

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA00/85

TITLE: Krone Manufacturing Services Pty Limited

I.R.C. NO: 99/7038

DATE APPROVED/COMMENCEMENT: 1 March 2000

TERM: 31 August 2001

**NEW AGREEMENT OR
VARIATION: New/Replaces EA97/134**

GAZETTAL REFERENCE: 28 April 2000

DATE TERMINATED:

NUMBER OF PAGES: 23

**COVERAGE/DESCRIPTION OF
EMPLOYEES: It applies to all employees binding on all full-time
employees engaged in the Production, Stores, Tool
Room and Cleaning Departments of the Company**

**PARTIES: Automotive, Food, Metals, Engineering, Printing and Kindred Industries
Union, New South Wales Branch -&- Krone Manufacturing Services
Pty Limited, National Union of Workers, New South Wales Branch**



KRONE MANUFACTURING SERVICES PTY LIMITED

ENTERPRISE AGREEMENT, 1999

DATE: 8 November 1999



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2. TITLE OF AGREEMENT

This Agreement shall be known as the *Krone Manufacturing Services Pty Limited Enterprise Agreement 1999*.

3. INCIDENCE AND PARTIES BOUND

This Enterprise Agreement made this 8th day of November, 1999, between Krone Manufacturing Services Pty Ltd located at 2 Hereford Street, Berkeley Vale, NSW 2259 and the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AMWU), (New South Wales Branch), National Unions of Workers (NUW) (New South Wales Branch) binding on all full-time employees engaged in the Production, Stores, Tool Room and Cleaning Departments of the Company.

4. DEFINITIONS

4.1 For the purpose of this Agreement the following definitions shall apply:

4.1.1 "Company" shall mean Krone Manufacturing Services Pty Limited.

4.1.2 "Agreement" shall mean the Krone Manufacturing Services Pty Limited Enterprise Agreement, 1999.

4.1.3 "Employee" shall mean a full-time adult employee engaged on a permanent basis covered by this Agreement.

4.1.4 "Parent Award" shall mean the Metal and Engineering Industry (NSW) Award, Miscellaneous Workers' General Services (State) Award and the Storemen and Packers General (State) Award.

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4.1.5 "Union" shall mean the Automotive, Food, Metals, Engineering, Printing and Kindred Industries Union (AMWU) and the National Union of Workers (NUW) (NSW Branch).

4.1.6 "Workers Committee" shall mean the employee representatives elected to represent the interests of all staff covered under this Enterprise Bargaining Agreement.

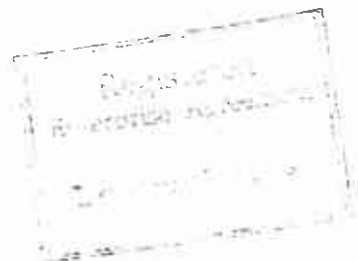
5. TERM OF AGREEMENT

This Agreement shall take effect from the first full pay period to commence on or after the date of registration with the Industrial Relations Commission of NSW, and shall remain in force until 31 August 2001.

6. RELATIONSHIP TO PARENT AWARD

It is agreed by the parties that the Metal and Engineering Industry (NSW) Award, Miscellaneous Workers' General Services (State) Award and the Storemen and Packers General (State) Award will continue to regulate the rates of pay and conditions of employment of all employees covered by this Agreement except to the extent that such rates and/or conditions of employment have been varied by this Agreement, in which case the provisions of this Agreement shall apply.

It is not the intention of the company to offer Australian Workplace Agreements (AWA's) during the life of this agreement.



7. DURESS

This Agreement has not been entered into under duress by any of the parties.

8. PURPOSE OF AGREEMENT

- 8.1 The purpose of this Agreement is generally to establish and operate a more efficient and productive manufacturing facility that will ensure that the company will maintain a continuing competitive edge in the market place and ensure the building and retention of secure and worthwhile employment prospects.
- 8.2 Furthermore, employees will continue to actively participate in ongoing Total Quality Management (TQM) and Occupational Health and Safety programs to evaluate and improve existing manufacturing operations including the assessment of new technology and equipment. KRONE will continue to address safety issues through the OH&S Committee.

9. SICK LEAVE

A Doctor's Certificate must be produced for each sick leave day taken after two single sick leave days have been taken in each year of employment.

10. HOURS OF WORK

- 10.1 The ordinary spread of hours for day work will be between 6.00am and 6.00pm. The ordinary working hours per week will be 38 hours.
- 10.2 For day shift workers the hours will be 8 hours 15 minutes Monday to Thursday and 5 hours on Fridays. However, the number of ordinary working hours per day may be varied by mutual agreement between individual employees and management.

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- 10.3 Additionally, due to the necessity to maintain customer delivery performance on Fridays, the stores personnel, with the exception of personnel who commenced employment prior to 1.1.1992, agree that stores personnel are on duty on Friday afternoons. At such times, the ordinary hours for stores personnel will be 7 hours 36 minutes per day, 5 days per week.
- 10.4 Afternoon and night shift working hours will be in accordance with the normal award provisions for shift workers.

11. CHANGE OF HOURS

Where an employee notifies of an inability to attend work, the provision of a 10 hour break between shifts may be deleted. The relieving employee and the company will reach a mutually acceptable arrangement, such as equal time off at a mutually agreed time. In the absence of any mutually acceptable arrangements, the provisions in the applicable parent award shall apply.

12. OVERTIME

- 12.1 Subject to the general provisions relating to the payment of overtime detailed within the parent awards nominated in Clause 6 herein, equal time off in lieu of payment for overtime may be granted by mutual agreement between the company and each employee or group of employees.
- 12.2 Overtime for weekdays and Saturdays is paid on the basis of the first 2 hours at time and one half, followed by double time.
- 12.3 When overtime of more than 1½ hours is required to be worked, a paid crib break of 10 minutes will be provided at ordinary rates before the overtime commences.



- 12.4 When overtime is worked on a day shift Friday, a 20 minute lunch break will take place before the overtime is worked, of which 10 minutes will be paid at ordinary rates and 10 minutes will be unpaid.
- 12.5 Where an employee, due to circumstances beyond their control, needs to be absent for a short period during their normal shift, mutual agreement must be reached between the employee and their supervisor. If absence is granted, this Agreement shall determine when the employee will make up the lost time, at an ordinary rate of pay, during the current working week, or at a time mutually agreed by both parties. Urgent matter request form MA025 must be completed and approved prior to time taken/made up.

13. PAYMENT OF WAGES

Where a Public Holiday falls on a Monday or Tuesday, the day for payment will regress by one day. Bank charges associated with EFT deposit have been absorbed in prior wage increases.

14. NO EXTRA CLAIMS

It is agreed that during the life of this Agreement there shall be no extra claims, made by any of the parties bound by this Agreement.

15. MEAL ALLOWANCES

Irrespective of the notice given to an employee of the requirement to work overtime, it has been agreed that such employee will have no entitlement to the payment of a meal allowance. The Company shall give as much notice as possible to an employee of the requirement to work overtime.



16. DEMARCATION, RESTRICTIVE WORK PRACTICES & MULTI-SKILLING

The parties to this Agreement undertake to ensure that there will be no job demarcation or restrictive work practices. By Agreement, the parties will work towards developing more broadly based job skills training enabling expanded multi-skilling within the workforce subject to safety and award provisions.

The parties agree that no permanent employee shall be employed other than under the terms of this agreement provided that their position classification is covered under this agreement.

17. RECLASSIFICATION

The employer and employees agree when positions are available for advancement, employees have access to reclassification and a career path progression. However, this does not exclude the company from seeking outside interest.

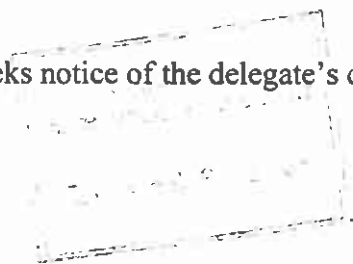
The parties to this agreement undertake to review the existing classification structure and wage progression system (grading system) over the life of this agreement.

18. DELEGATE TRAINING

18.1 A duly authorised union delegate may proceed on a union training course on not more than five days in a calendar year, subject to the following conditions:

18.1.1 The Company must be consulted about the course as to its nature and content.

18.1.2 The Company must be given at least two weeks notice of the delegate's desire to attend such a course.



- 18.1.3 The delegate shall not attend the course unless approval has been given by the Company. Provided that the Company shall not unreasonably withhold its approval.
- 18.1.4 The Company shall not be liable for any additional costs, other than the payment of ordinary time earnings to the employee while on leave. Provided that the Company may require a delegate to produce proof of any such attendance.
- 18.1.5 The union training course days referred to in subclause 17.1 are not cumulative from year to year.
- 18.1.6 The provisions of this clause shall only be available to two union delegates in each year. Provided that the total number of days taken shall not exceed five days in any year.
- 18.1.7 Where a disagreement arises concerning this clause, the parties undertake to observe clause 19 - Dispute Procedure of this Agreement.



19. WAGE INCREASES

19.1 Group One - Machine Setters

19.1.1 Increase to Base Rates

There shall be an increase to the base rates for Machine Setters as follows:

- From 8 November 1999, the rates of pay shall be increased by 2.76%.
- From 8 November 1999, Machine Setters shall receive an average grading increase of 1.5%.

In addition there shall be a grading increase as follows:

- From 8 November 2000, the rates of pay shall be increased by a further 3.3%.

19.2 Group Two - Process Workers

There shall be an increase to the base rates for Process Workers as follows:

From 8 November 1999, the following rates will apply:

| | |
|---------|----------|
| Grade 1 | \$431.88 |
| Grade 2 | \$426.88 |
| Grade 3 | \$421.88 |
| Grade 4 | \$416.88 |

The C13 Award rate at 26 October 1999 is \$402.10 per week for day shift. Additional allowances will be paid as per award. The grading allowance is now included in the base rate. From 8 November 2000, the following rates will apply:

| | |
|---------|----------|
| Grade 1 | \$452.04 |
| Grade 2 | \$441.81 |
| Grade 3 | \$436.69 |
| Grade 4 | \$426.47 |



19.2.1 Grading Allowances

- A description of each of the above grades is contained in Appendix "A" to this Agreement.
- Employees will have their grading assessed every six months. This is explained in Appendix "A" to this Agreement.

19.3 Group Three - Appraisal Employees

Increases to rates of pay for appraisal employees is subject to the individual performance of each employee.

Apart from the minimum increase specified below, appraisal employees can earn higher increases on the basis of their work performance as determined by the appraisal process. This process is outlined in more detailed in Appendix "A" to this Agreement.

19.3.1 Minimum Wage Increases

- Staff in the appraisal system shall receive a minimum increase of 3.56% payable from 8 November 1999.
- Staff in the appraisal system shall receive a further minimum wage increase of 3.30% from 8 November 2000.



19.4 Individual Attendance Bonus

19.4.1 In order to ensure that there is a collective improvement in the rate of staff attendance, an individual attendance bonus scheme will be implemented in accordance with the conditions outlined below.

19.4.2 All permanent employees covered under this agreement will be entitled to an attendance bonus of \$100.00 per quarter. The payment of the attendance bonus is subject to the provisions contained in subclause 19.4.3 below.

19.4.3 The payment of the individual attendance bonus is subject to the following conditions:

19.4.3.1 In order to receive an attendance bonus in each quarter, an employee must not take more than 0.60 of a sick leave day (one day equals 7 hours 36 mins), within each full quarter.

19.4.3.2 If an employee takes more than four days sick leave in a calendar year, they will not be eligible for the remainder of the quarterly bonus system for that current year.

19.4.3.3 The individual attendance bonus shall not be affected as a consequence of absences arising from:

- public holidays
- annual leave
- bereavement leave
- jury duty.

New staff who started within the quarter shall be entitled to a prorata of the attendance bonus. Full months only apply.



19.5 Minimum Rates of Pay

It is the intention of the parties that employees covered by this Agreement shall not be paid less than the base rate of pay prescribed by the appropriate parent award in respect of ordinary hours of work.

20. DISPUTES PROCEDURE

20.1 The procedure for the resolution of industrial disputation is as follows:

20.1.1 Procedure relating to a grievance of an individual employee:

20.1.1.1 The employee is required to notify (in writing or otherwise) the employer as to the substance of the grievance, request a meeting with the employer for bilateral discussions and state the remedy sought.

20.1.1.2 A grievance must initially be dealt with as close to the source as possible, with graduated steps for further discussion and resolution at higher levels of authority.

20.1.1.3 Reasonable time, to be agreed upon by all parties, must be allowed by discussion at each level of authority.

20.1.1.4 At the conclusion of the discussion, the employer must provide a response to the employee's grievance, if the matter has not been resolved, including reasons for not implementing any proposed remedy.

20.1.1.5 While a procedure is being followed, normal work must continue.



20.1.1.6 The employee may be represented by an industrial organisation of employees.

20.1.1.7 If the matter remains unresolved, it shall be referred to the Industrial Relations Commissioner of New South Wales.

20.1.2 Procedure for a dispute between an employer and the employee

20.1.2.1 A question, dispute or difficulty must initially be dealt with as close to its source as possible, with graduated steps for further discussion and resolution at higher levels of authority.

20.1.2.2 Reasonable time, to be agreed upon by all parties, must be allowed for discussion at each level of authority.

20.1.2.3 While a procedure is being followed, normal work must continue.

20.1.2.4 The employer may be represented by an industrial organisation of employers and the employees may be represented by an industrial organisation of employees for the purposes of each procedure.

20.1.2.5 If the matter remains unresolved, it shall be referred to the Industrial Relations Commissioner of New South Wales.



21. UNION RIGHT OF ENTRY

The right of entry of the union shall be in accordance with Chapter 5 - Part 7 of the Industrial Relations Act, 1996. Notwithstanding the provisions of the Act, the Union shall be permitted to meet with the Union Delegate at an agreed time (between all parties) for discussion on urgent matters. This notation does not permit the union to meet with other employees other than in accordance with the provisions of the Act.

22. APPRENTICES

The Company acknowledges that this Agreement, the relevant parent awards and the Industrial and Commercial Training Act 1989 apply in respect of apprentices. Proof of completion of subjects is required. The company remains committed to the support of the Apprenticeship system, by providing apprenticeships where an opportunity arises.

23. PROTECTIVE CLOTHING/EQUIPMENT

- 23.1 Where in the Company's opinion, the nature of an employee's work requires the use of protective clothing/equipment, such clothing shall be provided at the discretion of the Company and shall be worn by the employee. This clause shall only apply to employees regularly working in the tool room, storeroom, metal shop and mould shop and for the machine setters where such clothing/equipment is deemed necessary.
- 23.2 All articles of protective clothing/equipment provided by the Company shall remain the property of the Company.



- 23.3 Where an employee's issue of protective clothing/equipment includes protective footwear, such protective footwear shall not exceed \$80.00 in cost. The provision of protective footwear shall only apply to machine setters and work performed in the tool room, storeroom, metal shop and mould shop.
- 23.4 An employee requiring a replacement of his/her protective footwear, shall firstly return the corresponding article issued to them to the Company.

24. FUTURE ENTERPRISE NEGOTIATIONS

The parties to the Agreement will commence negotiations for a new Enterprise Agreement no later than 4 months prior to the expiry of this Agreement.

25. DATE OF REGISTRATION

This Enterprise Agreement shall take effect from the date of registration.



26. SIGNATORIES TO AGREEMENT

Signed on behalf of **KRONE MANUFACTURING SERVICES PTY LIMITED**

Name: CRAIG M. JONES
Title: MANAGING DIRECTOR
Signature: C.M. Jones
Date: 8TH NOVEMBER 1999

Witnessed by:

Name: WARWICK MILLS
Title: HUMAN RESOURCES MANAGER
Signature: W.Mills
Date: 8TH NOVEMBER 1999

Signed for and on behalf of **THE AUTOMOTIVE, FOOD, METALS, ENGINEERING, PRINTING AND KINDRED INDUSTRIES UNION (AMWU) - New South Wales Branch**

Name: PAUL EASTMAN
Title: STATE SECRETARY
Signature: Paul Eastman
Date: 01 DEC 99

Witnessed by:

Name: David Bourne
Title: Research Officer
Signature: David Bourne IP 9601671
Date: 3rd December, 1999

Signed for and on behalf of **THE NATIONAL UNION OF WORKERS (NUW) - New South Wales Branch.**

Signature
Name: FRANK BELAN
Title: STATE SECRETARY
Signature: FRANK BELAN O.A.M.
Date: 7-12-99

NAME

Witnessed by:

Name: JENNIFER LORD
Title: JUSTICE OF THE PEACE
Signature: Jennifer Lord
Date: 7-12-99



APPENDIX "A"

KRONE GRADING SYSTEM - PRODUCTION/MACHINE SETTERS

As part of Enterprise Bargaining, a Personnel Evaluation Grading System has been drawn up to assess the following:

1. Work ability
2. Quality performance
3. Efficiency achievements
4. Attendance record
5. Personnel flexibility
6. Documentation/procedure control

These factors will be graded by the Supervisors of the relevant departments on a six monthly basis (ie. March and September). To participate in this grading system, an employee will need between 3 to 6 months experience. Personnel covered under the current 12 monthly appraisal system, (eg. tradespersons, toolmakers, storepersons and supervisors) will not be eligible.

GRADING REQUIREMENTS

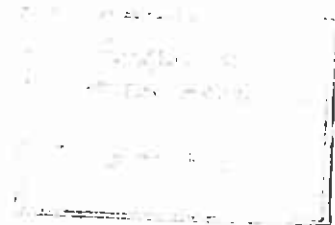
1. Machine Setter Grading

Non-Tradespersons to qualify for grading must have completed three months as a permanent employee and had equivalent training to enable the employee to perform work within the scope of the process.



Non-Tradespersons/Machine Setters Grading Requirements (Refer Appendix A)

- Grade 1** Non-Tradesperson who is proficient in set-up, trouble shooting, training of staff, to maintain precision equipment and achieve an A or B in most categories listed on grading evaluation form. An employee at this grade performs work above and beyond the skills on an employee at grade 2.
- Grade 2** Non-Tradesperson who have had sufficient training to set up and maintain precision equipment and achieve B on most categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee at Grade 3.
- Grade 3** Non-Tradesperson who have had sufficient training to set up and maintain high speed assembly equipment and achieve A or B on most categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee at Grade 4.
- Grade 4** Non-Tradesperson personnel who have had sufficient training to set up and maintain high-speed assembly equipment and achieve B or C on all categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee at grade 5.
- Grade 5** Non-Tradesperson personnel who have had sufficient training to set up and maintain the various standard equipment and achieve A or B on all categories listed on the grading evaluation form. An employee at this grade performs work above and beyond the skills of an employee at grade 6.
- Grade 6** Non-Tradesperson personnel who have had sufficient training to set-up and maintain standard equipment and achieved B or C in all categories listed on grading evaluation form.



2. Machine Classification

| STANDARD EQUIPMENT | HIGH SPEED ASSEMBLY EQUIPMENT | PRECISION EQUIPMENT |
|--------------------|-------------------------------|-----------------------|
| Muller Press | Auto Machines | Mould Machines |
| V Bender | 220 Machines | Bruderer Press |
| Mabu Press | Highband Machines | Highway Media Machine |
| Guillotine | Terminator Press | PMK/FMK Automation |
| Wave Solder | Robot Machine | Keystone Automation |
| Video Printer | Label Machine | Turret Press |
| Tampo Printer | Package Machine | Pinning Machine |

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3. Production Grading Requirements (Refer Appendix A)

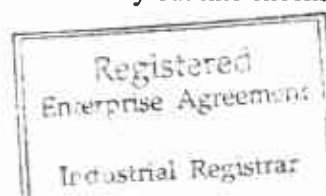
Grade 1 Personnel would be required to be graded A in most areas of categories listed on the evaluation sheet and completed sufficient training to train other staff, co-ordinate work through work centres. An employee at this level would assist in operation of assembly machines. Eg: Cleaning heads, jam-ups, contact feed problems and angle checks. In the absence of the Cell Leader or Assistant Cell Leader, the Grade 1 is responsible for the productivity and supervision of other staff. An employee at this grade performs work above and beyond the skills of an employee at grade 2.

Grade 2 Personnel would be required to be graded A and B in most areas of the evaluation sheet and completed sufficient training to assist in training staff, carry out line checks, work with a minimum of supervision and assist in the operation of assembly machines. Eg: Cleaning heads, jam-ups, contact feed problems and angle checks. Also assist in the co-ordination of other staff and production, as directed by the Cell Leader or authorised staff member. An employee at this grade performs work above and beyond the skills of an employee at grade 3.

Grade 3 Personnel would be required to be graded B and C in all areas of the evaluation sheet and completed sufficient training to manufacture components to efficiency standards, produce to quality acceptance criteria and assist in the operation of assembly machines. Eg: Cleaning heads, contact jam-ups and angle checks. Would also assist higher graded staff members in carrying out their roles as requested by the Cell Leader. An employee at this grade performs work above and beyond the skills of an employee at grade 4.

Grade 4 A permanent employee who has had 6 months experience in Production assembly activities and sufficient training to assist in assembly machine operation.

Higher graded staff are to be used as first preference to carry out line checks and training, where possible.



KRONE APPRAISAL SYSTEM - MACHINE SETTERS, TOOLMAKERS, CLEANERS, STOREPERSONS AND SUPERVISORS

Employees subject to the appraisal process will have their work performance assessed on a twelve monthly basis, ie February of each year.

The appraisal process involves the assessment of each employee's individual work performance against certain criteria (Key Performance Indicators – KPI's). These criteria include the following:

- * Work ability
- * Quality performance
- * Productivity & efficiency
- * Level of attendance
- * Personnel flexibility
- * Technical competence (*where applicable*)
- * Job innovation
- * Interpersonal skills
- * Team contribution
- * Decision making (*where applicable*)
- * Work planning
- * Compliance with company goals and targets
- * Communication, oral and written (*where applicable*)
- * Ability to prioritise
- * Standard of service to our customers, external and internal
- * Cost control (*where applicable*)

Each employee will be given a rating on how their work performance measures against the criteria listed above.



Any of the above criteria may change from time to time, to reflect our changing market and customer needs. The Company shall advise employees when changes to the criteria are necessary.

Employees in the appraisal process will have the potential to earn larger increases for outstanding work performance. However, the capacity for the company to reward employees is dependant upon other variables, such as the company's level of productivity and profitability.

GENERAL

Personnel grading/discussion points should be treated in a confidential manner between an employee, the union delegate or workers' committee representative (where applicable), and management. Management's decision regarding grading levels is final.

The parties undertake to observe Clause 19 - Disputes Procedure of this Agreement should a disagreement arise in respect of an employee's grading.

BELOW STANDARD PERFORMANCE LEVEL

If a situation arises where an employee, after the evaluation grading, drops below the minimum standard requirements of their current grade, a counselling session will take place between the Grading Supervisor, the employee and the union delegate or workers' committee representative (at the employee's discretion). During this counselling session problem areas will be discussed, and improvements suggested. The points raised will be documented on the Personnel Evaluation Sheet.

The employee will then be given 1 month to rectify the problem areas. At that time a further discussion will take place. If adequate improvements in these areas are not achieved, a reclassification of grading may occur.

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