GRINDROD//Policy
Dismissal for operational requirements
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# Dismissal for operational requirements

**Policy**

**Document number:** ER005

**Revision number:** 0

**Issue date:** 2014

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**Approval:** HR Steering Committee

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## DOCUMENT APPROVAL

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FINANCIAL, LOGISTICS, PORTS, RAIL, TERMINALS
Introduction

Grindrod may change staffing requirements as dictated by the economic, technological, structural or similar needs of the employer which may exist in a particular division or company within the group from time to time. The contemplation of dismissal/s for operational reasons may result in certain positions within the group becoming redundant. In keeping with the requirements of the Labour Relations Act Section 189 and Section 189 A, Grindrod commits to consult with employees/representative bodies and/or their trade unions on minimising/averting dismissals for operational reasons and, if unavoidable, offer possible solutions to alleviate hardship as reasonably possible. The consulting parties will also consider relevant provisions which might be in force at the time of consultation as dictated by recognition agreements and Bargaining Council Agreements which might be relevant from time to time.

Consultation Rationale

The aim of the consultation process with employees/representative bodies and where appropriate, relevant trade unions, is to attempt to reach consensus on:

- Avoiding and minimising dismissals, and to mitigate adverse effects of the dismissals;
- Changing the timing of the dismissals;
- Deciding on the method of selection of employees to be dismissed due to operational requirements;
- Deciding on the severance package for employees affected by the dismissal for operational requirements.

Consultation Process

Grindrod will provide the proposed affected parties with written notification in terms of Section 189 (3) of the following:

- The reasons for the proposed dismissals for operational requirements.
- The alternatives that Grindrod considered before proposing the dismissals and the reasons for rejecting each of those alternatives considered;
- The number of employees likely to be affected and the job categories in which they are employed;
- The proposed method for selecting which employees to dismiss for operational reasons;
- The time when, or the period during which, the dismissal is likely to take effect;
- The severance pay proposed;
- Any assistance that the employer proposes to offer to the employees likely to be dismissed;
- The possibility of the future re-employment of the employees likely to be affected by the dismissals;
- The number of employees dismissed for operational requirements in Grindrod during the last twelve (12) months;
- The number of employees employed at Grindrod at the time of contemplation to dismiss employees for operational requirements.

Avoidance of Termination

In consultation with the affected employees/relevant representative bodies and respective union representatives, all possible and practical mechanisms for avoiding the termination of service will be examined, including the following:

- Temporarily suspending recruitment;
- Reducing staff through natural attrition;
- Working of short time;
- Unpaid leave;
- Temporary lay-offs with or without compensation and benefits;
- On-the-job and/or external training to fulfil the requirements of a vacancy which might exist at the time;
- Internal transfers to suitable vacancies within the Grindrod;
- Voluntary retrenchments and/or early retirement;
- Considering other proposals as per representations received from affected parties/representative bodies and/or union representatives.

Termination Criteria

The selection of employees to be dismissed for operational reasons, once all avoidance mechanisms have been eliminated, will take into account the following (but not limited to):
6 Preferential Re-employment

Preferential re-employment will be afforded to affected employees dismissed for operational requirements in line with whatever is agreed during the consultations which take place between affected employees/representative bodies and/or unions and with due consideration to any recognition agreements or Bargaining Council agreements which are in place at the time of signing the agreement. The names of all affected employees will be forwarded to the relevant Grindrod structures as indicated in the process flow (Appendix 1) and added to the Group Preferential Re-hiring List. The Group Preferential Re-hiring List (kept with Group HR) will include the names of all employees who have been dismissed due to operational requirements in the respective division/company during the previous 12 (twelve) months. The respective CEO’s/Business Unit Managers and Employment Equity Managers will first consider the re-employment of employees whose names appear on the Group Preferential Re-hiring List before any internal appointments are made with due consideration of the respective operational requirements of the relevant division/company.

The names of all affected employees will be circulated to the Business Unit Chief Executives and added to the Group Preferential re-hiring list. The Group Preferential rehiring list (kept with Group HR) will include the names of all employees who have been dismissed due to operational requirements in Grindrod during the previous 12 (twelve) months. The respective CEO’s/Business Unit Managers and Employment Equity Managers will first consider re-employment of employees whose names appear on the Group Preferential re-hiring list before any internal appointments are made with due consideration of the respective operational requirements.

7 Severance Package

- The severance package payable to the affected parties will be paid with due consideration of the minimum requirements of law. The amount payable will be subject to what has been agreed during the consultative process (Section 189 and Section 189A) as determined between the affected employees/representative bodies and/or unions at the time and with consideration of any provisions contained in recognition agreements and/or Bargaining Council agreements in force at the time;
- Severance packages are subject to tax directive clearance and payment may be delayed subject to necessary documents being released by South African Revenue Service;
- The employee’s severance package shall be paid on the last day of the month or within seven (7) days after the month end. This payout will also be increased by any monies owing to the employee by the respective division/company and/or decreased by any monies owed by the employee to the respective division/company, unless otherwise as agreed between the affected employees/representative bodies and/or unions during the consultative process and according to any provisions contained in recognition agreements and/or Bargaining Council agreements in force at the time.

8 Certificate of Service

Grindrod will provide each employee affected by the dismissal for operational requirements with a Certificate of Service.