| Z C MATHENJWA | 7A43 | MOBILE EQUIP. | MOB EQUIP MECH. |
| M MBUTHU | 7A10 | MOBILE EQUIP. | MOB EQUIP MECH. |
| T L MADUNA | 7A12 | M.S.P. | WELDER |
| N F NXUMALO | 9543 | PONDS | FITTER |

* Figures quoted here reflect training of company employees for 1989.

Figures quoted in 1988 report included bursaries and grants to non-employees. If the 1989 calculation was done on the same formula the Black grants would increase to 87 (R105 987)

7. FRINGE BENEFITS

7.1 Do black employees benefit from medical, dental, life insurance, accident insurance, disability insurance and other plans on an equal basis with other employees?

If there are differences, please explain.

Please detail the various plans or arrangements under this subsection made available to black employees, distinguishing between statutory entitlements and company-sponsored ones. With respect to company-sponsored plans and arrangements indicate the cost to black employees relative to the cost to other employees and the cost to the company to cover black employees relative to the cost to cover other employees.

The benefits for all employees are identical. Medical and Dental: Medical aid membership is optional. There is no racial element to membership of the medical aid. Most of the staff employees are members of the medical aid. A minority of the Fixed Rate Workers are also members. Life accident and disability insurance: The same benefit applies to all employees. The Company provides a benefit which is linked directly to salary earnings. Pension Fund: All employees belong to the same pension fund. Membership is optional for employees represented by NUMSA (National Union of Metal Workers of South Africa) This arrangement was arrived at after negotiation. All other employees join the pension fund as a condition of service. The Company subscribes to the policy of negotiated fringe benefits.

7.2 Annual vacation: Do black employees enjoy the same vacation plan as other employees? YES. If some vacation plans are different, how many vacation days are accorded annually to black employees? N/A, and how many vacations days are accorded annually to other employees? N/A.

7.3 company programmes, loans and other contributions to assist employees to purchase houses or obtain accommodation enabling them to live with their families near the workplace:

Refer to the next page 13(a)

Employees irrespective of race, are encouraged to acquire their own homes through the Company's Home Ownership Scheme whereby employees are granted a low interest loan (4 %) to buy/build their own homes in residential areas.

The Company also provides loans to a maximum of R18 000 to employees who wish to buy/build their own homes in the surrounding rural areas where building society bonds are not available.

| | Number of black employees benefitting | Annual cost to company | Number of other employees benefitting | Annual cost to company |
|------|--|---------------------------|--|---------------------------|
| 1988 | 255 | 2589372.81 | 6 | |
| 1989 | 354 | 1811604.00 | 10 | |

7.4 Transportation: Do black employees live at some distance from the workplace? Indicate transport arrangements provided by the company to alleviate difficulties facing those employees who are obliged to commute daily some distance to the workplace and include any transport arrangements intended, for example, to enable Black employees and their families in remote areas to obtain medical services, attend school and to be reunited frequently and regularly.

Free transport to and from work is provided daily. Clinics have been established in areas where employees and families live, providing free medical service for employees and families. Free transportation to and from school is provided for all school pupils in the rural area (Reserve No.4) in which RBM is situated.

7.5 Other benefits provided to black employees, e.g., assistance in the education of their families; providing advice and assistance on legal and other problems these employees may encounter with the authorities over their movement from one place to another, their choice of residence and their employment; leisure facilities. Please describe.

See attached pages
14(a), 14(b), 14(c)

1. Education

1.1 CEP

A company education assistance scheme enables Black employees to further their studies through the "Continued Education Programme" (C.E.P.) Course offered are:

STD 6 (Grade 8)
" 7 (Grade 9)
" 8 (Grade 10) = Academic Courses
" 9 (Grade 11)
" 10 (Grade 12)

T1 (Technical Std 8)
T2 (Technical Std 9) = Technical Courses
T3 (Technical Std 10)

Three former CEP students (EX-RBM Employees) have now proceeded full-time to tertiary education. Our senior Black employee Engineering Graduate is one of the teaching staff at these evening classes.

Costs of study are fully re-imbursed by the company when proof of passing subjects or the whole course is submitted. CEP is now also opened to employees families who wish to participate. During 1989, RBM employees in CEP numbered 79 out of 203. (This is a joint venture with a number of local companies).

1.2 Bursaries

During 1989 we awarded bursaries as follows to Black employees and their families as well as to other selected students on academic performance or need:

| | | |
|----------------------------------|---|----|
| <u>Primary school</u> | : | 5 |
| <u>Secondary school</u> | : | 9 |
| <u>Teacher Training Colleges</u> | : | 30 |
| <u>University</u> | : | 34 |

1.3 Adopted Schools

During 1989 the number of adopted schools rose to 8 (2 Pre-schools, 4 Primary schools and 2 Secondary schools). The total enrolment was 4 268 pupils. At these schools we have provided to date 41 classrooms of which 6 were built in 1989.

Our payment of additional teachers at these schools was taken over during 1989 by the Kwa-Zulu Government who acknowledged the necessity for these extra posts.

Furniture, books and equipment are provided at all these schools on an ongoing basis. A committee of employees wives monitors these needs and teaches parents how to make toys and equipment for the schools. Children of white employees (Members of Richards Bay Junior Town Council) made the collection of books for one of these schools their major project in 1989.

Regular meetings are held with Principals and school staff to jointly solve problems. Health and sanitation issues will be discussed under health.

1.4 Technical High School (Esikhawini)

During 1989 the second phase of the development of this school funded totally by RBM was completed. The school now has an administration block, a workshop block (electronics, electrical, metal work, motor and diesel mechanics), a library and classroom blocks. 1989 was the first academic year of the school.

1.5 Computerised Education

The Plato computer aided programme was installed at a cost of R1 000 000-00. The centre which has 27 student terminals had enabled students, staff and neighbouring schools to use it for 43456 terminal hours in 24 different subjects. RBM pays the salary of a full-time computer specialist to administer the centre.

1.6 Non-Formal Education

The Protec Programme was again offered to local Black students talented in Maths and Science. RBM continued to fund this programme totally until the end of 1989 by which time its Board comprising representatives of local industry and local educationists was sufficiently strong to take over the management and funding. We still contribute financially and serve on this Board, but the staff member whom we had seconded full-time to this programme completed his period of office at the end of 1989.

1.7 Career Exhibition

The annual career exhibition for Zululand schools of all races was presented by the University of Zululand and the local Institute of Personnel Management. RBM sponsored this event and manned a stall at it.

2. Health

2.1 Clinics

We continued to provide primary health clinics at 3 of our adopted schools and in Esikhawini. We have a full-time male professional nurse to run these clinics and work in conjunction with the Kwa Zulu Department of Health which provides three qualified nursing sisters to run these clinics five days a week. The cost of salaries for nurses is sponsored by RBM. Approximately 9000 cases are treated at these clinics per year.

2.2 Water and Toilets

The supply of potable drinking water and appropriate rural toilets is a major priority of our health involvement. By the end of 1989 we had sunk 22 water wells at schools and community areas and provided 60 toilets of the VIP type which also serve as demonstration structures for residents.

2.3 Cooking Project

The healthy food cooking project launched during 1988 continued through 1989 using the services of qualified health advisers and Home Economic Instructors. About 120 women in 3 different clubs were involved during this period. RBM has provided a facility for these women to sell their cakes to members of staff on a weekly basis.

2.4 Agricultural Projects

RBM has continued to sponsor the University of Zululand Centre for Research and Documentation to establish community bases and projects with a view to upgrading living standards, health standards, and creating job opportunities. 14 Community gardens have been established which supply the RBM Canteen with vegetables.

3. Town Planning

Although negotiations continued with Tribal leaders on the issues of town planning for the local rural area and the development of a factory site, these two issues have not progressed as far as we would have liked. We are, however, continuing these efforts.

4. Community Activities

4.1 Community Centre

The community centre which we reported on in 1988 has become a very popular venue and is booked throughout the year for functions, clubs and school use.

4.2 Sewing

A number of sewing groups continue to operate under our guidance both in Esikhawini and the rural area surrounding RBM.

4.3 Legal Aid

The legal aid clinic which we had previously established to familiarise local Blacks with their rights and to introduce a street law programme has continued during 1989 but has experienced staffing difficulties. We have therefore opened negotiations with the University of Natal to provide assistance in training some local people to run the street law programmes. We also made office space available in Empangeni for legal counselling

4.4 Sports Stadium

During 1989 initial excavations, levelling and planting of grass has taken place in the construction of a sports stadium which will consist of a soccer field, netball fields and athletic track as well as ablution and change facilities

7.6 Community development: Describe the company's support in the form of expertise, sharing of experience and financial contributions to community programmes designed to improve the quality of life of black workers and their families, e.g., housing, education (including access to integrated facilities), health care, child welfare, legal aid, sanitation, water supply and any other useful social services.

See 7.5

9. ENCOURAGEMENT OF BLACK BUSINESSES

Describe what the company is doing to encourage the setting up and expansion of black businesses, e.g., by contributing expertise, counselling and advise, by sub-contracting and by preferential, priority treatment in customer-supplier relations:

See attached page 17(b)

10. SOCIAL JUSTICE

Describe any efforts or activities by the company on its own initiative or in co-operation with other companies and organizations in South Africa to deal directly with the laws and customs which impede social and political justice:

The company's support of the Kwa Natal Indaba continued during 1989. In October, one of our staff members was seconded on a full time basis for 1 year to assist the Indaba initiative.

We remained active members of AMCHAM and Natal Chamber of Industries and assisted in the launching of the National Economic Initiative which aims at linking Black and White businesses and provide opportunities for Black leadership development.

In 1989 we did not submit a SOPSA Report but have nevertheless agreed to its requirements especially in social justice issues. We particularly continued with our opposition to the Group Areas Act and with efforts to establish a free settlement residential area in Richards Bay.

We continued to place much importance on multiracial twinning exercises between scholars of different race groups and groups of young adults.

The General Manager Public Affairs has continued to serve on the board of the multi-racial pre-school which we helped to establish last year and of the local hospital in order to monitor the continued non-racialism of the high care ward which we established there.

Our efforts intensified during 1989 to promote the admission of Black students to white teacher training colleges. This has now become a major issue with a number of bodies and although the Government has not yet given in on this issue, we believe that it is only a matter of time before it does.

Our efforts to prevent the removal of residents from Reserve 4

Our efforts to prevent the removal of residents from Reserve 4 seem to have been successful and the Richards Bay Town Council has now announced publicly that they will not pursue this issue.

During the last period we reported on our opposition to the closure of public facilities to people of colour in the town of Boksburg. In late 1989 the Government withdrew these restrictions and opened Boksburg facilities to all races at the same time declaring all beaches to be open for all groups, an issue which we had been fighting in Richards Bay for the last few years.

ENCOURAGEMENT OF BLACK BUSINESS

The Small Business Advice Centre which has been totally funded by Richards Bay Minerals for the past three and a half years attended to 1417 enquiries from Black businessmen during 1989. From this effort 103 jobs were created and loan finance obtained to the value of R521,000 to assist these businesses in their establishment and expansion. The Small Business Advice Centre held its second annual Small Business Exhibition promoting Black Businesses in particular. The 1989 exhibition was opened by the British Consul. In conjunction with CABBSA (Canadian Association for Black Business in South Africa) the Small Business Advice Centre had 4 Zulu entrepreneurs exhibit their products at the Amcham/Nafcoc (American Chamber of Commerce in S.A. / National African Federated Chambers of Commerce) Matchmaker Fair in Johannesburg.

One seminar and 3 training course were arranged by the Small Business Advice Centre on various subjects concerning small business expertise. The training course were presented in the Zulu Language.

The Small Business Advice Centre was instrumental in establishing the regions first ever Flea Market which is held twice per month. This multi-racial sales outlet caters for those active in the informal and cottage industry sectors of the small business community.

The Small Business Advice Centre has actively lobbied for the removal of restrictive and discriminatory legislation that impact upon the entry of small business, particularly small Black Business into the broader economy of South Africa.

The Director of the Small Business Advice Centre has successfully obtained recognition from various local municipalities for the right of at least 450 informal street traders to trade. Finance in the form of donated funds has been raised to provide suitable shelters for these traders as well.

Form 675 G (5)
PROCÉDE **Plasdex**® PROCESS
MONTREAL - TORONTO

CODE OF CONDUCT CONCERNING THE
EMPLOYMENT PRACTICES OF CANADIAN COMPANIES
OPERATING IN SOUTH AFRICA

STANDARD REPORTING FORMAT

GENERAL

- 1.1 Date March 19, 1990
- 1.2 Twelve Month Period: from January 1989 to December 1989
- 1.3 Name of Canadian Company Sternson Limited
Address 22 Mohawk Street, Brantford, Ontario
- 1.4 Canadian Contact (who can answer questions or provide clarifications concerning this report).

Name Barry J. Mees
Title President

Address 22 Mohawk Street, Brantford, Ontario

Tel. No. (519) 759-6600
- 1.5 South African Subsidiary, Associate Branch, etc.

(Separate report should be submitted for all affiliates).

Name Sternson (South Africa) (Pty.) Limited

Address 13/14 Sunview Centre, 7 North Reef Road, Bedfordview

Location Johannesburg

Type * Associate

Percentage Equity Held 19.2% option remains to reduce to 16%

Years in Operation 17
- 1.6 Work Force
- | | |
|--------------------------------|----|
| (a) Total number of employees: | 56 |
| (b) Number of white employees: | 13 |

(c) Number of black employees: 43

(d) Number of black employees on annual contracts: nil
of which, number of black employees separated from their families and accommodated in hostels: nil

(e) Number of other non-white employees: nil

1.7

If workforce has significantly increased or decreased or changed in racial composition over the last 12 months and over the last four years, please indicate the number of employees concerned and state the reasons why:

No significant change over the last 12 months

* Please indicate the major industry this reporting unit is involved in: 1. Automobile and Related Industries; 2. Computer/Electronics; 3. Consumer/Goods; 4. Banking/ Finance/Travel; 5. Industrial Equipment Supplied 6. Farm/ Forestry; 7. Pharmaceuticals/Hospitals and Health Care Supplies; 8. Mining and Quarrying; 9. Petroleum and Related Industries; 10. Chemicals; 11. Insurance; 12. Advertising; 13. Publishing; 14. Construction; 15. Agricultural Equipment and Supplies; 16. Entertainment; 17. Distribution of Consumer Goods; 18. Distribution of Industrial Goods; 19. Metals Fabrication; 20. Other (Write in);

Construction Specialty Products

2. GENERAL WORKING CONDITIONS

2.1 Has a comprehensive procedure for handling individual racial complaints of employees on a non-discriminatory basis been established?

Procedure is, or is being, established (describe):

We do not experience racial complaints but in the event any grievance should occur the employees have spokespersons to communicate grievances. The company structure is such that access to the managing director is available on a non-discriminatory basis.

2.2 Have all employees been informed of their rights under a single grievance and disciplinary procedure which applies equally to all races? If not, please explain:

See above

2.3 Have work committees or liaison committees representing black employees been set up? If so, please describe; if not, please explain:

Yes, the black staff have spokespersons and senior team leaders to represent them.

3. COLLECTIVE BARGAINING

3.1 Are all employees, irrespective of racial or other distinctions, able to choose freely and without hindrance the type of union organization to represent them?

(a) Trade union(s) representing employees of all races. Please describe:

None and no request has been received to recognize a trade union.

(b) Trade union(s) representing black employees. Please describe.

None and no request has been received to recognize any black trade union.

(c) Trade union(s) representing black employees which has/have been formed under the auspices of previously established trade union(s) representing white employees. Please describe.

As above.

(d) Other arrangements. Please describe and explain why black employees are not represented by trade union(s):

No request to form a union has been received.

3.2

Measures taken to establish a climate of confidence in the workplace and to extend customary basic rights to bargaining units representing black employees.

- Inform Black employees regularly and unequivocally that it is part of company policy to facilitate consultations and collective bargaining with organizations which are freely elected and representative of employees (describe procedures):

The black employees are well aware of their rights

- Permit trade union officials to undertake normal duties on company premises in relation to their units among black employees and accord them reasonable time off in this regard:

If requested this will be permitted.

- Permit the dissemination on company premises of information from accredited trade unions among black employees:

We have never prevented this and will not attempt to

To prevent dissemination of information

- Ensure that black trade union representatives are included in work and/or liaison committees:

There are no trade union representatives on our staff.

- Ensure at regular intervals that black employees are familiar with the Code of Conduct in a language which they understand, informing them what the company is doing to implement the Code and reviewing and discussing with them or their representatives the company's annual report on the implementation of the Code:

We are not prepared to pay for translation of the code into

Tswana, Sotho, Zulu or Xhosa and do not discuss this report or implementation of the code with black employees.

5. WAGES

5.1 Does the company implement the principle of "equal pay for equal work" by paying black employees the same wage as other employees for the same work and for the same period of time? yes.

If not please explain:

5.2 Percentage average pay increase

| | <u>Black</u> <u>Employees</u> | <u>Non-White</u> <u>Employees</u> | <u>White</u> <u>Employees</u> |
|------|----------------------------------|--------------------------------------|----------------------------------|
| 1988 | Approx. 15% | **** | Approx. 10% |
| 1989 | Approx. 15.4% | **** | Approx. 10.6% |

If increases for salaried employees are different from increases for daily/hourly employees please indicate and explain the different treatment:

5.3 Minimum Pay for Black Employees

| Number of black employees earning minimum wage | Districts where lowest paid are employed | Monthly living level (MLL) or Household subsistence level (HSL) for family of 5 or 6 | City or town selected by University of South Africa (UNISA) or University of Port Elizabeth (UPE) to set MLL or HSL and date | Percentage by which minimum wage exceeds this MLL or HSL |
|--|--|--|--|--|
| 1988 | 11 | Germiston R477 | Germiston Aug. 88 | 5% |
| 1988 | 13 | Germiston R536 | Germiston Aug. 89 | 13.5% |

Minimum pay is to be understood as the monthly cash pay in salary or wages received by the lowest-paid employees. Include amounts withheld for employee contributions for health, pension, or other benefit plans plus scheduled bonuses prorated but not the cost of company-contributed benefits or overtime. The salary or wages of an employee engaged on a part-time basis only is to be prorated to the equivalent full-time salary for the purpose of this section.

Companies with jobs requiring employees to live at or near the workplace in company-provided housing and companies operating in rural areas may make special minimum pay calculations based on the inclusion of a special allowance covering the cost to the company of such items as housing and meals. The actual amount of pay in cash received by the employee should be clearly specified. Such calculations and data should conform to the standards and estimates obtainable from the University of South Africa or the University of Port Elizabeth and should assure the lowest paid employees of compensation at a supplemental living level or better. A company using this special arrangement should submit a supplemental statement explaining the circumstances and how its calculations are made.

5.4 When was the latest revision of the salary or wages of the lowest-paid black employees undertaken? Reason for that revision and its relation to change in the cost of living:

Six monthly review in February and August of each year

5.5 What is the company policy, including timetable (a) for achieving, if that is not already the case, the pay levels recommended in the Code; and (b) for improving the overall level of average remuneration?

We have improved the overall level of average remuneration by good increases, and improved productivity by payment of production bonus incentives which have not been added into our calculations of percentage by which we exceed the M.L.L., but which in fact allows for higher average earnings by black employees.

5.6 Highest wage or salary paid to black employees:

| | Number receiving highest pay | Position(s) | Monthly wage or salary | Percentage by which pay exceeds MLL or HSL |
|------|------------------------------|------------------------|------------------------|--|
| 1988 | 8 | Senior Section Leaders | ** R950 (MLL R477) | 100% |
| 1989 | 8 | Senior Section Leaders | R1100 (MLLR536) | 104% |

** This excludes incentives and bonus.

5.7 Average monthly wage or salary:

| | | Black Employees | Other Non-White Employees | White Employees |
|-----------------|--------|--------------------|---------------------------------|--------------------|
| Salaried |) 1988 | R2,000 | *** | R28,000 |
| Employees |) 1989 | R3,000 | *** | R35,000 |
| Daily/Hourly |) 1988 | R22,000 | *** | *** |
| Wage employees) | 1989 | R25,000 | *** | *** |

A company using the special arrangement to which reference is made in section 5.3 should submit a supplemental statement explaining the circumstances and how its calculations with respect to average monthly pay are made.

5.8 As an alternative to sub-sections 5.6 and 5.7 you may wish to provide a complete salary and wage profile for the company as an attachment to this reporting format.

7. FRINGE BENEFITS

7.1 Do black employees benefit from medical, dental, life insurance, accident insurance, disability insurance and other plans on an equal basis with other employees?

If there are differences, please explain.

Please detail the various plans or arrangements under this subsection made available to black employees, distinguishing between statutory entitlements and company-sponsored ones. With respect to company-sponsored plans and arrangements indicate the cost to black employees relative to the cost to other employees and the cost to the company to cover black employees relative to the cost to cover other employees.

Black employees are covered by unemployment insurance

Workmens Compensation insurance against accident or disability

occurring in the course of work related activities. No medical

dental or life insurance is afford black workers. Free

hospitalization, dental and medical treatment is available to

black workers and ad hoc grants have been made by the company

in special cases of need.

7.2 Annual vacation: Do black employees enjoy the same vacation plan as other employees? Yes. If some vacation plans are different, how many vacation days are accorded annually to black employees? --, and how many vacation days are accorded annually to other employees? --.

7.3 company programmes, loans and other contributions to assist employees to purchase houses or obtain accommodation enabling them to live with their families near the workplace:

From time to time ad hoc assistance has been given for housing, but no formalized programme exists.

| Number of black employees benefitting | Annual cost to company | Number of other employees benefitting | Annual cost to company |
|--|---------------------------|--|---------------------------|
|--|---------------------------|--|---------------------------|

1988

None

1989

7.4 Transportation: Do black employees live at some distance from the workplace? Indicate transport arrangements provided by the company to alleviate difficulties facing those employees who are obliged to commute daily some distance to the workplace and include any transport arrangements intended, for example, to enable Black employees and their families in remote areas to obtain medical services, attend school and to be reunited frequently and regularly.

Good public transport available. When overtime worked and no public transport available workers are transported on company vehicles.

7.5 Other benefits provided to black employees, e.g., assistance in the education of their families; providing advice and assistance on legal and other problems these employees may encounter with the authorities over their movement from one place to another, their choice of residence and their employment; leisure facilities. Please describe.

Sternson does not have the resources to educate the families of black workers. Black workers in the laboratory and office were invited to join the white office staff workers at the annual year end party. Factory workers enjoyed a party of their own.

7.6

Community development: Describe the company's support in the form of expertise, sharing of experience and financial contributions to community programmes designed to improve the quality of life of black workers and their families, e.g., housing, education (including access to integrated facilities), health care, child welfare, legal aid, sanitation, water supply and any other useful social services.

We have donated money to child welfare and African feeding schemes.

Each black employee has received hampers of produce to take home to their families. Loans have been made available for the purchase of building materials for black employees' homes, and we have paid the bed card costs to assist black employees to fund accommodation.

8. RACE RELATIONS

8.1 Facilities integrated:

| | | |
|--------------------|------|-------|
| Food services | Yes | _____ |
| Dining areas | Yes | _____ |
| Washrooms | Yes | _____ |
| Work areas | Yes | _____ |
| Locker rooms | | _____ |
| Medical facilities | Yes | _____ |
| Recreation areas | None | _____ |
| Sports areas | None | _____ |

8.2 Reasons for segregated facilities where these still exist:

Factory personnel and office personnel use different washrooms
but the black office staff use the same washrooms as white office staff.

8.3 Removal of racial segregation signs:

| | Yes | No |
|-------------------|-------|-------|
| All signs removed | _____ | _____ |

If not, please explain.

We have never had racial segregation signs on our premises.

9. ENCOURAGEMENT OF BLACK BUSINESSES

Describe what the company is doing to encourage the setting up and expansion of black businesses, e.g., by contributing expertise, counselling and advice, by sub-contracting and by preferential, priority treatment in customer-supplier relations:

We continue to use black subcontractors for various transport and product application services. We have used black subcontractors to apply products to high rise buildings in Johannesburg. We continue to sub-let work to black businesses wherever an opportunity arises. Unfortunately our Soweto project has not succeeded.

10. SOCIAL JUSTICE

Describe any efforts or activities by the company on its own initiative or in co-operation with other companies and organizations in South Africa to deal more directly with the laws and customs which impede social and political justice:

The recent reforms announced by President F. W. De Klerk have basically catered for improved social and political justice. However, we support the Institute for Race Relations, and the South Africa Foundation.

Form 675 G (S)
PROCÉDÉ **Plaschix**® PROCESS
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•
**Code of Conduct
Concerning
The Employment Practices of
Canadian Companies
Operating
in South Africa**

•
Standard Reporting Format

•
**Variety Corporation –
Fedmech Holdings Limited**

•
May, 1990

1. GENERAL

1.1 DATE: May 31, 1990

1.2 Twelve Month Period: From January 1, 1989 to December 31, 1989

1.3 Name of Canadian Company: Varity Corporation
595 Bay Street
Toronto, Ontario
Canada, M5G 2C3

1.4 Canadian Contact (Who can answer questions or provide clarifications concerning this report).
Ed Arundell
Director, External Affairs and Public Policy
Same as in 1.3
(416) 593-3700

1.5 South African Subsidiary, Associate Branch, etc. (Separate reports should be submitted for all affiliates).
Fedmech Holdings Limited
P.O. Box 677, Vereeniging, 1930 Transvaal,
South Africa

Type: Agricultural Equipment and Supplies

Percentage equity held: Varity 7.1%

Years in operation: 49

1.6 Work Force

(a) Total number of employees: 375

(b) Number of white employees: 161

(c) Number of black employees: 207

(d) Number of black employees
on annual contracts: of which,
number of black employees
separated from their families
and accommodated in hostels: 0

(e) Number of other
non-white employees: 7

* Includes the employees at the Vereeniging tractor assembly and parts facility, as well as Fedmech marketing and distribution staff throughout South Africa. The Potgeitersrus facility has been excluded from this year's filing. During the course of the year it was restructured as a joint venture and is no longer a part of the core business of Fedmech Holdings.

- 1.7 If work-force has significantly increased or decreased or changed in racial composition over the last 12 months and over the last four years, please indicate the number of employees concerned and state the reasons why:

| | Whites | Blacks |
|--------------|--------|--------|
| December '86 | 563 | 358 |
| December '87 | 452 | 389 |
| December '88 | 411 | 387 |
| December '89 | 161 | 207 |

The decrease is on account of a restructuring of the core business (see below).

*Please indicate the major industry this reporting unit is involved in:

1. Automobile and Related Industries;
2. Computer/Electronics;
3. Consumer/Goods;
4. Banking/Finance/Travel;
5. Industrial Equipment Supplied;
6. Farm/Forestry;
7. Pharmaceuticals/Hospitals and Health Care Supplies;
8. Mining and Quarrying;
9. Petroleum and Related Industries;
10. Chemicals;
11. Insurance;
12. Advertising;
13. Publishing;
14. Construction;
15. Agricultural Equipment and Supplies;
16. Entertainment;
17. Distribution of Consumer Goods;
18. Distribution of Industrial Goods;
19. Metals Fabrication;
20. Other;

15. Agricultural Equipment and Supplies

Fedmech Holdings Ltd. is an industrial holding company involved in the manufacture and distribution of agricultural and industrial equipment. Fedmech operates one manufacturing facility in Vereeniging and has a network of 127 dealers throughout South Africa.

High interest rates, the depreciation of the Rand and depressed agricultural markets resulted in continuing adverse business conditions in 1989/90. Fedmech posted substantial losses in excess of the previous year's loss. Fedmech restructured the core agricultural business and divested and closed non-core businesses. Total employment at December 1989 of 375 has since been further reduced to 284 employees.

2. GENERAL WORKING CONDITIONS

2.1 Has a comprehensive procedure for handling individual racial complaints of employees on a non-discriminatory basis been established?

Procedure is, or is being, established (describe):

Fedmech has an established non-racial, written grievance and disciplinary procedure, as well as procedural agreements with union organizations and a works committee constitution.

See Appendix 1 for Grievance and Disciplinary Procedures and Procedural Agreement with the Engineering and Allied Workers' Union of South Africa.

2.2 Have all employees been informed of their rights under a single grievance and disciplinary procedure which applies equally to all races: If not, please explain:

Yes.

2.3 Have work committees or liaison committees representing black employees been set up? If so, please describe; if not, please explain:

In Vereeniging the Works Committee, referred to as the Shop Stewards Committee, is elected by employees in the various work areas.

See Appendix 1 for the Procedures/Agreement/Constitution

3. COLLECTIVE BARGAINING

3.1 Are all employees, irrespective of racial or other distinctions, able to choose freely and without hindrance the type of union organization to represent them?

Yes.

(a) Trade union(s) representing employees of all races. Please describe:

South Africa Boilermakers Union

(b) Trade union(s) representing black employees. Please describe:

Black employees are represented by the Engineering and Allied Workers Union of South Africa and the National Union of Metalworkers of South Africa.

Stop order facilities (union dues by payroll collection) have been in effect since December, 1980.

(c) Trade union(s) representing black employees which has/have been formed under the auspices of previously established trade union(s) representing white employees. Please describe:

South Africa Boilermakers Union

(d) Other arrangements. Please describe and explain why black employees are not represented by trade union(s):

Not applicable. Black employees have the right to be represented by trade unions.

3.2 Measures taken to establish a climate of confidence in the workplace and to extend customary basic rights to bargaining units representing black employees.

- Inform black employees regularly and unequivocally that it is part of company policy to facilitate consultations and collective bargaining with organizations which are freely elected and representative of employees (describe procedures):

In the Works Committee Constitution a framework for open and regular communication is clearly stated. Monthly meetings are held between management and shop stewards. Collective bargaining for wages and fringe benefits takes place on a national level through the Industrial Council process.

- Permit trade union officials to undertake normal duties on company premises in relation to their units among black employees and accord them reasonable time off in this regard:

Trade unions at Vereeniging are permitted use of company premises and accorded reasonable time off. The Vereeniging Shop Steward Committee, comprising some trade union officials, has an office on the premises for use during working hours.

-
- **Permit the dissemination on company premises of information from accredited trade unions among black employees:**

Information is disseminated to black employees via the Shop Steward Committee members, feedback meetings, and notices placed on employee bulletin boards

- **Ensure that black trade union representatives are included in work and/or liaison committees:**

Done.

- **Ensure at regular intervals that black employees are familiar with the Code of Conduct in a language which they understand, informing them what the company is doing to implement the Code and reviewing and discussing with them or their representatives the company's annual report on the implementation of the Code:**

Fedmech operates fully integrated, non-racial facilities. The policies and standard procedures of the company are circulated and regularly discussed with all employees. These procedures include all items dealt with in the Code of Conduct. Fedmech has a statement of its basic values posted throughout its facilities which is attached as Appendix 2.

As a minority shareholder in Fedmech, Varity Corporation cannot and should not be expected to bring the Canadian Code of Conduct directly to the attention of Fedmech employees. Fedmech management is fully aware of the Code and have willingly supplied the information contained herein. Varity Corporation is confident that the management of Fedmech despite difficult business circumstances, are following human resources practices that are consistent with the Code and in many cases exceed the Code's provisions.

4. **MIGRANT LABOUR**

If company employs migrant labour, any other form of contract labour, or employs black persons who are accommodated in hostels please state company policy with respect to such employees and what action the company is taking to alleviate the effects of existing regulations and restrictions on employees and their families. Indicate particular measures, special facilities and amenities, including efforts to facilitate:

- (a) the opportunity to lead a family life;**
- (b) the regular renewal of contracts; and**
- (c) any arrangements for making it easier for the families of employees to settle near their companies.**

There is no contract labour at Fedmech.

5. WAGES

5.1 Does the company implement the principle of "equal pay for equal work" by paying black employees the same wage as other employees for the same work and for the same period of time?

Yes.

5.2 Percentage average pay increase.

| | Black Employees | | Non-White Employees | | White Employees | |
|------|-----------------|------|---------------------|------|-----------------|------|
| | W/P | M/P | W/P | M/P | W/P | M/P |
| 1988 | 12.0 | 12.8 | 12.0 | 12.8 | 7.4 | 10.6 |
| 1989 | 16.0 | 15.0 | 16.0 | 15.0 | 16.0 | 15.0 |

If increases for salaried employees are different from increases for daily/ hourly employees, please indicate and explain the different treatment:

There is no discrimination between black, non-white and white employees. Changes to annual across-the-board increases are determined by Industrial Agreement negotiation for weekly-paid employees and annual salary surveys for monthly-paid employees. With both groups remuneration is measured with comparable companies in the Republic of South Africa. Individual pay increases are determined by performance.

5.3 Minimum Pay for Black Employees

| | Number of black employees earning minimum wage | Districts where lowest paid are employed | Monthly living level (MLL) or Household subsistence level (HSL) for family of 5 or 6 | City or town selected by University of South Africa (UNISA) or University of Port Elizabeth (UPE) to set MLL or HSL and date | Percentage by which min. wage exceeds this MLL or HSL |
|------|--|--|--|--|---|
| 1988 | 5 | Vereeniging | R579.88 | Vereeniging | 1.5% above |
| 1989 | 2 | Vereeniging | R603.02 | Vereeniging | 15.12% above |

Minimum pay is to be understood as the monthly cash pay in salary or wages received by the lowest-paid employees. Include amounts withheld for employee contributions for health, pension, or other benefit plans, plus scheduled bonuses prorated but not the cost of company-contributed benefits or overtime. The salary or wages of an employee engaged on a part-time basis only is to be prorated to the equivalent full-time salary for the purpose of this section.

Companies with jobs requiring employees to live at or near the workplace in company-provided housing and companies operating in rural areas may make special minimum pay calculations based on the inclusion of a special allowance covering the cost to the company of such items as housing and meals. The actual amount of pay in cash received by the employee should be clearly specified. Such calculations and data should conform to the standards and estimates obtainable from the University of South Africa or the University of Port Elizabeth and should assure the lowest paid employees of compensation at a supplemental living level or better. A company using this special arrangement should submit a supplemental statement explaining the circumstances and how its calculations are made

5.4 When was the latest revision of the salary or wages of the lowest-paid black employees undertaken? Reason for that revision and its relation to change in the cost of living:

April 1, 1989 Annual performance increase.

July 1, 1989 Annual increase after Trade Union and Industrial Council negotiations.

5.5 What is the company policy, including timetable (a) for achieving, if that is not already the case, the pay levels recommended in the Code; and (b) for improving the overall level of average remuneration?

Fedmech instituted a program to upgrade employee skills which has resulted in many employees moving from the lowest job rankings to better paying positions.

In 1989 Fedmech raised the minimum wage 15.12%. The number of employees at this level was lowered from 5 to 2.

Remuneration depends on the Company's profitability. Future wage increases at Fedmech will be based on the results of industrial council negotiations and the commercial success of the business.

5.6 Highest wage or salary paid to black employees:

| | Number receiving highest pay | Position(s) | Monthly wage or salary | Percentage by which pay exceeds MLL or HSL |
|------|------------------------------|---------------------------------------|------------------------|--|
| 1988 | 11 | Computer, Materials Handling, Welfare | R 1150-R1870 | 222.48% per month above |
| 1989 | 17 | Training, Manpower | R 1170-R2028 | 236.31% above |

5.7 Average monthly wage or salary:

| | Black Employees | Other Non-White Employees | White Employees |
|------------------------------------|-----------------|---------------------------|-----------------|
| Salaried Employees | | | |
| 1988 | R1159 | R1311 | R2178 |
| 1989 | R1224 | R1368 | R3046 |
| Daily/Hourly Wage Employees | | | |
| 1988 | R702 | R805 | R2207 |
| 1989 | R849 | R948 | R2288 |

A company using the special arrangement to which reference is made in section 5.3 should submit a supplemental statement explaining the circumstances and how its calculations with respect to average monthly pay are made.

6. TRAINING AND PROMOTION

Please describe company programmes for the training and advancement of black employees. Include details of company's use of outside educational facilities and university bursaries for both general and specialized technical and professional development of employees. Indicate numbers of black employees involved in programmes at each level of employment positions, actual progress achieved during the annual period concerned in promotions to all levels and total costs to companies. For similar categories of information compare such programmes with similar programmes the company has made available to other non-white employees and to white employees during the same period.

1. Technical Training - Department of Manpower schemes available for in-plant skills upgrading.
2. Study Loan Scheme - A Company-operated Study Loan Scheme for all racial groups, pays all expenses and subtracts a third of the cost for the employee. If the employee does not successfully complete the course, he or she repays two-thirds of the cost. Criteria for eligibility is that the training must benefit the Company, and be relevant to the employee's current or future position.
3. Bursary funds are available.
4. Operator training at farms extends technical training to black customers and operators.
5. Product training extends technical training throughout the dealer organization.

7. FRINGE BENEFITS

7.1 Do black employees benefit from medical, dental, life insurance, accident insurance, disability insurance and other plans on an equal basis with other employees?

Yes.

If there are differences, please explain.

Not applicable.

Please detail the various plans or arrangements under this subsection made available to black employees, distinguishing between statutory entitlements and company-sponsored ones. With respect to company-sponsored plans and arrangements, indicate the cost to black employees relative to the cost to other employees and the cost to the company to cover black employees relative to the cost to cover other employees.

Company-sponsored benefits include medical aid, pension plan, life insurance and accident insurance. Unemployment insurance is a statutory benefit.

The Company contributes an equal percentage towards benefits for all racial groups with the exception of hourly paid employees whose benefits are governed by the Industrial Agreement and the Wage Act. In instances where there is a difference between benefits for hourly paid employees, the better benefit of the two is provided.

7.2 Annual vacation:

Do black employees enjoy the same vacation plan as other employees?

Yes.

If some vacation plans are different, how many vacation days are accorded annually to black employees?

Not applicable.

And how many vacation days are accorded annually to other employees?

Not applicable.

7.3 Company programmes, loans and other contributions to assist employees to purchase houses or obtain accommodation enabling them to live with their families near the workplace:

To assist employees to live with their families near the workplace, the company operates a housing scheme through which all racial groups can obtain a 100 per cent housing loan through a Building Society. Employees of Fedmech can obtain the required R200 downpayment for a purchase and repay the amount at no interest in monthly installments of R20. Because of the difference in price between housing bought by blacks and whites, and the fact that blacks generally prefer to renovate rather than purchase or build new houses, the amount requested by blacks is less than that of whites. The company also provides small loans for home improvements.

| | Number of black employees benefitting | Annual cost to company | Number of other employees benefitting | Annual cost to company |
|------|--|---------------------------|--|---------------------------|
| 1988 | 17 | R9230 | 36 | R183066 |
| 1989 | 11 | R20657 | | |

The number of loans have decreased as a result of the implementation of a government-sponsored housing loan program.

- 7.4 Transportation: Do black employees live at some distance from the workplace? Indicate transport arrangements provided by the company to alleviate difficulties facing those employees who are obliged to commute some distance to the workplace and include any transport arrangements intended, for example, to enable black employees and their families in remote areas to obtain medical services, attend school and to be reunited frequently and regularly.**

For black employees who require a means of commuting, public transportation is available during regular business hours and subsidized by the community. Employees working overtime have the use of company transportation vehicles. Arrangements are made with a local transport company in instances where there is a sufficient number of employees working overtime.

- 7.5 Other benefits provided to black employees, e.g. assistance in the education of their families; providing advice and assistance on legal and other problems these employees may encounter with the authorities over their movement from one place to another, their choice of residence and their employment; leisure facilities. Please describe.**

A company-administered Black Bursary Fund is available to children of employees, provided they comply with Fund guidelines. Thirty children are currently on bursary schemes - a 25% increase over 1988 despite the significant reduction in overall employment.

- 7.6 Community development: Describe the company's support in the form of expertise, sharing of experience and financial contributions to community programmes designed to improve the quality of life of black workers and their families, e.g., housing, education (including access to integrated facilities), health care, child welfare, legal aid, sanitation, water supply and any other useful social services.**

- funding for a Chair in Agriculture at the University of Fort Hare, amounting to R100000 for disbursement over a five year period
- an annual financial award for the best student in Agriculture at that University
- a bursary established in 1987 is available to a student studying to achieve a B. Sc. Agriculture at that University.
- provision of equipment for the upgrading of local school yards.

9. ENCOURAGEMENT OF BLACK BUSINESS

Describe what the company is doing to encourage the setting up and expansion of black businesses, e.g., by contributing expertise, counselling and advice, by sub-contracting and by preferential, priority treatment in customer-supplier relations:

Despite difficult business circumstances, Varity and Fedmech continue to make positive contributions to black agriculture and business development. In 1980, Massey-Ferguson Tractors' World Export Office targeted the development of mechanized agriculture in the black farming areas of South Africa.

In 1981, Massey-Ferguson put two contract instructors ("CIs") or trainers from England into the Transkei region. Their objective was to work with local black farmers and agricultural authorities to train them to efficiently operate and repair all makes of tractors.

In 1982, Massey-Ferguson hired a black South African, Sam Sellabelliny. A skilled trainer and fluent in nine South African languages, he was placed in the Transkei/Ciskei region to extend the program. Today, there are five CIs in this region with four others in similar black farming communities.

As the CI program began, Massey-Ferguson and Fedmech persuaded authorities in South Africa to devote more financial resources to support black farmers and independent businessmen who wanted to obtain equipment for their own use or for tractor contract businesses. Because of the tribal land tenure patterns, black farmers and potential local contractors often had little or no traditional collateral with which to finance equipment purchases.

Working with the Development Bank of South Africa and development corporations and financial institutions in Ciskei, Transkei and Bophuthatswana, Fedmech helped devise workable financial schemes. Through the financing schemes, Fedmech dealers became involved with the establishment of local contractors and with the provision of limited credit to those developing black businesses and farms.

Equally important to the development effort in these regions was the establishment of effective services and maintenance support. Following Massey-Ferguson's lead, Fedmech in 1984 appointed the first, and to this point only, black farm machinery dealer in South Africa. Barnabus Titus' dealership in Umtata has flourished and contributed to agricultural development in the area.

Varity has drawn Fedmech deeply into the development of agriculture for black South Africans. Fedmech altered its organization and appointed a General Manager to head up its Agribusiness Development Unit. Most of his time is spent in making proposals to various authorities to enhance the effectiveness of mechanization in black agricultural development.

The year 1986 saw a major step forward for Fedmech in black agricultural development. In cooperation with Massey-Ferguson and Transkei authorities, Fedmech built the Transkei Agricultural Services facility in Bizana, 200 miles from Umtata. This complex consists of a 1,000 square metre workshop, parts store and training centre, and six houses.

Five CIs from England were stationed at the facility and ran the venture as a private business in support of black agriculture in the region. They took on fifteen black apprentices who proceeded through a formal training course over a four-year period. The facility officially opened on August 26, 1986.

Neighbouring Swaziland, Botswana and Lesotho have all expressed interest in this pilot project (there is one CI in Swaziland).

Varity Corporation also supported the efforts of the Canadian Export Association to establish a Canadian Government-sponsored program for assisting the development of black businesses in South Africa. Fedmech and Federale indicated their willingness to assess opportunities for preferential sub-contracting to black businesses.

In 1987, this project, known as the Canadian Association for Black Business in South Africa (CABBSA), received funding approval from the Canadian International Development Agency. The newly established organization is comprised of Canadian firms and Canadian linked companies doing business in South Africa, the Get Ahead Foundation, the National African Federated Chamber of Commerce, the Wits University Centre for Developing Business and black management consultants.

This program aims to support the development of black businesses to enable them to become fully fledged suppliers and sub-contractors to Canadian firms and Canadian linked companies; to help them export their products; and to promote industrial linkages through joint ventures. A brochure outlining CABBSA is attached (Appendix 3).

Varity has pledged up to \$100,000 in in-kind service support to the project. Dennys Roquand, Former Director of Massey-Ferguson Tractors in South Africa continues as the Chairman of CABBSA and Massey-Ferguson provides administrative support to the organization.

In 1988, the first full year of the program, CABBSA assisted the establishment of several black-owned companies which provided jobs for a large number of previously unemployed blacks. One project in particular is that of Mr. Oupa Motsepe who was unemployed a year ago and now owns and runs a company called Softball Distributors. This company presently employs about 40 people and is quickly becoming successful.

In 1989 CABBSA continued to expand. More than 25 companies have been assisted to-date. Information on some of the most successful cases can be found in Appendix 3.

In March, 1990, Varity Corporation hosted a delegation from CABBSA on a two day visit to the Toronto region. This was part of a one week Canadian visit aimed at familiarizing members of the CABBSA Council with Canadian capabilities. A report on the visit is included as Appendix 4.

10. SOCIAL JUSTICE

Describe any efforts or activities by the company on its own initiative or in co-operation with other companies and organizations in South Africa to deal more directly with the laws and customs which impede social and political justice:

Varity Corporation has made representations to senior South African Government officials, including the then Education Minister F.W. De Klerk, to express our view that apartheid must be dismantled. Varity supports the activities of such groups as the American Chamber of Commerce in South Africa and the Canadian Business Association of South Africa to publicize the foreign business community's opposition to apartheid.

In 1987, Varity Corporation sent a telex to the Hon. R.F. Botha, Minister of Foreign Affairs for the Republic of South Africa, to protest that Government's actions in further limiting the rights of organizations promoting a peaceful end to the policy of apartheid.

In 1989 Fedmech assisted a local Black cultural organization in drawing up a constitution. In addition, Fedmech and Federale provided cash support, people and time to the establishment of a Career College in the Vall triangle. This is an experimental college using the latest research and training skills. It is aimed at filling the current shortage of artisans with minimum capability students. The College philosophy is to adopt lateral thinking into training, changing from the old rote learning method into more scientific methods.

The school is scheduled to open in 1991 and provide the model for accelerated training across the country. The total cost is R 3 million over three years. The building has been donated by the Electricity Supply Commission.

Memorandum

Aan/To **VERSPREIDING/DISTRIBUTION**

Van/From **A C Bosch**

Datum/Date **1985.10.03**



FedMech

Onderwerp/Subject **DISSIPLINêRE-/GRIEWEPROSEDURES**
DISCIPLINARY/GRIEVANCE PROCEDURES

Aangeheg afskrifte van bogenoemde dokumente wat nou finaal goedgekeur is vir onmiddellike implementering regdeur ons Groep van maatskappye.

Attached are copies of the above documents which have now been finally approved for implementation with immediate effect throughout our Group of companies.

Indien u enige verdere inligting of verduideliking omtrent enige van genoemde dokumente verlang, geliewe skrywer hiervan te raadpleeg.

Should you require any further information or explanation on these documents please do not hesitate to consult the writer.

ACB

A C BOSCH
BESTUURDER: PERSONEELADMINISTRASIE EN NYWERHEIDSVERHOUDINGE/
MANAGER: PERSONNEL ADMINISTRATION AND INDUSTRIAL RELATIONS

ACB*jb

Bylae

FEDMECH GROUP OF COMPANIES

DISCIPLINARY CODE AND PROCEDURE

1. Introduction

- 1.1 The implementation of a Disciplinary Code and Procedure by the Company is essential for the efficient running of the Company's business, the safety and fair treatment of its employees and sound industrial relations.
- 1.2 The Disciplinary Code and Procedure is intended to ensure that employees have knowledge of the disciplinary rules governing their employment and it accordingly describes the action which may be taken by the Company should an employee commit an offence.
- 1.3 Management shall be primarily responsible for discussing and resolving disciplinary problems with their subordinates.
- 1.4 The Personnel Department or a designated Manager may be requested by an employee or Management to give guidance or assistance at any stage of the Disciplinary Procedure.
- 1.5 Every employee has the right to be represented at a disciplinary hearing by an employee representative and an employee may also request the employee representative to be present when such employee is being informed of any disciplinary action which will be taken.
- 1.6 All the forms referred to in the Disciplinary Code and Procedure are obtainable from the Personnel Department or designated Manager and only those forms may be used.
- 1.7 The Disciplinary Code and Procedure is not intended to and does not set out the other grounds for termination of employment such as retrenchment and industrial action.

2. Definitions

- 2.1 "day" means any day excluding Saturdays, Sundays, all public holidays and any days during a company shut down period.
- 2.2 "employee representative" means a shop steward, Works Committee member, Employees' Association member or employee chosen by another employee to represent him in terms of this Disciplinary Code and Procedure.
- 2.3 Reference to any one gender herein includes reference to the other gender.
- 2.4 "designated manager" means a manager appointed by the company to deal with personnel matters in the absence of a Personnel Manager/Officer.

3. Disciplinary Code

3.1 General

- 3.1.1 The severity of disciplinary action will depend upon the circumstances of each case.
- 3.1.2 As the offences stated hereunder are not intended to be exhaustive the Company may exercise disciplinary action against an employee who has committed an offence although the offence has not been stated in the Disciplinary Code.
- 3.1.3 Management responsible for exercising disciplinary action will use their discretion and, for example, may prefer to give a verbal warning for a minor offence.
- 3.1.4 In relation to the offences listed hereunder, the Company may dismiss an employee after the steps listed in the penalties column hereunder have been exhausted.
- 3.1.5 In addition, when an employee has received 2 written warnings of any kind for the same or for different offences, the Company may dismiss him upon the third offence.
- 3.1.6 A written warning shall lapse after 12 months has passed subsequent to the giving thereof.
- 3.1.7 The signing of a written warning by an employee means that he acknowledges he was warned and understands the contents of such warning. Failure to sign such a warning will not invalidate the warning.

3.2 Grounds for Disciplinary Action

- 3.2.1 Examples of offences which may lead to penalties such as dismissal, or a verbal or written warning are stated hereunder:

| <u>OFFENCE</u> | <u>PENALTY</u> |
|---|----------------|
| 3.2.1.1 Theft, bribery, fraud or removal of material without authority from Company, another person or premises/building where stationed, or being in unauthorised possession of Company property. It will be based upon fair management judgemental conclusion of intent of theft, notwithstanding legal conviction. | Dismissal |
| 3.2.1.2 Intentional or negligent damage to Company or employee property. | Dismissal |
| 3.2.1.3 Gross incongruousness or insolence. | Dismissal |
| 3.2.1.4 Assault/fighting | Dismissal |

| <u>OFFENCE</u> | <u>PENALTY</u> |
|---|---|
| 3.2.1.5 In possession of or under the influence of liquor. | Dismissal |
| 3.2.1.6 In possession of or under the influence of hallucinatory drugs. | Dismissal |
| 3.2.1.7 Driving Company vehicle without authority. | Dismissal |
| 3.2.1.8 Changing a medical certificate or using a false one. | Dismissal |
| 3.2.1.9 Unexplained absence from work for 3 days or more without notifying Company. | Dismissal |
| 3.2.1.10 Being in possession of a firearm or dangerous weapon on Company premises unless authorised by Company in writing. | Dismissal |
| 3.2.1.11 Intimidating or inciting employees to violence of any form. | Dismissal |
| 3.2.1.12 Attempting to or causing the name of the Company to be brought into disrepute. | Dismissal |
| 3.2.1.13 Clocking irregularities. | Dismissal |
| 3.2.1.14 Refusal to work or abandoning job. | Dismissal |
| 3.2.1.15 Failing to wear issued clothing. | 1st offence - verbal warning 2nd offence-written final warning 3rd offence-dismissal |
| 3.2.1.16 Failing to carry out safety precautions/ instructions. | 1st offence - verbal warning 2nd offence-written- final warning 3rd offence-dismissal |
| 3.2.1.17 Absent from work without a valid reason. (Less than 3 days) | 1st offence - verbal warning 2nd offence-written final warning 3rd offence-dismissal |
| 3.2.1.18 Posting or distributing notices, posters, etc. on Company premises or soliciting of any kind without the Company's written permission. | 1st offence - verbal warning 2nd offence-written final warning 3rd offence-dismissal |
| 3.2.1.19 Failing to report an accident or damage to Company property. | 1st offence - verbal warning 2nd offence-written final warning 3rd offence-dismissal |
| 3.2.1.20 Negligent use of Company motor vehicle. | 1st offence - verbal warning 2nd offence-written final warning 3rd offence-dismissal |

| <u>OFFENCE</u> | | <u>PENALTY</u> |
|----------------|--|---|
| 3.2.1.21 | Gambling; lending money and charging interest thereon while on Company premises. | 1st offence - verbal warning 2nd offence-written final warning 3rd offence-dismissal |
| 3.2.1.22 | Sleeping on the job. | Dismissal |
| 3.2.1.23 | Abusive or insulting language or signs. | 1st offence-written final warning 2nd offence-dismissal |
| 3.2.1.24 | Horseplay likely to result in an accident or cause an injury or damage. | 1st offence-written final warning 2nd offence-dismissal |
| 3.2.1.25 | Failing to carry out instructions. | Dismissal |
| 3.2.1.26 | Neglect or improper performance of duties. | 1st offence - verbal warning 2nd offence - written warning 3rd offence-written final warning 4th offence-dismissal |
| 3.2.1.27 | Loitering (Loafing). | 1st offence - written warning 2nd offence-written final warning 3rd offence-dismissal |
| 3.2.1.28 | Consistent bad timekeeping. | 1st offence - written warning 2nd offence-written final warning 3rd offence-dismissal |
| 3.2.1.29 | Arriving late at place of work. | 1st offence - written warning 2nd offence-written final warning 3rd offence-dismissal |
| 3.2.1.30 | Poor quality of work or failing to maintain output levels. | 1st offence - verbal warning 2nd offence - written warning 3rd offence-written final warning 4th offence-dismissal |
| 3.2.1.31 | Gross negligence. | Dismissal |
| 3.2.1.32 | Any other reason recognised in law as being a criminal offence. | Dismissal |

4. Disciplinary Procedure

4.1 Step 1 Written Warning

- 4.1.1 If a verbal warning is inappropriate, the employee's senior shall make it clear to the employee who has committed the offence that he is taking the first step in the Disciplinary Procedure, which will be a written warning unless the offence requires more severe disciplinary action in which event it shall be referred to Step 2.
- 4.1.2 The issuer shall record an account of the offence and the warning on the disciplinary form, and he shall request the employee to sign it after he has explained its contents to him.
- 4.1.3 If the employee refuses to sign the written warning, the issuer shall indicate this thereon and shall also if possible, state the employee's reasons for refusing to sign. The issuer shall furthermore obtain the signature of two witnesses on the form testifying that the employee has refused to sign and has been invited to lodge an appeal in accordance with clause 5. Where the warning was given in the presence of an employee representative, such person should also be requested to sign the form.
- 4.1.4 The employee, on request, shall be given a copy of the written warning by the issuer, and a copy shall be sent to the Personnel Department or Designated Manager for filing.
- 4.1.5 Should the employee deny that he committed the offence or wish to challenge the fairness of the penalty, he should lodge an appeal in accordance with Clause 5.

4.2 Step 2 Formal Enquiry

- 4.2.1 If dismissal is the disciplinary action recommended, the matter shall be referred to a disciplinary enquiry consisting of the employee, the employee's immediate senior and his immediate senior (who shall act as Chairman of the enquiry), the employee representative, any witnesses, and where practicable a member of the Personnel Department.
- 4.2.2 The immediate senior will ensure that a record of the proceedings of the enquiry is kept.
- 4.2.3 Upon conclusion of the enquiry, the Chairman shall decide what disciplinary action to take. He may either approve, reject or vary the disciplinary action recommended.
- 4.2.4 In the event of dismissal, he shall arrange for the appropriate disciplinary form to be prepared and record the decision thereon and a copy signed by all parties present at the enquiry shall be made available to the employee.

- 4.2.5 In the event of the Chairman's decision being a written warning the appropriate disciplinary form shall be prepared and the employee shall be requested to sign it after the contents have been explained to him. If the employee refuses to sign the written warning, the issuer shall indicate this thereon and shall also, if possible, state the employee's reason for refusing to sign the form. The issuer shall furthermore obtain the signature of two witnesses on the form testifying that the employee has refused to sign and has been invited to lodge an appeal in accordance with clause 5. Where the warning was given in the presence of an employee representative, such person should also be requested to sign the form.
- 4.2.6 The employee, on request, shall be given a copy of the written warning by the issuer, and a copy shall be sent to the Personnel Department or Designated Manager for filing.
- 4.2.7 Should the employee deny that he either committed the offence or wish to challenge the fairness of the penalty, he should lodge an appeal in accordance with Clause 5.

5. Appeals

- 5.1 An employee or former employee who wishes to appeal against the exercise of disciplinary action against him, shall furnish to the Personnel Department or designated Manager within 3 days of the date of being informed of the disciplinary action to be taken against him, a notice of appeal in writing stating the nature and grounds of appeal. The notice of appeal shall be signed and dated by such employee or former employee.
- 5.2 The Personnel Department/designated Manager shall immediately thereafter inform the appropriate Manager of the appeal and the grounds therefor.
- 5.3 The appropriate Manager shall consider the appeal and may convene a hearing if he deems it necessary.
- 5.4 The appropriate Manager shall decide within 5 days of receiving the appeal whether the disciplinary action was fair and if not, shall take appropriate action.
- 5.5 He shall record his decision in writing and submit it for filing to the Personnel Department who shall inform the employee of the decision.
- 5.6 An appeal against disciplinary action imposed by a manager shall only be considered by a more senior manager.

ACB*jb

1984.08.22

DISSIPLINêRE VERSLAG
DISCIPLINARY REPORT

Maatskappy/
Company : _____

Werknemer/
Employee : _____ Senior Bestuurder/
Senior Manager : _____

Departement/
Department : _____ Toesighouer/
Supervisor : _____

Ampstitell/
Job Title : _____ Personeeldepartement -
verteenwoordiger/
Personnel Department
representative

STAP 2/
STEP 2

Voorval/
Incident :

| | | |
|---------------------|---------------------|---------------------|
| Datum/ Date : | Tyd/ Time: | Plek/ Place: |
| Getuie/ Witness: | Getuie/ Witness: | Getuie/ Witness: |

a. Aard van oortreding/
Nature of Infringement:

b. Dissiplinêre stap/
Disciplinary action:

.....
(Handtekening van Toesighouer)/
(Signature of Supervisor)

.....
(Handtekening van Werknemer)/
(Signature of Employee)

DISCIPLINÊRE VERSLAG (VERVOLG)
DISCIPLINARY REPORT (Contd.)

STAP 3/
STEP 3

a. *Dissiplinêre Verslag oorhandig aan Senior Bestuurder deur Toesighouer op/*
Disciplinary Report handed to Senior Manager by the Supervisor on _____ 19 _____.

b. *'n Formele ondersoek was gehou op/* _____ 19 _____
A formal enquiry was held on
en die volgende dissiplinêre aksie was geneem/
and disciplinary action taken was as follows:

Senior Bestuurder/
Senior Manager : _____

Werknemer/
Employee : _____

Werknemerverteenwoordiger/
Employee Representative : _____

Toesighouer/
Supervisor : _____

Personeeldepartement/
Personnel Department: _____

Datum/ _____ 19 _____
Date : _____

STAP 4/
STEP 4

Hierdie Dissiplinêre Verslag was aan die Besturende Direkteur oorhandig/
This Disciplinary Report was handed to the Group Managing Director,
_____, *op/on* _____ 19 _____

en die finale besluit geneem op/
and the final decision made on _____ 19 _____

was soos volg/
was as follows:

.....
(Handtekening van Groep Besturende Direkteur)/
(Signature of Group Managing Director)

.....
(Datum/Date)

OORTREDING VAN REGULASIES/
INFRINGEMENT OF RULES

EERSTE GESKREWE WAARSKUWING/
FIRST WRITTEN WARNING

DATUM/DATE: _____

NAAM/NAME: _____

WERKSPAN Nr. / MAATSKAPPY Nr. /
GANG NO. : _____ COMPANY No. : _____

DEPARTEMENT/DEPARTMENT: _____

AFDELING/DIVISION: _____

AARD VAN OORTREDING/ NATURE OF OFFENCE: _____

KORREKTIEWE STAP(PE) GENEEM/CORRECTIVE MEASURE(S) TAKEN: _____

DEUR WIE GENEEM/ BY WHOM TAKEN: _____

GETEKEN/
SIGNED : WERKNEMER/EMPLOYEE: _____

TOESIGHOUER/
SUPERVISOR : DEPARTEMENTSHOOF/
DEPARTMENT HEAD: _____

AFDELINGSHOOF/
DIVISION HEAD: PERSONEEL/
P. & I.R. : _____

GROEP BESTURENDE DIREKTEUR/
GROUP MANAGING DIRECTOR : _____

AANMERKINGS DEUR PERSONEEL/
P. & I.R. COMMENTS : _____

OORTREDING VAN REGULASIES/
INFRINGEMENT OF RULES

TWEEDE GESKREWE WAARSKUWING/
SECOND WRITTEN WARNING

DATUM/DATE: _____

NAAM/NAME: _____

WERKSPAN Nr. / MAATSKAPPY Nr. /
GANG NO. : _____ COMPANY No. : _____

DEPARTEMENT/DEPARTMENT: _____

AFDELING/DIVISION: _____

AARD VAN OORTREDING/NATURE OF OFFENCE: _____

KORREKTIEWE STAP(PE) GENEEM/CORRECTIVE MEASURE(S) TAKEN: _____

DEUR WIE GENEEM/BY WHOM TAKEN: _____

GETEKEN/
SIGNED : WERKNEMER/EMPLOYEE: _____

TOESIGHOUER/
SUPERVISOR : DEPARTEMENTSHOOF/
DEPARTMENT HEAD : _____

AFDELINGSHOOF/
DIVISION HEAD : PERSONEEL/
P. & I.R. : _____

GROEP BESTURENDE DIREKTEUR/
GROUP MANAGING DIRECTOR : _____

AANMERKINGS DEUR PERSONEEL/
P. & I.R. COMMENTS : _____

FEDMECH GROUP OF COMPANIES

GRIEVANCE PROCEDURE

1. Purpose and Intent

- 1.1 The purpose of this grievance procedure is to ensure that grievances are considered and resolved as close as possible to the point of origin and as speedily as practical.
- 1.2 The Grievance Procedure shall not be used by an employee for the purpose of either:
 - 1.2.1 Amending any agreement entered into between the Company and the union or employee body; or
 - 1.2.2 Collective bargaining.
- 1.3 The Company and the employee, or group of employees lodging the grievance may agree to waive the stages and time limits stated in the Grievance Procedure so that the grievance may be resolved more quickly.
- 1.4 Employees and employee representatives will not suffer prejudice as a consequence of lodging the grievance.
- 1.5 An employee and his employee representative shall not incur a loss of wages in respect of time spent at meetings arranged to resolve a grievance in terms of this Grievance Procedure.
- 1.6 A grievance should be raised by an employee within three days of the occurrence which gave rise to it or within such longer period as the Company may consider reasonable.

2. Definitions

- 2.1 "act" means the Labour Relations Act, No. 28 of 1956, as amended.
- 2.2 "day" means any day excluding Saturdays, Sundays, all public holidays and any days during a company shut down period.
- 2.3 "employee representative" means a shop steward, Works Committee member, Employees' Association member or employee chosen by another employee to represent him in terms of this Grievance Procedure.
- 2.4 "grievance" means a work related problem or a feeling of dissatisfaction on the part of an employee concerning an aspect of his employment.
- 2.5 "designated manager" means a manager appointed by the Company to deal with personnel matters in the absence of a Personnel Manager/Officer.

3. Personnel Department

- 3.1 The Personnel Department or designated manager may be consulted by employees and management for advice at any stage of a Grievance Procedure. The Grievance Procedure and the forms referred to in this Grievance Procedure are obtainable from that department. The Personnel Manager or Personnel Officer concerned may assist an employee to complete a grievance form if requested. The Personnel Department will ensure that all the laid down procedures have been followed before this written grievance is implemented.
- 3.2 Grievances should not be taken to the Personnel Department/ designated manager but should be resolved through the relevant line managers.
- 3.3 The Personnel Department, if requested, shall assist the party at an enquiry by advising the parties concerned on procedures/precedents.

4. Stages of Procedure for an Individual Employee

4.1 Stage 1: Immediate Superior

- 4.1.1 Step 1: An employee who has a grievance related to his employment must raise it verbally with his immediate superior. He must make it clear to the superior that he is submitting a formal grievance. If the matter is settled at this stage, it will be the duty of the superior to see that any agreed action is implemented and that the employee representative is informed accordingly.
- 4.1.2 Step 2: If the employee is not satisfied that the matter is settled in step 1, he is now free to contact his employee representative or his alternate to discuss the matter. The employee and that representative or his alternate together must approach the superior for the second time and try to settle the matter. If the matter is settled, it is the duty of the superior to see that the agreed action is implemented.
- 4.1.3 Step 3: If the matter is still not resolved to the satisfaction of the worker within two clear working days, he must fill in an official grievance form in duplicate and shall hand one copy to the Personnel Department/designated manager who will ensure that the Grievance Procedure is implemented.
- 4.1.4 Step 4: An enquiry must be arranged within three working days by the superior's (step 4.1.1) superior. This enquiry must be attended by the worker and his superior and the superior's superior and, where applicable, a representative from the Personnel Department and the worker's employee representative or his alternate. The parties will endeavour to resolve the grievance. The enquiry will be chaired by the most senior person and if his decision is accepted the matter shall be resolved.
- 4.1.5 Should the grievance not be resolved at this stage, the employee can proceed to stage 2.

4.2 Stage 2: Departmental Head/Nominee

- 4.2.1 The departmental head or his nominee shall take all the necessary steps to resolve the grievance and may convene an enquiry so that the parties may attempt to resolve the grievance. He shall attempt to resolve it within three days of the grievance report having been submitted to him. All relevant employees shall be entitled to attend the enquiry.
- 4.2.2 If the grievance is resolved the solution shall be recorded on the grievance form by the departmental head or his nominee and the aggrieved employee shall be requested to sign the grievance form to indicate that he is satisfied.
- 4.2.3 If the grievance is not resolved within the three day period stated in this clause, any further allegations and the reasons for the failure to resolve this grievance shall be set out on the grievance form by the departmental head or his nominee.
- 4.2.4 If the grievance remains unresolved the departmental head or his nominee shall refer it to stage 3.

4.3 Stage 3: General Manager/or Nominee

- 4.3.1 The employee shall be entitled to raise the matter with the General Manager or his nominee.
- 4.3.2 On receipt of the grievance form, the General Manager or his nominee may within five days convene a meeting with the last level of management who attempted to resolve the grievance, the employee, the employee representative and, where applicable, a member of the Personnel Department.
- 4.3.3 If the grievance is resolved, the solution shall be recorded on the grievance report by the General Manager or his nominee.
- 4.3.4 If the General Manager or his nominee is unable to resolve the grievance within five days of the meeting referred to in this clause, he shall set out in the grievance report any further allegations and the reasons for the failure to resolve the matter.
- 4.3.5 If the Grievance Procedure has been exhausted and the grievance remains unresolved, should the employee wish to take it further, he shall be entitled to call upon his Trade Union to institute the Dispute Procedure referred to in clause 7. If the grievance remains unresolved thereafter the employee may refer the matter to the Industrial Council or the Department of Manpower as applicable in each case.

5. Procedure for Group Employees

5.1 If the grievance affects or is common to a group of employees, then the employees concerned may consult their employee representative(s) during the tea/lunch break.

5.2 The employee representative(s) shall then either:

5.2.1 follow the procedures set out in stages 1 - 3, accompanied if necessary by a delegation of no more than three employees; or

5.2.2 table the grievance at the next meeting of the body representing employees.

5.3 Under no circumstances shall a group of employees stop work in order to lodge a grievance unless they have obtained the permission of their departmental head.

6. Grievance Concerning Employee's Immediate Superior

When an employee alleges that a grievance has arisen out of the act of a supervisor or manager in charge of him, the grievance may be referred immediately to the next level of supervision or management.

7. Dispute Procedure

An employee may only implement the Dispute Procedure as per Annexure "C" after the Grievance Procedure has been exhausted or waived by mutual consent. The Company may institute the Dispute Procedure at any time.

ACB*jb
1985.02.15

GRIEWEVERSLAG/
GRIEVANCE REPORT

Nota : Moet in duplikaat voltooi word
Note : To be completed in duplicate

1 afskrif aan werknemer
1 copy to employee

1 afskrif aan persoon wat die grief hanteer en aan die Bestuurder : Nywerheidsbetrekkings gestuur word na afhandeling van die ondersoek.

1 copy to person handling the grievance and forwarded to the Industrial Relations Manager on conclusion of the investigation.

1. Naam van werknemer _____ Mppy. Nr. _____
Name of employee _____ Co. No. _____
2. Naam van Toesighouer/Bestuurder wat die grief hanteer by :
Name of Supervisor/Manager handling grievance at the :
2de Stap _____
2nd Step _____
3de Stap _____
3rd Step _____
4de Stap _____
4th Step _____
3. Stap 2 : Beknopte beskrywing van grief soos deur werknemer aan
Step 2 : Toesighouer gerapporteer op
Brief details of grievance reported by the employee to
the Supervisor on

Toesighouer se bevindings en beslissing op :
Supervisor's findings and decision on

Stap 3 : Hierdie grief was verwys na die Algemene Bestuurder op
Step 3 : This grievance was referred to the General Manager on

Bevindings en beslissing deur _____ Algemene
Bestuurder
Findings and decision by _____ General
Manager

Stap 4 : Hierdie grieweverslag was oorhandig aan die _____
(Afdelingsbestuurder) op _____

Step 4 : This grievance report was handed to the _____
(Division Manager) on _____

'n Ondersoek was gehou op _____ en die
bevindings was soos volg:
An enquiry was held on _____ and the
findings are as follows:

Werknemer/Employee _____ Toesighouer/Supervisor _____

Werknemerverteenwoordiger/
Employee Representative _____ Departementshoof/
Department Head _____

Bestuurder:Nywerheidsbetrekkings/
Industrial Relations Manager _____ Afdelingshoof/
Division Head _____

Datum/Date: _____

Stap 5 : Hierdie grieweverslag was aan die Nasionale Nywerheids-
raad gestuur op _____ en die
bevindings wat finaal en bindend is, is soos volg :

Step 5 : This grievance report was forwarded to the National
Industrial Council on _____ and the findings
which are final and binding are as follows:

DISPUTE PROCEDURE

1. *Should a dispute arise between the Company and an employee or group of employees, the parties shall attempt to resolve the dispute without loss of production to the company or loss of earnings of employees. Employees who are required to attend meetings authorised by this procedure will be paid at the normal rate of pay.*
2. *The Company and the parties concerned undertake to resolve disputes as quickly as possible. Shop Stewards of any Trade Unions representing members of such a Trade Union where the dispute originated will be entitled to be present at the meeting in order to assist in resolving the dispute.*
3. *The party declaring a dispute shall notify the other party thereof by submitting a request in writing, calling for the parties concerned to meet in order to try to resolve the matter. The meeting must take place within 3 working days of receipt of the request.*
4. *The Company and the parties concerned may agree at any stage of the dispute to refer it for resolution via the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industries' Dispute Resolution Procedure or the Department of Manpower as applicable.*

PROCEDURAL AGREEMENT

Between

FEDMECH HOLDINGS LTD

at its Steel Road, Peacehaven, and Houtkop Road, Vereeniging Sites

and

ENGINEERING AND ALLIED WORKERS' UNION OF S.A.

1. DEFINITIONS:

See Appendix I.

2. INTRODUCTION:

2.1 The purpose of this Agreement is to regulate the relationship between hourly-paid employees, who are members of the Union, and the Company on those matters covered by this Agreement.

2.2 The resolution of any grievance shall be undertaken in terms of the procedures contained herein.

2.3 The Company and the employees recognise that the Company is a member of an employer Association party to the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industry and that the Industrial Agreements of that Council are binding upon the employer and its employees.

2.4 This Agreement is therefore supplementary to the Industrial Agreements of the Industrial Council and subservient to those Agreements. In the event of any conflict between this Agreement and the Industrial Agreements of the National Industrial Council the Industrial Agreements of the National Industrial Council shall prevail.

3. SCOPE:

3.1 The Company agrees that the Shop Stewards Committee is representative of the hourly-paid employees, who are members of the Union, employed by the Company at its premises situated at

Steel Road, Peacehaven, Vereeniging and
Houtkop Road, Vereeniging

3.2 This Agreement shall apply to all hourly-paid employees of the Company who are members of the Union, whose membership of the Union shall be notified in writing to the employer and who will be represented by the Committee. Any changes to membership of the Union shall be notified to the employer within 30 days of such change.

S.E.T.

Z.M.

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- 3.3 The Union and the Committee recognise the right and responsibility of the management of the Company to manage the Company in the best interests of the shareholders and the employees.
- 3.4 The Union recognises the right of the Company to conduct and manage its business and managerial functions, with full regard to its legal obligations. Without detracting from the generality of this clause, the Company shall have the right to recruit, replace, promote, transfer, demote, train, discipline and dismiss employees of the Company, subject to the limitations set out in this Agreement. The Company shall not be restricted by virtue of its past practices.
- 3.5 The Union shall endeavour to ensure that employees who are not members of their union are not pressurised, victimised, or intimidated into membership. In this aspect the employee and employer recognise the concept of freedom of association in that all employees must be free to join the union of their choice or not to join any union without victimisation by the Company.
- 3.6 The Company, the Union and the Committee shall use all means available to them to seek reasonable and mutually satisfactory solutions to grievances and disputes which may arise in terms of the procedures detailed in this Agreement.

4. ACCESS:

- 4.1 Not more than 2 union officials whose names have been provided to and approved by the Company shall enter the employer's premises at any one time.
- 4.2 Access by such union officials to company premises and shop stewards shall be arranged with management at a time and place convenient to both parties.
- 4.3 The Company shall forthwith notify the Union of the management representative who may authorise such access and the place of meeting.
- 4.4 The Union shall forthwith acknowledge receipt of management representative authorised in 4.3 above.
- 4.5 Union officials shall comply with Company security and safety regulations at all times.
- 4.6 Meetings between not more than the 2 union officials and the union shop stewards may be held on the Company's premises outside of normal working hours, i.e. during lunch and tea breaks, subject to prior arrangement with the Company.
- 4.7 The Company as proprietor or lessee of the premises still retains the right to reserve admission.

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5. NOTICE BOARDS:

- 5.1 The Company shall provide the Union with space on Company notice boards for union notices providing that such notices are submitted to management for clearance prior to display. Management shall not withhold its decision on clearance for longer than one day.
- 5.2 Management having given clearance shall not remove any union notice until the agreed upon expiration date.

6. COMMITTEE REPRESENTATIVES:

- 6.1 The Committee shall be elected by the union members in accordance with its constitution.
- 6.2 The Committee shall be representative of the union's members in the various workshops and areas as agreed by the Company to ensure adequate representation. At the time of this Agreement the constituency shall be as set out in Appendix II.
- 6.3 Vacancies in the Committee shall be filled as appropriate as soon as they occur - per the Union's Constitution.
- 6.4 No member shall hold the position of shop steward unless he is a member of the permanent staff of the Company, has been a paid up member of the Union for 12 months and has served for an uninterrupted period of 12 months with the Company. No member shall stand for election as a shop steward if he holds a supervisory position, is a member of the Security or Personnel departments.
- 6.5 The Union shall inform the Company in writing immediately after the elections of the full names, occupation, department and constituency of each shop steward.
- 6.6 The appointment of a shop steward shall cease when:
 - (a) the period for which elected expires
 - (b) his resignation as a shop steward
 - (c) his ceasing to be employed by the Company
 - (d) termination of his appointment by the Union per its Constitution
 - (e) on being promoted to a supervisory position or transferred to Security or Personnel.
- 6.7 The shop stewards will not consult with union members concerning union business during working hours except as provided for in this Agreement and the Grievance and Disciplinary Procedures.
- 6.8 Shop stewards shall not encourage, procure, aid, advise, command, incite or instigate any employee to take part in or continue with an illegal strike or go slow or other work stoppage and will support the spirit and intention of this Agreement in order to maintain harmonious relationships between employees and the Company.

S.E.T. *[Signature]* *[Signature]* *[Signature]*

2.12.1.

- 6.9 The Committee shall be entitled to hold one meeting per month during working hours at a time and venue agreed by the Company. Such meetings not to exceed 2 hours in duration.
- 6.10 It is understood that a shop steward will not leave his place of work without the permission of his immediate supervisor in carrying out his responsibilities in accordance with this Agreement; such permission shall not be unreasonably withheld.

7. MEETINGS WITH MANAGEMENT:

- 7.1 One meeting between management and the Committee shall be held monthly at a time and place agreed between the Committee and the Company. Minutes will be taken by a secretary, who will be approved by the Company and the Committee. Such minutes will be subject to confirmation at the subsequent meeting.
- 7.2 Further meetings with management other than that specified above may be convened at not less than 24 hours' notice by either party.
- 7.3 Union officials will not attend the monthly meetings. At other meetings, union officials shall only attend with the agreement of and prior arrangement with management.
- 7.4 Reasonable report back periods, to be determined by management, will be allowed for committee members to report back to the employees they represent. This report back shall be during meal and tea breaks. Each shop steward will report back to his own constituency. Joint constituency meetings (regarded as mass meetings) shall not be held.
- 7.5 In the event that unauthorised meetings take place in working hours, any time spent at such meetings will not be paid and may be subject to disciplinary action.

8. UNION SUBSCRIPTIONS:

The Company agrees to provide check off facilities to union members who request these in accordance with the agreed procedures of the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industry.

9. DISCIPLINARY CODE AND PROCEDURES:

The Company, the Union and the Committee agree that the disciplinary procedures set out in Annexure A shall apply and that all union members shall be advised by the Union that they must be followed. The Committee members shall similarly advise those employees they represent.

10. GRIEVANCE PROCEDURES:

The Company, the Union and the Committee agree that all grievances arising between them at the work place shall be dealt with in terms of the procedures in Annexure B and that all union members shall be advised by the Union that those procedures must be followed. The Committee members shall similarly advise those employees they represent.

217

S.E.T. *[Handwritten initials]* *[Handwritten initials]*

11. AMENDMENTS:

11.1 Any amendment to this Agreement or Annexure/Appendix thereto, proposed by any party to this Agreement shall be adopted by the written Agreement of the parties thereto.

11.2 Disputes -

In the event of a dispute between the parties failing to be settled through negotiation of the Company, the matter in dispute shall be referred to the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industry for processing in terms of the Council's procedures.

12. TERMINATION:

12.1 Any material breach of this Agreement shall be cause for the Company, the Union and/or the Committee respectively to give written notice of termination of the Agreement. Such termination shall take effect 14 days after the receipt of notice of termination.

12.2 Notwithstanding the above, the Agreement shall be terminated by written notice as in 12.1 above if -

12.2.1 More than 50% of permanent hourly-paid employees of the Company eligible to be represented by the Committee require the Agreement to be terminated.

12.2.2 The Union decides not to become a party to or ceases to be a member of the National Industrial Council for the Iron, Steel, Engineering and Metallurgical Industry.

Dated at VEREENIGING on this 10TH day of SEPTEMBER 1985.

[Signature]
Signed for the Company 1.

Witness: [Signature]
having been authorised by the 2.

Witness: [Signature]
Company to sign this Agreement 3.

[Signature]
Signed for the Union 1.

[Signature]
2.

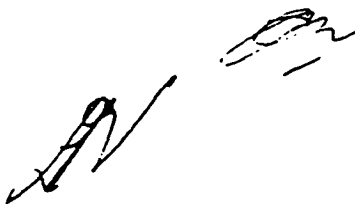
[Signature]
3. Having been authorised by the Union to sign this Agreement.

DEFINITIONS

- THE COMPANY - Fedmech Holdings Ltd at its Steel Road, and Houtkop Road, Vereeniging Sites
- THE UNION - Engineering and Allied Workers' Union of S.A.
- THE COMMITTEE - The Shop Stewards Committee elected by members of the Company who are members of the Union.
- SHOP STEWARDS - Duly elected by employees of Fedmech Holdings Ltd who are members of the Union representing a designated constituency.

S.E.T

2.12.77

H.C.B. 

CONSTITUENCIES OF SHOP STEWARDS REPRESENTATIVES

| Constituency | Number of Shop Stewards |
|--|-------------------------|
| 1. PMS, Toolroom and Press & Forge | 1 |
| 2. Welding Shop, Maintenance, General Works, Jig and Die Stores | 1 |
| 3. Traffic and Shipping, IWG, Product Training Claims Department, Pool Drivers | 1 |
| 4. Management Information Systems, Printing | 1 |
| 5. Assembly, Warehouse, Steelyard, Expense Stores | 1 |
| 6. Tractor Plant | 1 |
| 7. Central Parts Operations | 1 |

S.E.T.

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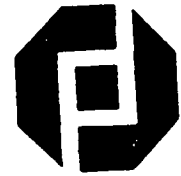
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Memorandum

Aan/To **VERSPREIDING/DISTRIBUTION**

Van/From **A C Bosch**

Datum/Date **1985.10.03**



FedMech

Onderwerp/Subject **DISSCIPLINêRE-/GRIEWEPROSEDURES**
DISCIPLINARY/GRIEVANCE PROCEDURES

Aangeheg afskrifte van bogenoemde dokumente wat nou finaal goedgekeur is vir onmiddellike implementering regdeur ons Groep van maatskappye.

Attached are copies of the above documents which have now been finally approved for implementation with immediate effect throughout our Group of companies.

Indien u enige verdere inligting of verduideliking omtrent enige van genoemde dokumente verlang geliewe skrywer hiervan te raadpleeg.

Should you require any further information or explanation on these documents please do not hesitate to consult the writer.

A.C. Bosch
A C BOSCH
BESTUURDER: PERSONEELADMINISTRASIE EN NYWERHEIDSVARHOUDINGE/
MANAGER: PERSONNEL ADMINISTRATION AND INDUSTRIAL RELATIONS

ACB*jb

Bylae

22/07/1

FEDMECII GROUP OF COMPANIES

DISCIPLINARY CODE AND PROCEDURE

1. Introduction

- 1.1 The implementation of a Disciplinary Code and Procedure by the Company is essential for the efficient running of the Company's business, the safety and fair treatment of its employees and sound industrial relations.
- 1.2 The Disciplinary Code and Procedure is intended to ensure that employees have knowledge of the disciplinary rules governing their employment and it accordingly describes the action which may be taken by the Company should an employee commit an offence.
- 1.3 Management shall be primarily responsible for discussing and resolving disciplinary problems with their subordinates.
- 1.4 The Personnel Department or a designated Manager may be requested by an employee or Management to give guidance or assistance at any stage of the Disciplinary Procedure.
- 1.5 Every employee has the right to be represented at a disciplinary hearing by an employee representative and an employee may also request the employee representative to be present when such employee is being informed of any disciplinary action which will be taken.
- 1.6 All the forms referred to in the Disciplinary Code and Procedure are obtainable from the Personnel Department or designated Manager and only those forms may be used.
- 1.7 The Disciplinary Code and Procedure is not intended to and does not set out the other grounds for termination of employment such as retrenchment and industrial action.

2. Definitions

- 2.1 "day" means any day excluding Saturdays, Sundays, all public holidays and any days during a company shut down period.
- 2.2 "employee representative" means a shop steward, Works Committee member, Employees' Association member or employee chosen by another employee to represent him in terms of this Disciplinary Code and Procedure.
- 2.3 Reference to any one gender herein includes reference to the other gender.
- 2.4 "designated manager" means a manager appointed by the company to deal with personnel matters in the absence of a Personnel Manager/Officer.

OUR NINE BASIC VALUES

Fedmech Believes:

1. In the importance and dignity of every single person that works for us as an adult individual in his/her own right and in merit as the criterion for reward and advancement.
2. In the importance of every single customer who buys from us, that we should know him well and that he should receive fair value for money.
3. That all our shareholders and lenders should be satisfied with their investment in our Company.
4. That we should all be proud of - and excited about - our products and our service.
5. That we should be the best in everything we do and that attention to detail is an essential requirement to that end.
- 6. That our people should be encouraged to innovate, that failures are part of the process, and that praise is more effective than criticism.
7. That all the people in our Company should have fun in performing their duties and enjoy working together with their colleagues.
8. That individually and jointly we should serve our country and the communities within which we reside.
9. In courtesy and in maintaining the highest level of ethical standards.

(427)

Fedmech Bherend Bpk Fedmech Holdings Ltd.

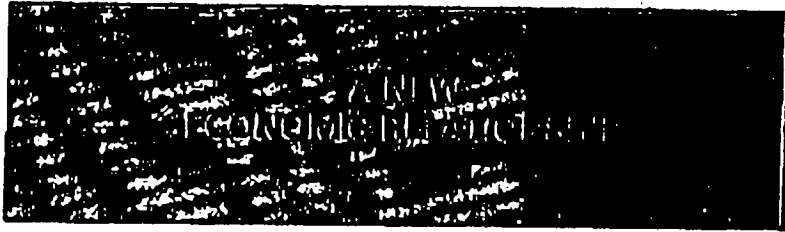
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7. That all the people in our Company should have fun in performing their duties and enjoy working together with their colleagues.
8. That individually and jointly we should serve our country and the communities within which we reside.
9. In courtesy and in maintaining the highest level of ethical standards.



CANADIAN ASSOCIATION
FOR BLACK BUSINESS
IN SOUTH AFRICA



P.O. Box 2092 Northcliff
Johannesburg 2115

Tel. (011) 888-1545/46
Telex 430465 DPR SA



CANADIAN ASSOCIATION
FOR BLACK BUSINESS
IN SOUTH AFRICA

A New
**ECONOMIC
RELATIONSHIP**

Tel. (011) 888-1545/46 Telex 430465 DPR SA

P.O. Box 2092 Northcliff
Johannesburg 2115



Following a series of discussions between the **Canadian Exporters' Association (CEA)**, a non-profit private sector organisation made up of over 1000 Canadian companies interested in developing business abroad, Canadian businesses operating in South Africa, and with a number of non-governmental South African organisations, it was decided that a more formal business relationship be established between South African Black businesses, Canadian companies, and Canadian linked companies. This relationship was given formal expression through the establishment, in 1987, of an advisory council — the **Canadian Association for Black Business in South Africa (CABBSA)**.

The **Canadian Association for Black Business in South Africa** is made up of the following organisations: the Canadian Exporters' Association, the Vally Corporation, the Canadian Business Association in South Africa, Champion Road Machinery Limited, Richards Bay Minerals, the National African Federated Chamber of Commerce, the Get Ahead Foundation, the University of the Witwatersrand Centre for Developing Business, and Black management consultants.

The objective of the **CABBSA** is to promote the development of Black business through intensifying the co-operation between Canadian business and Black entrepreneurs. To this end the **CABBSA** seeks to:

- develop Black manufacturers to become fully fledged suppliers/sub-contractors to a number of Canadian firms and Canadian linked companies operating in South Africa;
- counsel and participate in actions of national Black business organisations aimed at advancing Black entrepreneurship;
- promote industrial linkages by private sector joint ventures, transfer of technology, and training.



Expected results from this project.

For Black business

- The development of contacts with the Canadian business community, which would assist with the transfer of knowledge to Black business, thereby placing them in a better position to play a more meaningful role in South Africa's free enterprise economy.
- The possibility of forging foreign business links.
- Gaining knowledge of Canadian expertise and technology which corresponds to the industrial needs of Black business.
- Increasing the manufacturing and industrial capacity of Black businesses through the development of joint ventures with Canadian firms and Canadian linked companies.

For Canadian firms and Canadian linked companies:

- Identification of business partners from the Black business community.
- Identification of potential industrial co-operation projects, including supplier/sub-contractor relationships, transfer of technology and training in industrial and business practices.
- Increased co-operation with Black entrepreneurs in South Africa through joint business ventures.

The **CEA** has gained significant experience in industrial co-operation with Black Africa through successful ongoing projects in countries such as the Republic of Cameroon, Zimbabwe and many other African states.

**·H·E·L·P·I·N·G
B·L·A·C·K B·U·S·I·N·E·S·S**

**A HELPING HAND
FROM
CANADIAN BUSINESSMEN**

*The Association was formed
T in 1987, and despite its short
existence has an impressive
track record.*



DENYS ROQUAND
*Chairman
Canadian Association for
Black Business in South Africa
(Director Southern Africa - Massey Ferguson)*

CANADIAN ASSOCIATION *for BLACK BUSINESS in* SOUTH AFRICA

The Association's purpose is to develop Black businesses to the stage where they become wealth and job creators. To achieve this CABBSA helps Black manufacturers become suppliers of their goods to South African based Canadian companies.

The Association's board, which I chair, comprises representatives of the National African Federated Chamber of Commerce, Black businessmen, and representatives of Canadian companies operating in South Africa.

CABBSA's development programme is unique in that those it assists are not given cash advances to help them develop their enterprises. The emphasis is upon acting as facilitator, and funding training in, say, management skills.

*The policy is one of holding hands
and allowing a business person to
help him or herself.*

If we discern a need for management skills we pay for the entrepreneur's training; if the bottleneck lies in the obtaining of finance we negotiate with the banks on his behalf. Our objective is to oil the wheels to enable the entrepreneurial wagon to move ahead smoothly.

The important thing to remember when buying from Black businesses is that they are essentially Third World, and the term is not used in a derogatory sense. What we mean is that companies purchasing from Black suppliers need to show an appreciation of their historical disadvantages. Company buyers should refrain from insisting on first world standards when dealing in a largely third world situation. They need to understand that a Black supplier may sometimes not be in a position to deliver on time due to a variety of problems peculiar to his environment. Some Black suppliers might not be able to handle large orders due to inadequate financing, and this could require the buyer to pay in advance to ensure the requisite cash flow. This is what I mean when I call for a better understanding of the Third World. One needs to be more flexible, and accommodating, without necessarily sacrificing standards and quality.

CABBSA certainly does not go along with the advocates of sanctions and disinvestment, who seem to want to go on penalising already disadvantaged Blacks.

Sanctions and disinvestment can only prolong, and exacerbate, these disadvantages. Surely the best way of reversing the damage of apartheid is for foreign companies to invest more, not less, in Black upliftment programmes.



Mr Oupa Motsepe (left) discussing with Mr Denys Roquand some of the softball equipment he manufactures

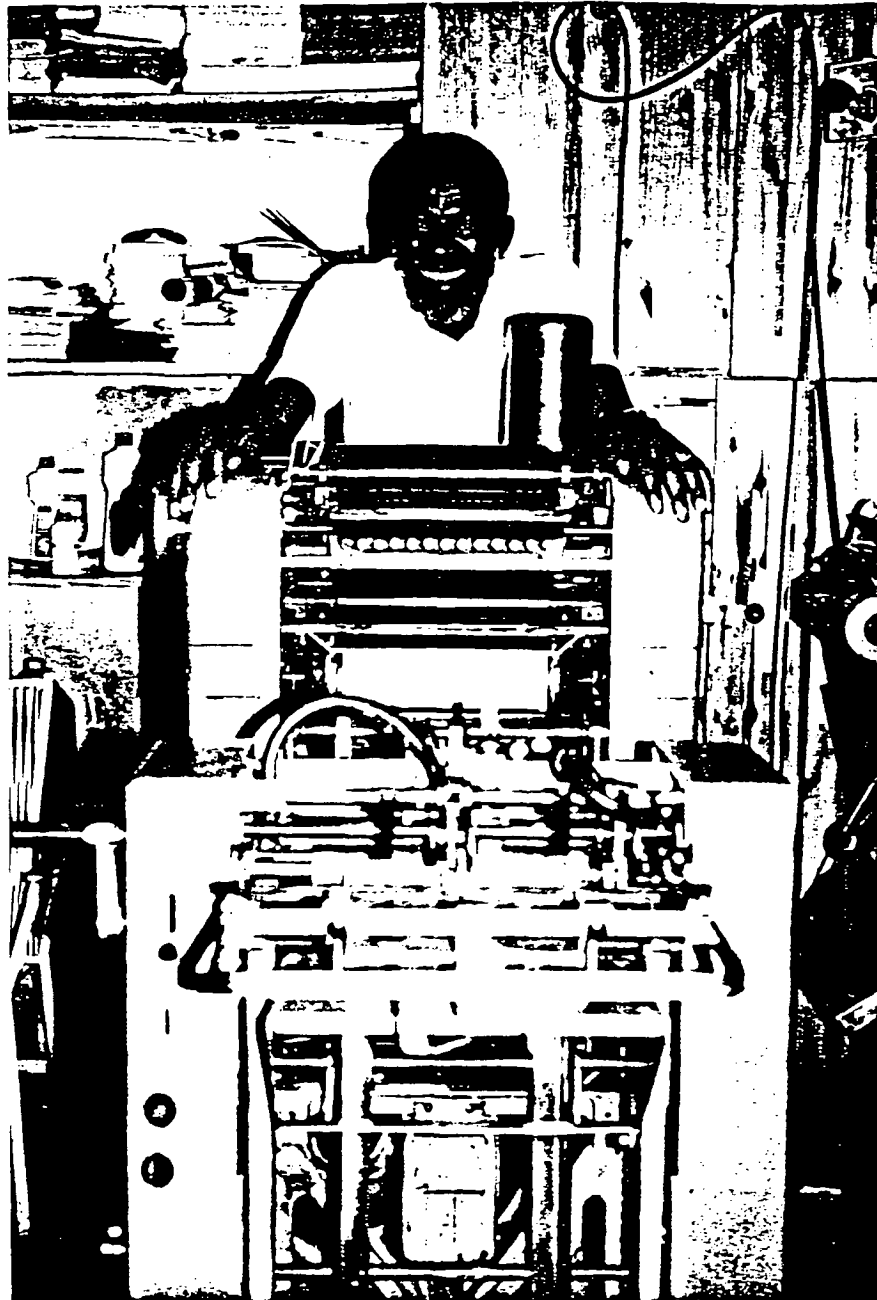
Oupa Motsepe (left) and Mini Hillrand of Black Enterprise displaying some of the softball equipment



In May 1988 Oupa Motsepe, a softball fanatic, was walking the streets of Johannesburg, unemployed, when he noticed that all softball equipment used in South Africa seemed to be imported, largely from North America. He approached CABBSA, and today Oupa has a registered company that manufactures softball equipment in both Johannesburg and Soweto. He gets support from the South African Softball Association, the Botswana Softball Association, and a number of softball clubs in Zimbabwe.

Oupa intends exporting overseas as well in due course.

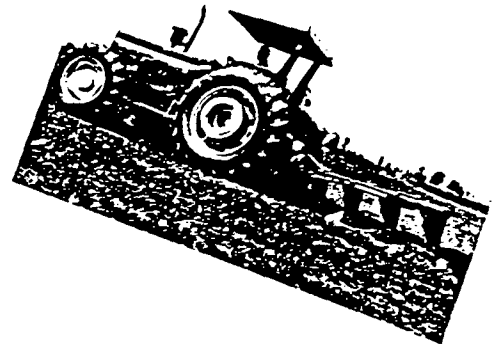
Geoff Mphakati
standing behind one
of his printing
machines



Geoff Mphakati, a printer in Mamelodi, near Pretoria, doubled his output six months after receiving support from Canadian companies subscribing to the CABBSA programme



Gugulethu Kunene, a manufacturer of canvas bags in Richards Bay, quadrupled her income in less than three months after being encouraged and assisted by CABBSA, which provided her with the services of a consultant to advise on purchasing, the best ways of cutting material, and marketing. This so improved the management and technical aspects of her business that production rose significantly. Today she counts among her large customers Massey Ferguson and Richards Bay Minerals.





**CANADIAN
EXPORTERS'
ASSOCIATION**

99 Bank Street, Suite 250
Ottawa, Ontario, Canada K1P 6B9
Telephone: (613) 238-8888
Telex: 053-4888
Fax: (613) 563-9218

**ASSOCIATION
DES EXPORTATEURS
CANADIENS**

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Téléphone: (613) 238-8888
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**INCOMING VISIT
CANADIAN ASSOCIATION FOR BLACK BUSINESS IN SOUTH AFRICA
(CABBSA)**

Week of March 25, 1990

Sunday
March 25, 1990

Arrive Toronto
Holiday Inn
Chestnut Street
Toronto

March 26, Monday

9 a.m.

Varity Corporation
595 Bay Street, 9th Floor
(416) 593-3811 - Ed Arundel

10:30

Bocknek Ltd.
165 Bethridge Road
Rexdale, ON
Gail Bocknek - (416) 745-0796

12:30

Lunch with Rev. Ted Scott (416) 920-1975
at the Greenery Restaurant
in the RAMADA RENAISSANCE HOTEL
Bloor Street

2 p.m.

Visit to Humber College
Host: Tom Norton
(416) 489-5925 and fax (416) 489-5080
Association of Community Colleges

5:00

Return to Holiday Inn

6 p.m.

Reception
Holiday Inn
Chestnut Street, Toronto
Hosts: CEA and Varity Corporation
6:00 - 8:00 p.m.

March 27, Tuesday

8 a.m.

Breakfast Group Only
Holiday Inn (Reservation made in name of Gorn)

9 - 12:00

Canadian Tire
Presentation then a visit to the Young and Davenport
Store
Host: Mr. Peter Johnson
Marketing Research & Development
2190 Yonge ST., 5th Floor
Fax:(416) 480-3863

Introduction

A look at the mornings objectives

CTC Retail

A tour through Canadian Tire Retail Store No. 150
(K.W. Mann Limited)

History of CTC

A brief look at the history of Canadian Tire

CTC Today

Canadian Tire's Mission Statement outlining the culture
and beliefs of our organization and the high expectations
we have set for ourselves

A look at specific areas of Canadian Tire today, including:
Purchasing (Domestically and Off-Shore), Distribution and
Advertising

CTC in the 90's

A look at where Canadian Tire is "leading the way" in to
the 90's

Home Office Tour

A tour though Canadian Tire's Purchasing and OPerations
(Computer Room) Departments

Summary

A brief review of the mornings activities and topics

1:00 p.m.

Lunch (Reservation in name of P. Spicer)
Holiday Inn, Chestnut Street
Host: Phillip Spicer
Chairman of the Central Group Ltd.

3 p.m.

(Estimated) - Check out
prepare for departure for Montreal
P. Spicer will take passengers to airport if needed.

Accommodation for 6 at:
The Holiday Inn - (514) 842-6111
420 Sherbrooke Street West
(confirmation number 94-961 - Louise)

Evening Free

Wednesday

March 28 - Montreal

8:00 -9:30

Presentation on FBDB program
Federal Business Development Bank

Contact: Jeannette Boudrias
(514) 283-3124

10:00 a.m.

S.R. Telecom Inc.
8150 Trans Canada Highway
St. Laurent
(Jack Zavitz - V.P.)
(514) 335-1210

11:30 a.m.

Canadair
11:40 Official welcome by Canadair senior management
11:50 Bombardier/Canadair corporate overview
12:00 Proceed on brief tour of plant 1 and Canadair
Maintenance Training Centre
1:00 Lunch with Contracts and Finance Representatives
2:15 Depart plant 1 for Cavendish facility (Regional Jet)
2:30 Visit Regional Jet Division for briefing and tour of the
mock-up
3:30 Depart Regional Jet Division for plant 3
3:30 Arrive at Dorval facility for tour of Challenger and Regional
Jet final assembly including Challenger preflight area
Departure of delegation

4:30 p.m.

Estimated - Travel to Ottawa

Accommodations for 4 at:
Roxborough Hotel - (613) 237-5171
123 Metcalfe Street

Thursday

March 29 - Ottawa

9 a.m.

Visit CEA Office
99 Bank Street, Ottawa

10:30

Visit CIDA Industrial Cooperation
200 Promenade du Portage, Hull, Quebec

12:30

Lunch
Cafe Henry Burger, 69 Laurier, Hull
with CIDA Industrial Cooperation Branch to be hosted by
the CEA, other guests to include:

Nick Hare, Director General, Ind. Cooperation Branch

Richard Beattie, Director
Bureau for Africa and Middle East, Ind. Cooperation Br.

Paul Skahan, Program Manager
Bureau for Africa and Middle East, Inc. Cooperation Br.

John Small, Code Administrator, Code of Conduct
Concerning the Employment Practices of
Canadian Companies in South Africa

2:30 p.m. Gandalf Data, Ltd. (Fax: 226-1777)
130 Colonnade Road, Ottawa
Host: William Wheeler, Export Sales Manager
Co-host: Hassan Abdelghany, Mgr Middle East & Africa

4. p.m. Telesat Canada
1601 Telesat Court, Gloucester
(613) 748-0123
Host: Yvonne Van der Von, Int'l Marketing Executive

6 p.m. Reception Four Seasons Hotel, Salon E
Albert Street, Ottawa
Host: Canadian Exporters' Association

Friday
March 30

9 a.m. South African Trust fund - Steve Godfrey
Canadian Exporters' Association Board Room
99 Bank Street, Ottawa

10:30 South African Task Force

12:30 Lunch - National Art Gallery
(Catering 5630-8330 (Michele))
Sussex Drive (for 10 people)

Lucie Edwards, Domestic Communications Division (BFC)
Larry Hagen, Minister's Office, Lester B. Pearson Bldg.
John Small

WRAP UP - CEA.



**CANADIAN
EXPORTERS'
ASSOCIATION**

99 Bank Street, Suite 250
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**ASSOCIATION
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CANADIENS**

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RECEPTION - MARCH 26, 1990

HOLIDAY INN, CHESTNUT STREET, TORONTO

Denis Roquand
Israel Skosana
Bernard Tsita
Bruce Fraser
Rev. & Mrs. Plaskett
Rev. T. Scott
Suzanne Cole Hamilton
Bob Phillips
Peter Johnson
Sandy Adams
Tom Norton + Guest
Ed Arundel
Steven Staples
Mr. & Mrs. James Coulton
Get Ahead
Robert Crean
Ed Gorn
Harry Weldon
Scott Weldon

CABBSA Chairman
Get Ahead
Wits University
Canadian Embassy, Johannesburg

Acquainted with member of group
President and C.E.O., Cansulex Ltd.
Canadian Tire
Stelco
Association of Community Colleges
Varty Corporation
Planning and Urban Design Consultant
Involved with

Robert Crean and Company Limited
Canadian Exporters' Association
Consultant



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RECEPTION - MARCH 29, 1990

FOUR SEASONS HOTEL, ALBERT STREET, OTTAWA

Denis Roquand
Israel Skosana
Bernard Tsita
Bruce Fraser
Marc Perron
Larry Hagen
MacKenzie Clugson
Lucie Edwards
Denis Bellisle
Nick Hare
Richard Beattie
Paul Skahan
Mr. Souquieres
Yvonne Van der Ven
W.L. Jurgens
Daniel Romanko
Steve Godfrey
Christina Craig

Bernard Dussault
Richard Roy
Edgar Simpson
Frank Balogh
Professor Moses Kiguadee
Ed Gom
Harry Weldon

Chairman, CABBSA
Get Ahead
Wits University
Canadian Embassy, Johannesburg
Assistant Dep. Minister, Africa and Middle East Branch, EAITC
Minister's Office, EAITC
Task Force Officer
Chairperson, Southern Africa Task Force, EAITC
Vice President, Business Cooperation Branch, CIDA
Director General, Industrial Cooperation Division, CIDA
Director for Africa Bureau, Business Cooperation Branch, CIDA
Program Manager, Africa and Middle East, CIDA
General Manager, Africa and Middle East, EDC
Telesat Canada Representative
Telesat Canada Representative
Canadian Steel Producers
South African Trust Fund
Assistant to the Special Representative on Southern Africa and
Commonwealth Affairs
Director, Africa Trade Development Division, EAITC
Deputy Director, Southern Africa, EAITC
Dave Polowin Real Estate Ltd.
Logical Solutions Group
University of Ottawa
Director of Government Liaison, CEA
Consultant, Harry O. Weldon and Associates

C.E.A. Sponsored Visit to Canada

25 to 30 March 1990

The following members of the CABBSA Council visited Canada during the above period:

Messrs D Roquand - Chairman
I Skosana - Member
B Tsita - Member
B Fraser - Member (ex officio)

2. The purpose of the visit was to discuss with the C.E.A. and CIDA the future of CABBSA and its method of operation and also to familiarise members of the CABBSA Council with Canadian capability to assist them in making decisions within a Canadian perspective.

3. During the visit members were able to meet with interested parties and to explain the activities of CABBSA, its unique method of operation and to point out that there is a continuing and growing need for this type of assistance in South Africa. At meetings with the CEA they had the opportunity to review the present structure of CABBSA and to agree on certain changes mainly of an administrative nature to increase the efficiency of the organisation and to relieve the burden on Council members who devote their time on a voluntary basis. At meetings with CIDA representatives the success of the project in its short term of operation was demonstrated and the extension of CABBSA was discussed. The proposed visit of a CIDA representative in May/June of this year to appraise the project is to be welcomed.

4. Members found the visits to various Canadian establishments to be both informative and instructive. While population of S.A. and Canada are similar the level of technology in Canada is much higher. Notwithstanding this Council members identified at every visit matters of relevance to the private sector in S.A., whether it was the franchising system used by Canadian Tire, the use of satellites to convey education programmes to remote areas or the simple manufacture of protein sausage from waste materials.

5. Reports on all visits and meetings are attached.

6. Council members participating in the visit record their appreciation of the time and effort expended by Messrs Gorn and Weldon in making the trip a success.

C.A.B.B.S.A.

Visit Reports

1. Variety Corporation

Mr E Arundell Director, External
Affairs and Public Policy

Mr Arundell outlined the activities of the Variety Corporation and in particular the company's involvement with Massey Ferguson in South Africa. He described his company's encouragement of training programmes in the Fedmech organisation in S.A. and voiced his company's continued support for the CABBSA project.

At this meeting Mr Gorn took the opportunity to thank Variety for acting as hosts to the visitors during their stay in Toronto and introduced the programme for the week's stay in Canada. He sought the group's opinion as to its suitability and the programme was accepted without amendments.

2. Bockner Ltd

Mr Z and Mrs G Bocknek President
and Vice President

It was explained that the company manufactures foetal calf serum and other products from blood and glands collected from abattoirs and hospitals. The company has an operation in S.A. and offered to co-operate fully in the work of CABBSA. In discussing the job creation aspect of the Project Mrs Bocknek expressed her view that the work undertaken by her company should be undertaken in overseas countries by nationally owned units which should then sell the unrefined products to international processors. With a view to downstream expansion of an operation in S.A. she drew attention to the ever constant need for protein in the developing world and pointed out that the pancreas is still considered to be a waste product although it is rich in protein. The Bocknek affiliate in S.A. has recently proposed that the pancreas be collected and converted into a sausage of a suitable taste and used as a cheap form of protein in areas where there is a need for dietary supplements. She suggested that this type of operation could be translated into a viable small business in S.A. The group agreed to hold further discussions on this matter with the company's Johannesburg representative Mr Steve Mendelsohn on their return to S.A.

3. The Rev Ted Scott

The Rev Scott attended a luncheon at the Ramada Renaissance Hotel and exchanged views with the group on the work of the CABBSA project in the light of recent developments in S.A. This was the Rev Scott's introduction to CABBSA and he approved of its activities. With regard to the S.A. Education Trust Fund he saw merit in a closer relationship with CABBSA and encouraged liaison between the CEA and Godfrey.

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4. Humber College Messrs Norton, Riccio, Harper and Franklin International Projects Div.

The group visited Humber College, the largest community college in Canada where it was explained that the college and all its associates are designed to provide courses to meet the training requirements of specific communities. This is done in close collaboration with the surrounding private sector who, in committee, decide with college staff the type of training and re-training required for the area and the necessary skill level. The Humber College and a number of others are active internationally and offer a series of courses for overseas students. Normally Humber College operates by establishing a training relationship with an overseas training institution and in consultation decides on the type of training to be offered. In most instances training in Canada is offered to teachers and others who can pass on the benefits of their newly acquired knowledge on their return to their home countries.

Members of the group appreciated this insight to a training system which could be used by S.A. to develop such skills as intermediate accounting.

5. Reception Holiday Inn Toronto

At a reception at the Holiday Inn, Toronto, the group had the opportunity of meeting informally with a number of individuals having either a direct interest in the project or in S.A. in general. These included Mr Bob Phillips, President and CEO of Cansulex Ltd, the Rev and Mrs Plaskett, Mr & Mrs James Coulton and others.

6. Canadian Tire Corp Ltd Mr Peter Johnson, Marketing Support Services Division

The group visited a prestige store in the central Toronto area franchised to the Canadian Tire Corporation and later visited the Corporation's head office where the franchising concept was dealt with in detail by Johnson. The success of the Corporation and the good relations which exist between it and its franchising partners was in evidence during both visits. While the mix of goods dealt with by the Corporation might possibly be too broad for S.A., the franchising concept and the success of its operation could be seen by the group to have some application in S.A. The professional manner in which Johnson delivered his presentation was much admired.

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7. Central Group LtdMr P Spicer Chairman

Mr Spicer met with the group for lunch and introduced his company as professional managers of investment trusts and corporations. He gave as his opinion that it would be possible to raise a greater volume of finance for investment in small business through offering investors a return for their money than by charitable donations. He stated that he had approached External Affairs on this matter but had been unsuccessful in obtaining approval for the scheme. Mr Spicer was reminded of Government policy regarding investment in S.A. while at the same time he was asked whether the approach which he had made to External was for investment to be sanctioned by Canadians specifically in the black private sector. Spicer stated that this had not been the case as he did not wish to classify matters racially. It was suggested to Spicer that if he reconsidered the matter and reverted to External making it clear that he only wished to assist the black community he might possibly have a greater degree of success. CABBSA could then act as a channel through which promising black entrepreneurs might be routed to him.

8. Federal Business Development Bank

Marie-Michele
Vaillancourt
Management services

The Bank which has 78 branches of varying sizes country wide is a Crown Corporation designed to assist the development of small business. Some twenty five to thirty per cent of its business is related to start up operations and is therefore considered to be of high risk but arrears in repayments of loans are only in the region of 10% which is considered satisfactory. It is of interest to note that some 55% of all new businesses are started by women mainly embarked upon replacing income previously obtained from employment. The Bank considers itself as the lender of last resort and does not see itself as being in competition with other banks and financial institutions. It charges a higher interest rate on loans and complements the activities of the financial institutions through seminars and training schemes. Some entrepreneurs use both the services of financial institutions as well as those of the Bank particularly as a means of securing finance to acquire capital assets.

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9. S.R. Telecom Inc

Mr J Zavitz Vice President

The group was introduced to the range of rural telephone equipment manufactured and exported by this company. It applicability in rural areas similar to those existing in S.A. was demonstrated.

10. Canadair Senior Management

The purpose of the visit was to display to the group an example of Canada's manufacturing capability in the aerospace industry. The group viewed the assembly of the Canadair Challenger and received a presentation on the new Canadair Regional Jet passenger aircraft.

11. Telesat Canada

Ms Yvonne van der Ven
Intl Marketing Executive

The group was informed of Telesat's capabilities in the provision of turnkey projects designed to improve communication services through the use of satellites. In the South African context it was pointed out that the use of satellite communications could greatly assist in the provision of educational facilities to rural populations and reduce the need for teacher training. Because of the high cost however the impression gained was that a satellite system would only be viable if shared among all the countries of Southern Africa on a regional basis. If such co-operation could be achieved Telesat Canada would be an ideal organisation to co-ordinate the various aspects of the project.

12. Gandalf Data Ltd

Hassan Abdelghany
Sales Manager
Middle East and Africa

The group visited this manufacturer of sophisticated communications equipment where it viewed the manufacturing process and was introduced to the capability of the equipment. It was noted that Gandalf had previously exported to South Africa and would again be interested in the market once the situation has normalised.

THE CANADIAN ASSOCIATION FOR BLACK BUSINESS IN SOUTH AFRICA

The Canadian Exporters' Association hosted an incoming mission for members of the advisory board from the Canadian Association for Black Business in South Africa (CABBSA) to Canada during the week of March 25 - 30, 1990. Included in this mission were: Denis Roquand, Chairman, CABBSA; Israel Skosana, Get Ahead Foundation; Bernard Tsita, Wits University; Bruce Fraser, Ex officio member of CABBSA from the Canadian Embassy, Johannesburg. While in Toronto they were accompanied by Bob Phillips, Vice Chairman of the Canadian Exporters' Association. Varsity Corporation were the hosts for a reception which was held on March 26, 1990 at the Holiday Inn.

The objective of the mission was to familiarize CABBSA board members with Canadian capabilities. To accomplish this objective a program was organized to meet with: academics, people active in South Africa, CIDA Inc., South African Task Force and private sector companies. Within the private sector the focus was on: Franchising - Canadian Tire Corporation; Pharmaceutical - Bocknek Ltd.; Telecom - S.R. Telecom Inc.; Transportation - Bombardier, Canadair Division; High Tech - Gandalf Data Ltd., Telesat Canada; and Investments - Federal Business Development Bank.

The long term objective of the Canadian Exporters' Association initiative in South Africa is to assist the private sector primarily in the black business community, create links to white business and to create industrial linkages with Canadian firms. This program which is designed to keep the window of trade open began in January 1988 with the support of CIDA Inc.

CABBSA has come a long way since its launch in January 1988. The CABBSA board of black and white business people along with Embassy staff as ex officio members has done a commendable job in getting the project off the ground, providing leadership and guidance and in publicizing the services of CABBSA in South Africa. During the last 18 months, they have worked hard and have achieved a good success beyond the expectations of both the Board itself and others with the Embassy as well as the CEA.

Although many call CABBSA, few projects are chosen. The Board has worked with more than 15 black businesses in the manufacturing sector with good results: the creation and maintenance of 220 jobs (out of 370 total), and direct contribution to turnover amounts of just over 4 million rands out of a global amount of 8.6 million rands. Two companies employing 178 people and having sales of 3.6 million rands were re-used from bankruptcy situations and are well on the road to recovery. The ripple effect of other business developed has not been measured.

For further information, please contact Ed Gom, Director of Government Liaison at the Canadian Exporters' Association, 99 Bank Street, Suite 250, Ottawa, ON, K1P 6B9. Phone (613) 238-8888, Fax (613) 563-9218



Bernard Tsita, Member of the CABBSA Council and Wits University discusses franchising with Mr. Peter Johnson, Marketing Support Services Division of Canadian Tire Corporation at Varsity sponsored reception, March 26, 1990.



CABBSA Delegation on Varsity sponsored visit to Toronto in March, 1990.
(left to right) Bruce Fraser, Canadian Embassy, Johannesburg; Bernard Tsita, Wits University, RSA; Ed Arundell, Varsity Corporation; Ed Gorn, Canadian Exporters Association; D. Requand, CABBSA Chairman; I. Skosana, Get Ahead Foundation; Paul Strahan, CIDA.

