

BREAKING NEWS : 2020 WAGE REVIEW - BARGAINING EMPLOYEES (A - C3 BANDS) AND NON - BARGAINING CADRE

Further to our briefs on the above, implementation of the 2020 wage review had been stalled by the effects of COVID-19 pandemic on the business. We have been closely monitoring the business situation as it unfolded regionally, particularly in South Africa which is our main market.

It is my pleasure to announce that a determination has been made to implement the wage review for the bargaining constituency [as per the existing wage agreement] with the September 2020 payroll, with its full implements as follows;

FINANCIAL YEAR 2020 WAGES AGREEMENT

1.0 SALARY INCREASE

Salaries will be increased by 4% across the board.

2.0 SHIFT ALLOWANCE

Shift Allowance will be increased by 4% on the F19 rates.

3.0 STANDBY ALLOWANCE

Standby Allowance will be increased by 4% on the F19 rates.

There will be an additional 1% individual performance applied on a distributive performance-based merit scale on the salary increase.

The above increments shall effect from **1st April 2020**.

Notwithstanding the above, we continue to face challenges posed by Covid - 19, mainly on the logistics front. Logistics continue to be constrained on our rail corridor into South Africa due to criminal activities within the Metro in Johannesburg that started during the lockdown and continue, targeting electrical cables on the rail infrastructure. As a result, we must rely on road logistics which are also not efficient due to requirements to test drivers coming into the country.

Further, we are faced with a longer-term risk flowing from our single profitable account [PFG] who had to curtail its business by 30 %, thus translating to loss of 30% sales on our part. The flat glass market has been depressed since the start of the lockdown and is projected to remain depressed into 2021.

Consequently, it is inevitable for us to realign our operating model and business processes, and we may have to take serious measures during 2021 to ensure business sustainability.

Consistent with practice the wage review for the non-bargaining cadre shall also be effected with the September 2020 payroll - subject to conditions that attach to it [as determined by the Board of Directors].

I would like to take this opportunity to thank all employees and the representative Union [for the bargaining constituency] for their cooperation, understanding and continued commitment to the future of Botash.

Thank you.



KANGANGWANI PHATSHWANE
MANAGING DIRECTOR