#### **AGREEMENT**

between

# THE NATIONAL UNION OF MINEWORKERS

as principal and on behalf of its members as defined herein (the Union)

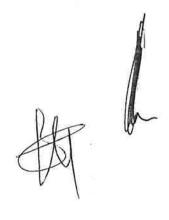
and

## THE CHAMBER OF MINES OF SOUTH AFRICA

acting on behalf of the mines listed in Annexure A hereto (the Chamber)

regarding

# THE 1999/2000 AND 2000/2001 REVIEW OF WAGES AND OTHER CONDITIONS OF EMPLOYMENT





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# **ANNEXURES**

Annexure A List of mines covered by the agreement

Annexure B Wage Schedules

Annexure C Calculation of Inflation Rate

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# 1 APPLICATION OF AGREEMENT

This agreement shall apply to the mines listed in Annexure A hereto (the Mines) and to the Union, as well as to members of the Union employed at all relevant times in the Category 3-8 bargaining units for which the Union is recognised for collective bargaining purposes at these mines (referred to as employees).

#### 2 WAGE INCREMENTS

# 2.1 Wage Increments with effect from 1 July 1999

Minimum wages shall, with effect from 1 July 1999, be increased as set out alongside "1999" in **Annexure B** hereto (9% for all employees in categories 3 to 8). The actual basic wage rates of individual employees will be increased by the same percentage increase that the applicable minimum rates are increased.

# 2.2 Wage Increments with effect from 1 July 2000

- (a) Minimum wages shall with effect from 1 July 2000 be increased as set out alongside "2000" in Annexure B hereto (9% for all employees in categories 3 to 8), provided that should the average inflation rate (as calculated in Annexure C) be higher than 11% or fall below 5%, any party shall have the right to re-open negotiations on the wage increase.
- (b) In the case of negotiations being re-opened in accordance with (a), the July 2000 wage increase provided for above will not come into effect. The outcome of these re-negotiations will be implemented.
- (c) The actual basic wage rates of individual employees will be increased from 1 July 2000 by the same percentage increase that the applicable minimum rates are increased.

# 3 BASIC CONDITIONS AND RELATED ISSUES

# 3.1 Housing/accommodation

All housing and accommodation matters, including issues with financial implications shall be dealt with at mine level, with the exception of the mines administered by Gold Fields, in respect of which the matters will be dealt with at Gold Fields' plenary level.

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# 3.2 <u>Implementation of the Basic Conditions of Employment Act</u> 75 of 1997 (the BCEA)

The Union supports an application for exemption from the following provisions of the BCEA for the duration of this agreement:

- (a) averaging: the overtime limit when averaging hours of work will be 10 (ten) hours (section 12);
- (b) night work (section 17): work commencing at or after 0400 will not be regarded as night work; and
- (c) daily rest period (section 15): rapid shift changeovers will be possible (with details to be worked out at mine level).

# 3.3 Shift, call-out and standby allowances

- 3.3.1 It is noted that the shift allowances for Cat 3-8 employees are calculated at the same rate as those for Union Men employees.
- 3.3.2 The Mines shall equalise the formulae for calculating call-out and standby allowances for Cat 3-8 employees with those for Union Men employees with effect from 1 July 1999.

#### 3.4 Leave

- 3.4.1 Annual leave shall not be less than as provided for in the Basic Conditions of Employment Act 75 of 1997.
- 3.4.2 Employees shall be entitled to 3 (three) days' paid family responsibility leave per annum, non-accumulative.
- 3.4.3 Employees shall be entitled to 4 (four) days' unpaid paternity leave per annum (non-accumulative) in addition to the leave afforded in clause 3.4.2.
- 3.4.4 In addition to maternity benefits payable by the Unemployment Insurance Fund to an employee on maternity leave, the Mine concerned shall make a supplementary monthly payment to bring the total monthly payment to the employee up to a maximum of 78% of her basic wages provided that:
  - (a) the supplementary payment shall be payable for a maximum of 4 (four) months; and

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(b) the supplementary payment shall not exceed 33% of the employee's monthly basic wages.

All other terms and conditions relating to maternity leave shall remain unchanged.

#### 4 BENEFIT SCHEMES

#### 4.1 Mineworkers Provident Fund

The mines administered by Gold Fields shall implement employer and employee contribution levels of 12.5% (twelve point five percent) and 7.5% (seven point five percent), respectively, with effect from 1 July 1999.

#### 4.2 Termination on the grounds of medical incapacity

- 4.2.1 The mines and the union acknowledge the importance of seeking alternative employment for employees as set out in 4.2.6.
- 4.2.2 Each mine shall make reasonable endeavours to provide appropriate rehabilitation programmes directed towards restoring the physical, mental and social well-being of its employees who have been medically incapacitated and who are unable to perform their normal work due to occupational diseases or injuries sustained on duty (referred to as "medically incapacitated employees").
- 4.2.3 Each mine shall endeavour to identify suitable alternative work for its medically incapacitated employees, and relevant information in this regard will be disclosed to the employee and union. Each mine is also committed to the retraining of its medically incapacitated employees for vacancies on the mine.
- 4.2.4 Should an employee not agree with a finding that he or she is medically incapacitated, the employee may appeal to the Medical Inspector, who must arrange for that employee to be re-examined by another medical practitioner at the cost of the Inspector.
- 4.2.5 Each mine is committed to providing access to business related training and financial counselling for its medically incapacitated employees for whom the mine cannot provide alternative work, save where this is rejected by the employee. Details will be dealt with at mine or company level.

- 4.2.6 The Mines shall, through an insurance scheme, provide an appropriate lump sum benefit for medically incapacitated employees whose services have been terminated due to:
  - (a) occupational injuries sustained on duty; or
  - (b) occupational injuries sustained during the conveyance of an employee by or for the employer to or from his place of employment for the purposes of his employment; or
  - (c) injuries sustained in the hostel, in company sports and on the premises of the employer; or
  - (d) occupational diseases contracted as a result of the existing conditions in the workplace:

provided that such diseases or injuries resulted from employment with any one or more of the mines on whose behalf this agreement is concluded.

- 4.2.7 This benefit shall be a minimum of 2 (two) weeks' basic salary per year of service up to a maximum of ten years, subject to a minimum lump sum payment of R 5000-00 (five thousand Rand). The gold mining members of the Chamber and the Union will form a working group together with the Rand Mutual Assurance Co. Limited and other relevant parties to introduce this scheme.
  - 4.2.7.1 The minimum benefit shall replace existing benefits payable by the Mines, but should the latter benefits be more beneficial to the employee, the Mine concerned will not participate in the scheme referred to in clauses 4.2.6 and 4.2.7.
- 4.2.8 This benefit will be in addition to the existing benefits payable to these employees, which are the following:
  - (a) Accumulated benefits in terms of the MPF
  - (b) Supplementary MPF benefit, calculated at 5% of basic pay earned for the period of Group service prior to July 1989.
  - (c) Disability benefits under the Compensation for COIDA or ODMWA.

#### 4.3 Bursary schemes

- 4.3.1 There shall be no unfair discrimination in the allocation of bursaries to employees and their dependants in terms of existing bursary schemes.
  - 4.3.2 Existing vocational training and education study assistance shall be made available to an employee provided:
    - 4.3.2.1 it meets the development needs of the individual employee, whether inside or outside the employee's current position or career path; and
    - the field of study meets the requirement of the company or is relevant to the mining industry.

# 5 WORKPLACE RELATED ISSUES

#### 5.1 Sub-contracting

The parties to this agreement are opposed to employees of subcontractors being exploited for economic gain. It is therefore the intention of the parties to this agreement to regulate the use of contractors in the core business of gold mines. Core business includes all tasks save for tasks which require special skills, equipment and/or resources and for which tasks the Mines do not ordinarily employ category 3 to 8 employees.

In this regard the objective would be to ensure that contractors are monitored against minimum conditions of employment legislation and that their employees are adequately covered against unemployment and work-related injury and illness.

Therefore the parties agree that:

- 5.1.1 Sub-contracting shall be a standard item on regular management/union meetings, or shall be dealt with in sub-contracting committees involving the Union.
- 5.1.2 All information relevant to sub-contracting shall be disclosed to the Union, subject to the law and applicable agreements.
- 5.1.3 Sub-contractors shall be monitored against the following:
  - 5.1.3.1 Compliance with all health, safety and labour legislation or such exemptions that may have been granted.

- 5.1.3.2 Their registration in terms of the Unemployment Insurance Act 30 of 1966 (the UIA Act).
- 5.1.3.3 Their registration in terms of the COIDA and/or the ODMWA.
- 5.1.3.4 Provision of proof that they are paying the required assessments and levies in terms of the COIDA and/or the ODMWA.
- 5.1.3.5 Compliance with the Mine Health and Safety Act No. 29 of 1996
- 5.1.4 The Mines undertake to include in tender documents for contracting work the relevant provisions of this agreement.
- 5.1.5 Any dispute in respect of the interpretation or implementation of this clause 5.1 shall be between the Union and the individual mine concerned, and shall be referred to conciliation and, if not resolved, to arbitration in terms of clause 7.2.

#### 5.2 Designation of essential and maintenance services

An industry committee shall be formed to determine which services are priority services, i.e. services that the parties agree will not be interrupted during the course of a strike or lock-out.

#### 5.3 Employment equity

The Mines are fully committed to drafting employment equity plans in line with the Employment Equity Act 55 of 1998. The Mines undertake to engage the Union in mine or company level structures with a view to reaching an agreement on such plans.

#### 5.4 Aids

Where this is not already the case, the Mines shall, in collaboration with the Union, formulate and provide funding towards workplace policies and programmes on the awareness/prevalence of sexually transmitted diseases, including HIV/AIDS. When initiating such programmes, account shall be taken of lessons that can be learnt from existing awareness/prevalence programmes, e.g. the Witbank Initiative.

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#### 5.5 Productivity

The parties affirm their commitment to on-going discussions on productivity improvement initiatives at mine or company level.

#### 6 UNION-RELATED ISSUES

#### 6.1 Leave for union representatives

- 6.1.1 Leave in respect of Meetings and Negotiations
  - 6.1.1.1 The 5 (five) days' training leave for trade union courses for shaft stewards agreed to in 1993, can also be used for meetings of the Central Committee, the National Congress and National Stewards Councils, subject to the same conditions agreed to in 1993.
  - 6.1.1.2 The Mines shall grant 5 (five) days' paid leave of absence per year to each of the branch, regional, or national office-bearers who hold the office of chairman, vice-chairman, secretary, vice-secretary or treasurer and who are not shaft stewards, for the purposes specified in clause 6.1.1.1. These days can be accumulated to a maximum of 10 (ten) over a 2 (two) year cycle.
  - 6.1.1.3 Paid leave for attendance at the periodic industry wage negotiations shall be extended, where necessary, to include caucus meetings held the day prior to negotiation sessions.
  - 6.1.1.4 The Mines shall consider favourably requests for reasonable additional leave to participate in the initial formulation of demands for the periodic industry wage negotiations.

# 6.1.2 Study Leave

The Mines shall consider favourably paid study leave for shaft stewards and union office-bearers in order to build union capacity, provided that -

(a) for these representatives to be eligible for such leave, the study course must be relevant to building union capacity; and

(b) the number of shaft stewards/union office-bearers to be granted leave in a particular year, as well as the amount of leave, shall be agreed at mine level, and the requirements of the study programme should in this regard be taken into account.

#### 6.2 Agency shop agreements

- 6.2.1 The Mines are willing to negotiate at mine level the introduction of agency shop agreements in the Cat 2-8 bargaining unit, provided that:
  - (a) the Union is the majority union at the mine; and
  - (b) expending of agency fees shall be controlled by a joint management/union committee.
- 6.2.2 The undertaking in par 6.2.1 shall not apply to mines that are party to any existing agency shop agreement concluded at Group or mine level.

#### 7 IMPLEMENTATION OF THE AGREEMENT

#### 7.1 Duration of the agreement

Subject to the provisions of clause 2.2, neither party shall seek to review wages and conditions of employment in respect of the period 1 July 1999 to 30 June 2001.

# 7.2 <u>Dispute settlement procedures</u>

In the event of any dispute about the interpretation or application of this agreement including any annexure hereto:

- 7.2.1 Any party intending to submit the dispute for conciliation in terms of clause 7.2.2 shall make a reasonable effort to resolve the dispute.
- 7.2.2 Should the procedure mentioned in clause 7.2.1 fail to resolve the dispute, the procedure for resolving the dispute shall be a referral by either party to conciliation, and if still unresolved, to arbitration by a single arbitrator agreed to by the parties.
- 7.2.3 Should the parties fail to agree on a conciliator or arbitrator, the Director of Independent Mediation Service of South Africa shall make a suitable appointment, which shall not

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exclude the possibility of appointing a panellist from the Commission for Conciliation, Mediation and Arbitration.

- 7.2.4 The decision of the arbitrator shall be final and binding on the parties to the dispute, and not subject to appeal.
- 7.2.5 Each party to any arbitration proceedings conducted in terms of this agreement shall bear its own costs and shall contribute equally to the costs of the arbitration.

#### 7.3 Full and final settlement

- 7.3.1 This agreement (including the annexures hereto) shall amend existing terms and conditions of employment of the employees concerned to the extent set out herein, in full and final settlement of all demands and proposals made by the Union and the Chamber, in the 1999/2000 and 2000/2001 review of wages and other conditions of employment.
- 7.3.2 Neither the Mines nor the Union nor any of its members shall call for, encourage, or participate in any industrial action on the Mines relating to any demand or proposal made by the Union in the 1999/2000 and 2000/2001 review of wages and other conditions of employment for the duration of this agreement.

#### 7.4 Implementation date

Unless otherwise stated, the wage increases and other changes in conditions of employment referred to in this agreement and the annexures hereto shall be implemented with effect from 1 July 1999.

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Signed at JOHANNESBURG on this 16th day of August 1999.

For and on behalf of THE NATIONAL UNION OF MINEWORKERS

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Designation

As witness:

For and on behalf of the CHAMBER OF MINES OF SOUTH AFRICA

Signature CHAILMAN: GOCA CALROS

Designation

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As witness:

 $AGREEMENT (Gold\ Fileds) (4)$ 

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## GOLD MINES COVERED BY THE AGREEMENT

Category 3 to 8 bargaining units on various gold mines as covered by the Recognition Agreement dated 9 June 1983 between the National Union of Mineworkers and the Chamber of Mines of South Africa(as amended by agreement between the parties on 15 June 1994)

			CATEGORY 3 - 8 BARGAINING UNIT (recognition denoted by *)
GROUP/MINE		NAME OF MINE	
AVGOLD	1	Loraine Division	*
GOLD	2	Beatrix Mine	*
FIELDS	3	East Driefontein Mine	*
	4	Kloof Mine	*
	5	Leeudoorn Mine	*
	6	Libanon Mine	*
	7	Oryx Mine	*
	8	St Helena Mine	*
	9	West Driefontein Mine	*
PLACER DOME/ WESTERN AREAS	10	Placer Dome Western Areas Joint Venture	*

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various gold mines/mbs/6

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NATIONAL UNION OF MINEWORKERS: 1999/2000 & 2000/2001 REVIEW OF WAGES

CATEGORY 2 TO 8 EMPLOYEES: VARIOUS GOLD MINES: NON-STAFF EMPLOYEES: SURFACE

C A T			>r s
•		LORAINE	P. DOME / W. AREAS
3	CURR MIN	955	1121
	1999	1041	1222
	2000	1135	1332
4	CURR MIN	1135	1277
	1999	1237	1392
	2000	1348	1517
5	CURR MIN	1337	1455
	1999	1457	1586
	2000	1588	1729
6	CURR MIN	1590	1688
	1999	1733	1840
	2000	1889	2006
7	CURR MIN	1906	1966
	1999	2078	2143
	2000	2265	2336
8	CURR MIN	(a)	2289
	1999		2495
	2000		2720

6	2000 CURR MIN	1649 1624	1957 (a)	1957 (a)	1957 (a)	1957 (a)	1649 1624	1649 1624	1957 (a)
	2000	16/0	1057	1057	1057	1057	1649	1649	1957
	1999	1513	1795	1795	1795	1795	1513	1513	1795
5	CURR MIN	1388	1647	1647		1647	1388	1388	1647
	1999 2000	1312 1430	1504 1639	1504 1639	1504 1639	1504 1639	1312 1430	1312 1430	1639
4	CURR MIN	1204	1380	1380	1380	1380	1204	1204	1380 1504
	2000	1321	1360	1360	1360		1321	1321	1360
3	CURR MIN 1999	1112 1212	1248	1248	1248		1212	1212	1248
C A T		GOLD FIELDS Beatrix	GOLD FIELDS East D/fontein	GOLD FIELDS Kloof Mine	Ceendoorn	GOLD FIELDS Libanon	GOLD FIELDS Oryx	GOLD FIELDS St Helena	GOLD FIELDS West D/fontein

<sup>(</sup>a) Either the mining house or mine does not have this category or does not recruit in this category.

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NATIONAL UNION OF MINEWORKERS: 1999/2000 & 2000/2001 REVIEW OF WAGES

CATEGORY 2 TO 8 EMPLOYEES: VARIOUS GOLD MINES: NON-STAFF EMPLOYEES: SURFACE

C A T		LORAINE	P. DOME / W. AREAS JV
3	CURR MIN	955	1121
	1999	1041	1222
	2000	1135	1332
4	CURR MIN	1135	1277
	1999	1237	1392
	2000	1348	1517
5	CURR MIN	1337	1455
	1999	1457	1586
	2000	1588	1729
6	CURR MIN	1590	1688
	1999	1733	1840
	2000	1889	2006
7	CURR MIN	1906	1966
	1999	2078	2143
	2000	2265	2336
8	CURR MIN	(a)	2289
	1999		2495
	2000		2720

C A T		GOLD FIELDS Beatrix	GOLD FIELDS East D/fontein	GOLD FIELDS Kloof Mine	GOLD FIELDS Leeudoorn	GOLD FIELDS Libanon	GOLD FIELDS Oryx	GOLD FIELDS St Helena	GOLD FIELDS West D/fontein
3	CURR MIN	1112	1145	1145	1145	1145	1112	1112	1145
	1999	1212	1248	1248	1248	1248	1212	1212	1248
	2000	1321	1360	1360	1360	1360	1321	1321	1360
4	CURR MIN	1204	1380	1380	1380	1380	1204	1204	1380
	1999	1312	1504	1504	1504	1504	1312	1312	1504
	2000	1430	1639	1639	1639	1639	1430	1430	1639
5	CURR MIN	1388	1647	1647	1647	1647	1388	1388	1647
	1999	1513	1795	1795	1795	1795	1513	1513	1795
	2000	1649	1957	1957	1957	1957	1649	1649	1957
6	CURR MIN	1624	(a)	(a)	(a)	(a)	1624	1624	(a)
١.	1999	1770	i i		1		1770	1770	
	2000	1929					1929	1929	
7	CURR MIN	1958	1964	1964	1964	1964	(a)	1958	1964
	1999	2134	2141	2141	2141	2141		2134	2141
	2000	2326	2334	2334	2334	2334		2326	2334
8	CURR MIN	2401	2329	2329	2329	2329	(a)	2401	2329
	1999	2617	2539	2539	2539	2539		2617	2539
	2000	2853	2768	2768	2768	2768		2853	2768

<sup>(</sup>a) Either the mining house or mine does not have this category or does not recruit in this category.

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NATIONAL UNION OF MINEWORKERS: 1999/2000 & 2000/2001 REVIEW OF WAGES

CATEGORY 2 TO 8 EMPLOYEES: VARIOUS GOLD MINES: NON-STAFF EMPLOYEES: SURFACE

C A T	i j	LORAINE	P. DOME / W. AREAS JV
3	CURR MIN	955	1121
	1999	1041	1222
	2000	1135	1332
4	CURR MIN	1135	1277
	1999	1237	1392
	2000	1348	1517
5	CURR MIN	1337	1455
	1999	1457	1586
	2000	1588	1729
6	CURR MIN	1590	1688
	1999	1733	1840
	2000	1889	
7	CURR MIN		1966
	1999	· .	2143
	2000	2265	2336
8	CURR MIN	(a)	2289
	1999		2495
	2000		2720

С									
A T		GOLD FIELDS Beatrix	GOLD FIELDS East D/fontein	GOLD FIELDS Kloof Mine	GOLD FIELDS Leeudoorn	GOLD FIELDS Libanon	GOLD FIELDS Oryx	GOLD FIELDS St Helena	GOLD FIELDS West D/fontein
3	CURR MIN	1112	1145	1145	1145	1145	1112	1112	1145
	1999	1212	1248	1248	1248	1248	1212	1212	1248
	2000	1321	1360	1360	1360	1360	1321	1321	1360
4	CURR MIN	1204	1380	1380	1380	1380	1204	1204	1380
	1999	1312	1504	1504	1504	1504	1312	1312	1504
	2000	1430	1639	1639	1639	1639	1430	1430	1639
5	CURR MIN	1388	1647	1647	1647	1647	1388	1388	1647
1	1999	1513	1795	1795	1795	1795	1513	1513	1795
1	2000	1649	1957	1957	1957	1957	1649	1649	1957
6	CURR MIN	1624	(a)	(a)	(a)	(a)	1624	1624	(a)
	1999	1770					1770	1770	
	2000	1929					1929	1929	
7	CURR MIN	1958	1964	1964	1964	1964	(a)	1958	1964
	1999	2134	2141	2141	2141	2141		2134	2141
	2000	2326	2334	2334	2334	2334		2326	2334
8	CURR MIN	2401	2329	2329	2329	2329	(a)	2401	2329
	1999	2617	2539	2539	2539	2539		2617	2539
	2000	2853	2768	2768	2768	2768		2853	2768

<sup>(</sup>a) Either the mining house or mine does not have this category or does not recruit in this category.

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CATEGORY 2 TO 8 EMPLOYEES: VARIOUS GOLD MINES: STAFF EMPLOYEES: UNDERGROUND

C A T		LORAINE	LORAINE GOLD FIELDS Beatrix		GOLD FIELDS St Helena
3	CURR MIN	1316	1377	1360	1382
	1999	1434	1501	1482	1506
	2000	1563	1636		
4	CURR MIN	1643	1540	1528	1549
	1999	1791	1679		
	2000	1952			1840
5	CURR MIN	1931	2302	2349	2314
	1999	2105			
	2000	2294			
6	CURR MIN	2287	1	2455	2435
	1999	2493	2641		
	2000	2717	2879		
7	CURR MIN	(a)	2637	2659	2650
	1999		2874		
	2000		3133		
8	CURR MIN	(a)	1	2694	
	1999		2950		
	2000		3216	3200	3233

<sup>(</sup>a) Either the mining house or mine does not have this category or does not recruit in this category



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## CALCULATION OF INFLATION RATE

- Source: CSS Statistical release PO141.1 (CPI for all expenditure groups for metropolitan areas)
- 2. Period: Average inflation rate over the period June 1999 to May 2000.
- 3. Method to calculate average inflation rate:

#### Period June 1999 - May 2000

rate

June 1998 - June 1999

July 1998 - July 1999

Aug 1998 - Aug 1999

Sept 1998 - Sept 1999

Oct 1998 - Oct 1999

Nov 1998 - Nov 1999

Dec 1998 - Dec 1999

Jan 1999 - Jan 2000

Feb 1999 - Feb 2000

March 1999 - March 2000

April 1999 - April 2000

May 1999- May 2000

TOTAL

TOTAL DIVIDED BY 12 = AVERAGE INFLATION RATE FOR THE APPLICABLE PERIOD

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