

BOUR-LD-FNB  
SBURG Dec 28 Sapa

## UNION REACHES AGREEMENT WITH FNB ON 'RACIAL' BURSARIES

(SUBS/NEDS: LEADS TO REMOVE 'NOT' FROM 2ND LAST PAR)

An agreement has been reached between trade union Solidarity and First National Bank regarding the bank's "racial" allocation of education bursaries for employees' children.

The union said on Monday that during talks between Dirk Hermann, deputy general secretary of Solidarity, and FNB CEO Michael Jordaan, it was agreed that the bank would include whites in the transaction if the law allowed for such a step.

"The legal teams of FNB and Solidarity will meet in mid-January to see if a solution can be found for the dispute," said Hermann in a statement.

He said the agreement came after 400 South Africans laid complaints against FNB about the bank's support programme, which excluded whites.

"Our talks were very amicable. Jordaan explained that the support trust was part of a larger black economic empowerment (BEE) transaction.

"He told us that their legal advice was that whites could not be part of such a transaction," said Hermann.

Solidarity's opinion was that no law required that only blacks be helped in that type of BEE transaction.

"There are many examples of whites being included in such transactions. It was agreed that FNB would, if allowed by legislation, allow white employees who earn less than R100 000 a year to be part of the programme," said Hermann, adding that although it was not yet the end of the road, good progress had been made.

In the November edition of FNB's newsletter, Treetalk, the bank offered financial support to children of African, Indian, Coloured and Chinese employees earning less than R100,000 a year.

struggle and earn less than R100,000 are on the basis of their race," Hermann said.

Jordaan explained that the bursaries were in fact awarded by FirstRand through a BEE transaction. In terms of the transaction, a trust was established in 2004 with the aim of supporting the education of black children.

According to legal advice obtained by FNB at the time regarding the transaction, those who benefit from black empowerment must exclusively be black.

"In terms of the foundation charter, the trustees of the trust therefore only have the discretion of giving the bursaries to black children.

"The decision to award bursaries rests with the trustees of the trust, and not with FNB," said Jordaan.

He said FNB did have a variety of other bursary schemes as well as educational support programmes in which all staff members received support according to merit.

"An inclusive agreement at FNB could be a big step forward for everyone in South Africa," said Jordaan.