

**REGISTER OF
ENTERPRISE AGREEMENTS**

ENTERPRISE AGREEMENT NO: EA02/87

TITLE: Merck Sharp & Dohme (Australia) Pty Ltd Packaging Operation
Enterprise Agreement 2001

I.R.C. NO: 2001/7604

DATE APPROVED/COMMENCEMENT: 22 November 2001

TERM: 22 November 2003

**NEW AGREEMENT OR
VARIATION:** New

GAZETTAL REFERENCE: 12 April 2002

DATE TERMINATED:

NUMBER OF PAGES: 25

COVERAGE/DESCRIPTION OF EMPLOYEES: Applies to all MSDA's manufacturing site located at South Granville in respect of those employees engaged in Packaging Operations other than salaried employees.

PARTIES: Merck Sharp & Dohme (Australia) Pty Ltd -&- the Shop, Distributive and Allied Employees' Association, New South Wales



MERCK SHARP & DOHME (AUSTRALIA) PTY LIMITED PACKAGING OPERATION ENTERPRISE AGREEMENT 2001

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1. Title

This Agreement shall be known as the Merck Sharp & Dohme (Australia) Pty Ltd Packaging Operation Enterprise Agreement 2001.

2. Parties Bound

The following parties are bound by this Agreement:

- (a) Merck Sharp & Dohme (Australia) Pty Ltd ("MSDA"); and
- (b) Its employees who perform work as Packaging Operators; and
- (c) The Australian Workers Union, New South Wales Branch ("the union"); and
- (d) The Shop Distributive & Allied Employees Association, New South Wales Branch ("the union").

3. Relationship with Parent Award

This Agreement shall apply in substitution of the Drug Factories (State) Consolidated Award. It is in full satisfaction of all matters between the parties bound and regulates wholly and exclusively conditions of employment within its operation.

4. Application

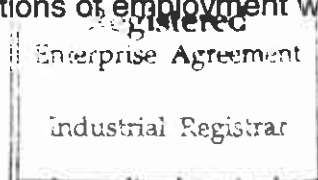
This agreement shall apply to MSDA's manufacturing site located at South Granville in respect of those employees engaged in Packaging Operations other than salaried employees.

5. Duration

This Agreement shall take effect from the first full pay period to commence on or after the date upon which it is made by the Industrial Relations Commission of NSW and will remain in force for a period of 2 years unless rescinded or varied.

6. Purpose of the Agreement

- (a) This Agreement reflects the need to implement working arrangements in the Merck Sharp & Dohme (Australia) Pty Limited Pharmaceutical Packaging Operation following the investment of A\$75 million to modernise and re-equip operational needs. New state of the art equipment has required new organisation of work, a greater team focus and the integration of trades and operational activities into a more flexible approach to meet local and export requirements. This will lead to further opportunities to expand further the plant modernisation programme. These working arrangements from an employee perspective are designed to produce more satisfying work, an opportunity to be part of teams which focus on results and a better work life balance with the provision for more leisure and family time.



- (b) The purpose of the Agreement is to establish a set of working arrangements which meet the business needs of the company and provides employees with better employment conditions which allow them to utilise skills obtained in the operation of modern packaging equipment and promote teamwork which enhances co-operation and produces results in achieving high levels of customer service.
- (c) The Agreement also recognises that all employees covered by this Agreement, regardless of union or non-union membership, have participated in an agreement process which produces a set of conditions that builds trust and harmonious working relationships.
- (d) The Agreement comprehensively covers all conditions of employment in the MSDA Pharmaceutical Packaging Operation and resolves all claims and issues pertaining to matters between the parties.

7. Definitions

- (a) *Packaging Operations* shall mean that part of MSDA manufacturing division business involving preparation, staging, coding and packaging of human health pharmaceutical products.
- (b) *Packaging Operator* means an operator engaged in coding, label verification and/or packaging of human health pharmaceutical products.
- (c) *Night Shift* means a shift worked between 6pm and 7am as determined by MSDA, consistent with clause 14 of this Agreement.



8. Wages

The following wage rates shall apply to Packaging Operators. These rates are based on MSD Classification Structure and will be reviewed and varied annually on the 1st April each year following consultation and negotiation with the unions, including having regard to 3 factors being CPI, productivity and market movements. The increase will be no less than any increase payable in the previous twelve months under the provisions of the Drug Factories (State) Award for the equivalent classification.

Packaging Operators	Paid fortnightly Per Annum (for 12 hour shifts)	Paid fortnightly Per Annum (for other than 12 hour shifts)
Introductory	\$36,600.00	\$30,102.00
Competent - Dependent	\$37,753.00	\$32,276.00
- Independent	\$38,907.00	\$33,284.00
- Support	\$39,882.00	\$34,106.00
Mastery	\$42,795.00	\$36,585.00
Expert	\$45,511.00	N/A

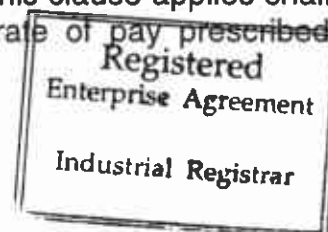
8B. Supported Wage System for Workers with Disabilities

- (a) Definition - This clause defines the conditions which will apply to employees who, because of the effects of a disability, are eligible for a supported wage under the terms of this Agreement. In the context of this clause, the following definitions will apply:
- (i) "Supported Wage System" means the Commonwealth Government system to promote employment for people who cannot work at full Agreement wage because of a disability, as documented in "Supported Wage System: Guidelines and Assessment Process".
 - (ii) "Accredited Assessor" means a person accredited by the management unit established by the Commonwealth under the Supported Wage System to perform assessments of an individual's productive capacity within the Supported Wage System.
 - (iii) "Disability Support Pension" means the Commonwealth pension scheme to provide income security for persons with a disability, as provided under the Social Security Act 1991, or any successor to that scheme.
 - (iv) "Assessment Document" means the form provided under the Supported Wage System that records the assessment of the productive capacity of the person to be employed under the Supported Wage System.
- (b) Eligibility Criteria - Employees covered by this clause will be those who are unable to perform the range of duties to the competence level required within the class of work for which the employee is engaged under this Agreement, because of the effects of a disability on their productive capacity and who meet the impairment criteria for receipt of a Disability Support Pension.

(This clause does not apply to any existing employee who has a claim against MSDA which is subject to the provisions of workers' compensation legislation or any provision of this Agreement relating to the rehabilitation of employees who are injured in the course of their current employment.)

The Agreement does not apply to MSDA in respect of their facility, program, undertaking, service or the like which receives funding under the Disability Services Act 1986 and fulfils the dual role of service provider and sheltered employer to people with disabilities who are in receipt of, or are eligible for, a disability support pension, except with respect to an organisation which has received recognition under section 10 or section 12A of the Act or, if a part only has received recognition, that part.

- (c) Supported Wage Rates - Employees to whom this clause applies shall be paid the appropriate percentage of the minimum rate of pay prescribed by this



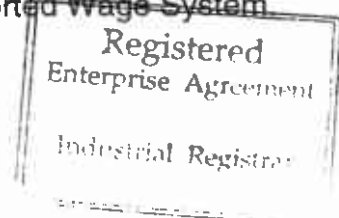
Agreement for the class of work which the person is performing, according to the following schedule:

Assessed capacity (subclause (d))	Percentage of prescribed rate
*10%	10
20%	20
30%	30
40%	40
50%	50
60%	60
70%	70
80%	80
90%	90

(Provided that the minimum amount payable shall be not less than \$57.60 per week.)

*Where a person's assessed capacity is 10 per cent, they shall receive a high degree of assistance and support.

- (d) Assessment of Capacity - For the purpose of establishing the percentage of the Agreement rate to be paid to an employee under this Agreement, the productive capacity of the employee will be assessed in accordance with the Supported Wage System and documented in an assessment instrument by either:
- (i) MSDA and a union party to the Agreement, in consultation with the employee, or if desired, by any of these; or
 - (ii) MSDA and an accredited Assessor from a panel agreed by the parties to the Agreement and the employee.
- (e) Lodgement of Assessment Document --
- (i) All assessment documents under the conditions of this clause, including the appropriate percentage of the Agreement rate to be paid to the employee, shall be lodged by MSDA with the Registrar of the Industrial Relations Commission of New South Wales.
 - (ii) All assessment documents shall be agreed and signed by the parties to the assessment, provided that where a union which is party to the Agreement is not a party to the assessment, it shall be referred by the Registrar to the union by certified mail and will take effect, unless an objection is notified to the Registrar within ten working days.
- (f) Review of Assessment - The assessment of the appropriate percentage should be subject to annual review or earlier on the basis of a reasonable request for a review. The process of review must be in accordance with the procedures for assessing capacity under the Supported Wage System.



- (g) **Other Terms and Conditions of Employment** - Where an assessment has been made, the appropriate percentage will apply to the wage rate only. Employees covered by the provisions of this clause will be entitled to the same terms and conditions of employment as all other employees covered by this Agreement paid on a pro rata basis.
- (h) **Workplace Adjustment** - If MSDA wishes to employ a person under the provisions of this clause, it must take reasonable steps to make changes in the workplace to enhance the employee's capacity to do the job. Changes may involve redesign of job duties, working time arrangements and work organisation in consultation with other workers in the area.
- (i) **Trial Period** -
- (i) In order for an adequate assessment of the employee's capacity to be made, an employer may employ a person under the provisions of this clause for a trial period not exceeding 12 weeks, except that in some cases additional work adjustment time (not exceeding four weeks) may be needed.
 - (ii) During the trial period the assessment of capacity must be undertaken and the proposed wage rate for a continuing employment relationship must be determined.
 - (iii) The minimum amount payable to the employee during the trial period shall be no less than \$57.60 per week.
 - (iv) Work trials should include induction or training as appropriate to the job being trialled.
 - (v) Where MSDA and the employee wish to establish a continuing employment relationship following the completion of the trial period, a further contract of employment shall be entered into, based on the outcome of assessment under subclause (d) of this clause.

9. No Extra Claims

The unions and employees bound by this Agreement will not pursue any extra claims for the life of this Agreement, including increases arising from any decisions from the Industrial Relations Commission of NSW.

10. Contract of Employment

- (a) During the first three months of full-time or part-time employment, the contract of employment shall be of a probationary nature.
- (b) (i) MSDA may direct an employee to carry out such duties as are within the limits of the employee's skill, competence and training consistent



with the classification structure of this Agreement provided that such duties are not designed to promote deskilling.

- (ii) MSDA may direct an employee to carry out such duties and use such tools and equipment as may be required provided that the employee has been properly trained in the use of such tools and equipment.

Any direction issued by MSDA pursuant to subclauses (i) and (ii) shall be consistent with MSDA's responsibilities to provide a safe and healthy working environment.

- (c) In the event of a stoppage of work through any cause outside MSDA's control, the contract of employment may be continued, in which case MSDA's liability for payment shall be suspended for the duration of the stoppage of work:

11. Flexibility

An employee shall perform all tasks in which they are competent or in the process of achieving competence which are incidental or related to their normal work.

12. Consultative Committee

MSDA will establish a consultative forum consisting of MSDA and employee representatives to address matters affecting its efficiency and productivity.

13. Part-time and Casual Employees

(a) Part-time Employees -

- (i) Part-time employees may be employed.
- (ii) The ordinary hours of work, exclusive of meal times, shall be twelve hours or more and less than thirty eight hours per week.
- (iii) Part-time employees shall be paid at an hourly rate of pay which shall be at the rate of one thirty-eighth of the full time weekly wage of the appropriate classification.
- (iv) All other provisions of this Agreement with respect to annual leave, sick leave and holidays, shall apply to part-time employees on a pro-rata basis.
- (v) Notwithstanding the provisions of paragraphs (i) to (iv) of this subclause, the unions and MSDA may agree, in writing, to observe other conditions.



(b) **Casual Employees –**

- (i) Casual employees shall be paid an hourly rate equal to the appropriate weekly rate divided by 38 plus seventeen and a half per cent calculated to the nearest half cent with a minimum payment on any one day of four hours.

14. Hours

- (a) The ordinary hours of work will be an average of thirty eight per week.
- (b) Hours of work may be averaged over a roster cycle of up to six weeks and will be organised in such fashion as to best meet MSDA's operational requirements.
- (c) Subject to clause 14(b) and clauses 14(d)(A)(iii) and 14(d)(B)(v) hereof, ordinary hours will be worked by three twelve hour days, Monday to Saturday, commencing at a time determined by MSDA, with an additional two hours per week accumulating to be used for the purpose of training at a time determined by MSDA and published as part of the annual training plan.
- (d) (i) An employee will at the commencement of the Agreement continue, or, on engagement be assigned, to work on one of the following fixed shift cycles:
- (1) Day shift, working a roster from Monday – Wednesday for three weeks then alternating to Thursday – Saturday for three weeks then resuming the cycle at Monday – Wednesday; or
- (2) Night shift, working a roster from Sunday – Tuesday for three weeks then alternating to Wednesday – Friday for three weeks then resuming the cycle at Sunday – Tuesday.
- (ii) An employee, on a voluntary basis, may reach mutual agreement with MSDA to temporarily move from one shift to the other to meet operational and/or training requirements. Once the requirements are met the employee will revert to their previous shift cycle.
- (iii) Night shift workers who temporarily transfer to day shift at the request of MSDA will continue to be paid their night shift allowance whilst working on the day shift.
- (iv) MSDA may require additional shifts on Sunday to be worked starting at a time to be determined by MSDA upon agreement with the employee/s concerned, and an employee will support a reasonable request from MSDA to do so due to operational requirements.

- (e) In the event that insufficient employees agree to alterations to shifts pursuant to sub-clauses (d)(ii) and (d)(iii) hereof to meet the operational requirements of MSDA, MSDA shall be at liberty to notify the matter to the Industrial Relations Commission of New South Wales in order that the Commission can consider whether any refusal by employees to support MSDA requests is, in the circumstances, unreasonable.
- (f) At the specific request of the employee and subject to agreement by MSDA, the commencing and ceasing times of an employee's roster may be altered.

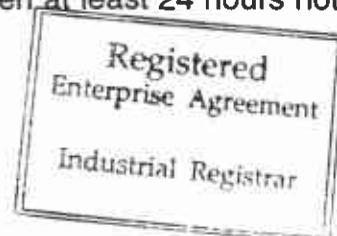
15. Continuous Operations

- (a) Expectation - As the 12 hour arrangement provide for paid breaks and current volumes require continuous running of equipment whenever work is staged and available, teams will organise themselves to operate equipment continuously through all breaks. Whenever a small amount of a batch remains to be completed approaching close of work that team will complete the batch to achieve reduced product changeover times.
- (b) All employees will co-operate in reduced changeover times by advising planning and staging of future work requirements through use of work in process information.

16. Training

- (a) The 96 training hours accumulated pursuant to the twelve hour shift roster will be utilised by team meetings, or for training purposes consistent with improvements in productivity or quality, of up to 8 hours duration to be taken in accordance with a schedule published by the 1st March in each calendar year.
- (b) All training will be consistent with MSDA's philosophy on personal development and off line training and will be primarily for the enhancement of skills and knowledge to improve both personal and business performance. The training may include workplace communication and team work issues.
- (c) Training pursuant to this clause is to be regarded as ordinary work time and any absence from scheduled training will be regarded as any other absence from rostered work time. Continuing absences will be subject to disciplinary action.
- (d) The training schedule referred to in subclause (a) may be varied by MSDA where production is interrupted by circumstances including, but not limited to:
 - (i) machine breakdowns;
 - (ii) quality compliance issues;
 - (iii) unavailability of product.

In such circumstances, employees will be given at least 24 hours notice of the requirement to attend training.



An employee engaged on night shift who is required to attend training during the day will continue to receive the night shift allowance during such training.

17 Night shift allowance.

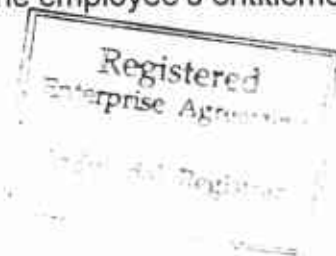
Packaging Operators engaged on night shift shall be paid a night shift allowance of \$220.00 per week. Payment will be pro rata based on the number of shifts worked in that week and consistent with the duration of the shift.

18. Meal and Rest Breaks

There shall be a meal break of 30 minutes during each shift as may be determined by MSDA for each employee. Meal and rest breaks will be managed by the team and will be taken at a time and in a manner which allows for continuous production to be maintained.

19. Overtime

- (a) An employee shall be paid overtime at the rate of time and a half for the first two hours and double time thereafter for:
- (i) all time worked before the usual commencing time on any day;
 - (ii) all time worked after the usual finishing time on any day;
 - (iii) all time worked in excess of the daily limitation of hours pursuant to this Agreement.
- (b) In computing overtime any portion of an hour less than thirty minutes shall be reckoned as half an hour and any portion of an hour in excess of thirty minutes shall be reckoned as one hour.
- (c) Any employee required to work overtime on a Sunday shall be paid a minimum payment of four hours.
- (d) An employee recalled to work overtime after leaving MSDA's premises (whether notified before or after leaving the premises) shall be paid for a minimum of four hours' work at the appropriate rate for the time so recalled.
- (e) Time in lieu of overtime -
- (i) An employee may elect, with the consent of MSDA, to take time off in lieu of payment for overtime at a time or times agreed with MSDA within six months of the said election.
 - (ii) Time off during ordinary time hours in lieu of payment for overtime shall be calculated in accordance with the employee's entitlement to payment under clause 19(a).



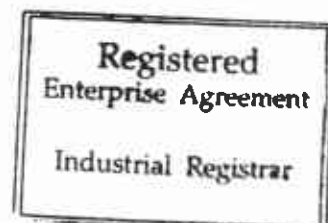
- (iii) If, having elected to take time as leave in accordance with paragraph (e)(i) above, the leave is not taken for whatever reason, payment for time accrued at overtime rates shall be made at the expiry of the six month period or on termination.
- (iv) Where no election is made in accordance with paragraph (e)(i), the employee shall be paid overtime rates in accordance with this agreement.

20. Sundays

All work done on any Sunday shall be paid for at the rate of double time.

21. Holidays

- (a) The following days or the day upon which they are observed shall be holidays: New Year's Day, Australia Day, Good Friday, Easter Saturday, Easter Monday, Anzac Day, Queen's Birthday, Labour Day, Christmas Day, Boxing Day, and all other days proclaimed as public holidays for the State and local gazetted public holidays in the districts to which they apply.
- (b) In addition to the holidays specified in subclause (a) of this clause one additional holiday (in lieu of Union picnic day) shall apply in each calendar year, and MSDA's appointed manager and the employee entitled to the holiday shall, by mutual agreement, determine a suitable date for the taking of this additional holiday.
- (c) All holidays falling on a usual working day shall be counted as time worked and paid for as such.
- (d) For employees engaged on night shift, "holiday" for the purposes of this clause, shall mean the day on which the majority of ordinary hours of the shift are worked.
- (e) An employee who without reasonable cause is absent without leave on the working day immediately preceding or the working day immediately following a holiday shall not be entitled to payment for such holiday.
- (f) Subject to the other provisions of this clause, an employee will be credited with a total of 83.6 hours payment at ordinary time for holidays in each calendar year, on a pro-rata basis for part of a calendar year, equivalent to 7.6 hours payment at ordinary time in respect of 11 holidays ("total annual entitlement"), or time off in lieu of payment. Payment of so much of the total annual entitlement as has not been taken as time in lieu will be made annually at a time determined by MSDA.
- (g) The treatment of holidays will be as follows:



- (i) If a holiday falls when an employee is rostered on duty and should the employee be requested to work, then the employee will be paid at the rate of double time and one half, without deduction from their total annual entitlement
- (ii) If a holiday falls when an employee is rostered on duty and should the employee not be required to work, then the employee will have that day off without loss of ordinary pay, and 12 hours will be deducted from their total annual entitlement in respect of the day off.
- (iii) If a holiday falls when an employee is rostered off duty, then the employee will have no deduction from their total annual entitlement in respect thereof, and where the employee has sufficient total annual entitlement, the employee may elect to take time off of one 12 hour day at a time mutually agreed with MSDA within 6 months of the holiday occurring, in which case 12 hours will then be deducted from the total annual entitlement.

MSDA will make reasonable efforts to manage the arrangements in this clause such that the number of hours deducted from the employee's total annual entitlement under such arrangements does not exceed their total annual entitlement. In the event such deductions do exceed the total annual entitlement, the employee will not owe MSDA hours or payment in lieu.

22. Annual Leave

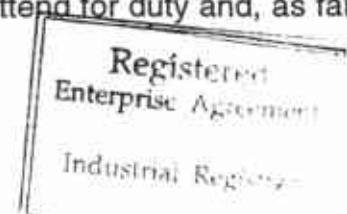
See Annual Holidays Act 1944.

23. Annual Leave Loading

During any period of annual leave an employee shall receive a loading of 17.5% calculated on the rates of pay prescribed in clause 8, Wages.

24. Sick Leave

- (a) An employee who is unable to attend for duty during their ordinary working hours by reason of personal illness or injury not due to his own serious misconduct, shall be entitled to be paid at ordinary time rate of pay for the time of such non-attendance subject to the following:
 - (i) The employee shall not be entitled to paid leave of absence for any period in respect of which the employee is entitled to compensation under the Workers' Compensation Act 1987.
 - (ii) The employee should within four hours where practicable, and in any case shall within twenty-four hours, of the commencement of such absence, inform MSDA of their inability to attend for duty and, as far



as practicable, state the nature of the injury or illness and the estimated duration of the absence.

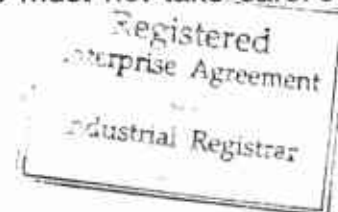
- (iii) Where the absence under this clause 24 extends beyond 2 days, the employee shall prove to the satisfaction of MSDA, by the production of a medical certificate or other satisfactory evidence, that the employee was unable, on account of illness or injury, to attend for duty on the day or days for which sick leave is claimed.
- (iv) Subject to the other provisions of this clause, an employee shall be credited with 76 hours paid sick leave in respect of each year of service. Sick leave granted with pay shall be deducted from such credit.
- (v) Sick leave entitlements not claimed in any one year shall accumulate from year to year so long as the employment continues with MSDA.
- (vi) The payment for any absence on sick leave in accordance with this clause during the first three months of employment of an employee may be withheld by MSDA until the employee completes such three months of employment at which time the payments shall be made. Provided further, an employee shall forfeit any payment for sick leave if the employee terminates the contract of employment within the first three months of employment.

- (b) Employees on a 12 hour roster will continue to receive an annual entitlement, fully accumulative, of 76 hours per year. Wherever possible should an absence be known, employees should arrange their own replacement on a pay back-basis with no deduction from their entitlement. Records of these arrangements shall be kept by the Packaging Administration Co-ordinator.

25. Personal/Carer's Leave

(1) Use of Sick Leave

- (a) An employee, other than a casual employee, with responsibilities in relation to a class of person set out in subparagraph (ii) of paragraph (c), who needs the employee's care and support, shall be entitled to use, in accordance with this subclause, any current or accrued sick leave entitlement, provided for in clause 24, Sick Leave, for absences to provide care and support for such persons when they are ill. Such leave may be taken for part of a single day.
- (b) The employee shall, if required, establish either by production of a medical certificate or statutory declaration, the illness of the person concerned and that the illness is such as to require care by another person. In normal circumstances, an employee must not take carer's



leave under this subclause where another person has taken leave to care for the same person.

(c) The entitlement to use sick leave in accordance with this subclause is subject to:

(i) the employee being responsible for the care of the person concerned; and

(ii) the person concerned being:

(a) a spouse of the employee; or

(b) a de facto spouse, who, in relation to a person, is a person of the opposite sex to the first mentioned person who lives with the first mentioned person as the husband or wife of that person on a bona fide domestic basis although not legally married to that person; or

(c) a child or an adult child (including an adopted child, a step child, a foster child or an ex nuptial child), parent (including a foster parent and legal guardian), grandparent, grandchild or sibling of the employee or spouse or de facto spouse of the employee; or

(d) a same sex partner who lives with the employee as the de facto partner of that employee on a bona fide domestic basis; or

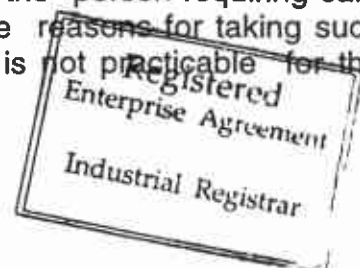
(e) a relative of the employee who is a member of the same household, where for the purposes of this subparagraph:

1. "relative" means a person related by blood, marriage or affinity;

2. "affinity" means a relationship that one spouse because of marriage has to blood relatives of the other; and

3. "household" means a family group living in the same domestic dwelling.

(d) An employee shall, wherever practicable, give MSDA notice prior to the absence of the intention to take leave, the name of the person requiring care and that person's relationship to the employee, the reasons for taking such leave and the estimated length of absence. If it is not practicable for the



employee to give prior notice of absence, the employee shall notify MSDA by telephone of such absence at the first opportunity on the day of absence.

(2) Unpaid Leave for Family Purpose

- (a) An employee may elect, with the consent of MSDA, to take unpaid leave for the purpose of providing care and support to a member of a class of person set out in subparagraph (ii) of paragraph (c) of subclause (1) who is ill.

(3) Annual Leave

- (a) An employee may elect with the consent of MSDA, subject to the Annual Holidays Act 1944, to take annual leave not exceeding five days in single day periods or part thereof, in any calendar year at a time or times agreed by the parties.
- (b) Access to annual leave, as prescribed in paragraph (a) of this subclause, shall be exclusive of any shutdown period provided for elsewhere under this Agreement.
- (c) An employee and MSDA may agree to defer payment of the annual leave loading in respect of single day absences, until at least five consecutive annual leave days are taken.

(4) Make-up Time

- (a) An employee may elect, with the consent of MSDA, to work "make-up time", under which the employee takes time off ordinary hours, and works those hours at a later time, during the spread of ordinary hours provided in the Agreement, at the ordinary rate of pay.

26. Measurement of Work Arrangements

To provide for an effective measure of the new working arrangements the following guidelines will be utilised and will be available for employees to review and discuss with their appropriate management or employee representative.

- Monthly Packaging Schedule
- Daily Line Performance Graph
- Quality Measures
- Cost of Rework
- Absenteeism/Attendance
- Customer Service Levels
- Documentation performance
- Safety Accident/Incident Levels



27. General Conditions

- (a) Where an employee is required by MSDA to wear a uniform, cap, coat, overall, or other uniform, it shall be provided, maintained and laundered at MSDA's expense.
- (b) Where the nature of work performed by employees necessitates suitable industrial clothing, including waterproof clothing and/or aprons, rubber boots or clogs, work boots, work shoes, gloves, goggles, etc., they shall be supplied and paid for by MSDA and shall remain the property of MSDA.
- (c) Employees shall be allowed a rest pause, subject to continuity of the packaging operation, of ten minutes in the first half and in the second half of each day or shift at a time to be mutually arranged.
- (d) MSDA shall permit a notice which has been duly authorised by the union secretary to be posted on the notice board.
- (e) An employee who is appointed as a first-aid attendant shall be paid an additional payment of \$9.60 per week.

28. Time and Payment of Wages

Wages shall be paid fortnightly on the same day each fortnight, but on the day before such day where it falls on a public holiday referred to under clause 21.

29. Method of Payment of Wages

Payment of wages shall be made by means of Electronic Funds Transfer.

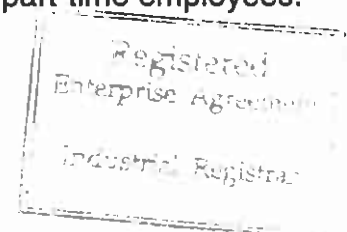
30. Termination of Employment

- (a) Except in the case of misconduct the employment of any employee may be terminated by not less than two week's notice, or one week for a probationary employee, on either side or by the payment or forfeiture (as the case may be) of such wages in lieu of such notice.
- (b) An employee whose employment is terminated by MSDA on the working day immediately preceding a holiday, otherwise than for misconduct, shall be paid for such holiday.

31. Redundancy

(A) Application -

- (i) This clause shall apply in respect of full-time and part-time employees.



- (ii) Notwithstanding anything contained elsewhere in this Agreement, this clause shall not apply to employees with less than one year's continuous service and the general obligation on MSDA shall be not more than to give such employees an indication of the impending redundancy at the first reasonable opportunity and to take such steps as may be reasonable to facilitate the obtaining by the employees of suitable alternative employment.
- (iii) Notwithstanding anything contained elsewhere in this Agreement, this clause shall not apply where employment is terminated as a consequence of conduct that justifies instant dismissal, including malingering, inefficiency or neglect of duty, or in the case of casual employees, apprentices or employees engaged for a specific period of time or for a specified task or tasks or where employment is terminated due to the ordinary and customary turnover of labour.

(B) Introduction of Change -

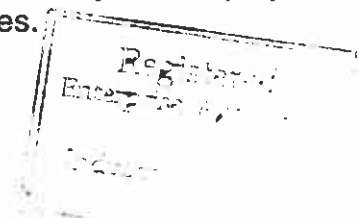
(i) MSDA's Duty to Notify -

- (a) Where MSDA has made a definite decision to introduce major changes in production, program, organisation, structure, mechanisation or technology that are likely to have significant effect on employees, MSDA shall notify the employees who may be affected by the proposed changes and the union to which they belong.
- (b) 'Significant effects' include termination of employment, major changes in the composition, operation or size of the employer's workforce or in the skills required, the elimination or diminution of job opportunities, promotion opportunities or job tenure, the alteration of hours of work, the need for retraining or transfer of employees to other work or locations and the restructuring of jobs.

Provided that where this Agreement makes provision for alteration of any of the matters referred to herein, an alteration shall be deemed not to have significant effect.

(ii) MSDA's Duty to Discuss Change -

- (a) MSDA shall discuss with the employees affected and the union, inter alia, the introduction of the changes referred to in paragraph (i) of this subclause, the effects the changes are likely to have on employees and measures to avert or mitigate the adverse effects of such changes on employees, and shall give prompt consideration to matters raised by the employees and/or the union in relation to the changes.



- (b) The discussions shall commence as early as practicable after a definite decision has been made by MSDA to make the changes referred to in the said paragraph (i).
- (c) For the purposes of such discussions, MSDA shall provide to the employees concerned and the union to which they belong all relevant information about the changes, including the nature of the changes proposed, the expected effects of the changes on the employees and any other matters likely to affect employees, provided that MSDA shall not be required to disclose confidential information the disclosure of which would adversely affect MSDA.

(C) Redundancy -

Discussions before Terminations -

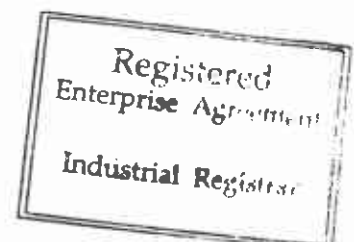
- (a) Where MSDA has made a definite decision that it no longer wishes the job the employee has been doing done by anyone pursuant to subclause (B) – Introduction of Change, and that decision may lead to the termination of employment, MSDA shall hold discussions with the employees directly affected and with the union.
- (b) The discussions shall take place as soon as is practicable after MSDA has made a definite decision which will invoke the provisions of subparagraph (a) of this paragraph and shall cover, inter alia, any reason for the proposed terminations, measures to avoid or minimise the terminations and measures to mitigate any adverse effects of any termination on the employees concerned.
- (c) For the purpose of the discussion MSDA shall, as soon as is practicable, provide to the employees concerned and the union, all relevant information about the proposed terminations, including the reasons for the proposed terminations, the number and categories of employees likely to be affected and the number of employees normally employed and the period over which the terminations are likely to be carried out. Provided that MSDA shall not be required to disclose confidential information the disclosure of which would adversely affect it.

(D) Termination of Employment -

- (i) Notice for Changes in Production, Program, Organisation or Structure - This paragraph sets out the notice provisions to be applied to terminations by MSDA for reasons arising from production, program, organisation or structure, in accordance with subparagraph (a) of paragraph (i) of subclause (B) of this clause.



- (a) In order to terminate the employment of an employee MSDA shall give to the employee the notice referred to in subparagraph (a) of paragraph (i) of subclause E of this clause.
- (ii) Notice of Technological Change - This paragraph sets out the notice provision to be applied to terminations by MSDA for reasons arising from technology in accordance with subparagraph (a) of paragraph (i) of subclause (B) of this clause.
- (a) In order to terminate the employment of an employee MSDA shall give to the employee three months notice of termination.
- (b) Payment in lieu of notice above shall be made if the appropriate notice period is not given. Provided that employment may be terminated by part of the period of notice specified and part payment in lieu thereof.
- (c) The period of notice required by this subclause to be given shall be deemed to be service with MSDA for the purposes of *the Long Service Leave Act 1955*, the *Annual Holidays Act 1944*, or any Act amending or replacing either of these Acts.
- (iii) Time off during notice period -
- (a) During the period of notice of termination given by MSDA, an employee shall be allowed up to one day's time off without loss of pay during each week of notice, to a maximum of five weeks, for the purpose of seeking other employment.
- (b) If the employee has been allowed paid leave for more than one day during the notice period for the purpose of seeking other employment the employee shall, at the request of MSDA, be required to produce proof of attendance at an interview or the employee shall not receive payment for the time absent.
- (iv) Employee leaving during the notice period - If the employment of an employee is terminated (other than for misconduct) before the notice period expires, the employee shall be entitled to the same benefits and payments under this clause had the employee remained with MSDA until the expiry of such notice. Provided that in such circumstances the employee shall not be entitled to payment in lieu of notice.
- (v) Statement of Employment - MSDA shall, upon receipt of a request from an employee whose employment has been terminated, provide to the employee a written statement specifying the period of the employee's employment and the classification of or the type of work performed by the employee.



- (vi) Notice to Centrelink or the appropriate government agency - Where a decision has been made to terminate employees, MSDA shall notify Centrelink thereof as soon as possible, giving relevant information, including the number and categories of employees likely to be affected and the period over which the terminations are intended to be carried out.
- (vii) Centrelink Separation Certificate - MSDA shall, upon receipt of a request from an employee whose employment has been terminated, provide to the employee an Employment Separation Certificate in the form required by Centrelink or the appropriate government agency.
- (viii) Transfer to Lower Paid Duties - Where an employee is transferred to lower paid duties for reasons set out in subparagraph (a) of paragraph (i) of subclause (B) of this clause, the employee shall be entitled to the same period of notice of transfer as the employee would have been entitled to if the employee's employment had been terminated and MSDA may, at its option, make payment in lieu thereof of an amount equal to the difference between the former ordinary-time rate of pay and the new ordinary-time rate for the number of weeks notice still owing.

(E) Severance Pay -

- (i) Where the employment of an employee is to be terminated pursuant to subclause (D) of this clause MSDA shall give to the employee the notice referred to in sub-paragraph (a) of this clause and pay the severance pay in respect of a continuous period of service referred to in sub-paragraph (b) of this clause.

(a) Notice

- (I) For any period of continuous service: 4 weeks notice
- (II) In addition to the notice above, employees over 45 years of age at the time of the giving of notice, with not less than two years continuous service, shall be entitled to an additional week's notice.
- (III) Payment in lieu of notice above shall be made if the appropriate notice period is not given. Provided that employment may be terminated by part of the period of notice specified and part payment in lieu thereof.

(b) Severance Pay

- (I) For all employees, 4 weeks (20 days) severance payment at their normal pay rate; and



- (II) For each completed year of continuous service, 4 weeks pay (20 days) at their normal pay rate, and applied on a pro-rata basis for additional complete months of continuous service for incomplete years, up to the maximum payment referred to under sub-paragraph (c);
- (III) The maximum payment under sub-paragraph (b) must not exceed a period of 78 weeks (390 days) pay.

where:

"normal pay rate" means the annual rate of pay applicable under clause 8, Wages, for the employee concerned at the date of termination and night shift allowance to the extent applicable, calculated as a daily pay rate being such annual rate divided by 1976 hours and multiplied by 7.6 hours per day, and for monthly pro-rata calculations, the number of months completed divided by 12 multiplied by 20 days payment.

- (ii) Alternative Employment - Subject to an application by MSDA and further order of the Industrial Relations Commission of New South Wales, MSDA may pay a lesser amount (or no amount) of severance pay than that contained in the said paragraph (i.) if MSDA obtains acceptable alternative employment for an employee.

32. Long Service Leave

See the Long Service Leave Act 1955.

33. Right of Entry

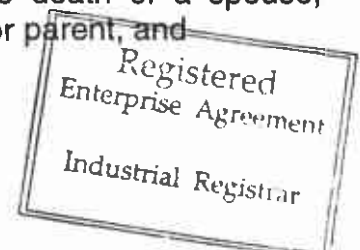
See the Industrial Relations Act 1996.

34. Union Delegate

An employee appointed union delegate shall, upon notification to MSDA, be recognised as the accredited representative of the Shop, Distributive and Allied Employees' Association, New South Wales and/or The Australian Workers' Union, New South Wales Branch.

35. Bereavement Leave

- (i) A full time or part time employee shall be entitled to a maximum of:
 - (a) five days' leave without loss of pay on the death of a spouse, defacto spouse, child, stepchild, fosterchild, or parent, and



- (b) three days leave without loss of pay on the death of any other person as defined in paragraph (1)(c)(ii) of Clause 25, Personal/Carer's Leave, on each occasion and on production of satisfactory evidence of the death.
- (ii) MSDA may require satisfactory evidence of a death outside of Australia where such employee travels outside Australia to attend the funeral.
- (iii) Bereavement leave may be taken in conjunction with other leave available under sub-clauses (2), (3) and (4) of Clause 25, Personal/Carer's Leave. In determining such a request MSDA will give consideration to the circumstances of the employee and the reasonable operational requirements of MSDA.

36. Parental Leave

See the Industrial Relations Act 1996

37. Blood Donor Leave

- (a) Where blood donation facilities are made available at MSDA's premises, or at some other nearby place, an employee who donates blood at such facility during their ordinary working hours shall be entitled to one hour's paid leave on each occasion for that purpose.
- (b) Before making payment for such leave, MSDA may require satisfactory proof of the employee's blood donation. Production of the relevant Blood Bank card or certificate, properly completed, shall constitute such satisfactory proof.

38. Jury Service

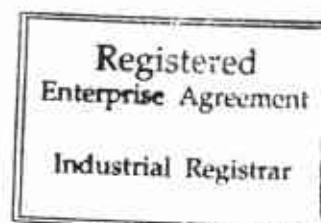
- (a) An employee shall be allowed leave of absence during any period when required to attend for jury service.
- (b) During such leave of absence, an employee shall be paid the difference between the jury service fees received and the employee's ordinary rate of pay as if working.
- (c) An employee shall be required to produce to MSDA, proof of jury service fees received and proof of requirement to attend and attendance on jury service and shall give MSDA notice of such requirements as soon as practicable after receiving notification to attend for jury service.

39. Grievance Procedure

- (a) Procedures relating to grievances of individual employees:

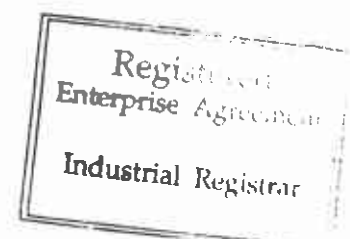


- (i) The employee is required to notify (in writing or otherwise) MSDA as to the substance of the grievance, request a meeting with MSDA for discussions and state the remedy sought.
 - (ii) A grievance must initially be dealt with as close to its source as possible, with graduated steps for further discussion and resolution at higher levels of authority.
 - (iii) Reasonable time limits must be allowed for discussion at each level of authority.
 - (iv) At the conclusion of the discussion, MSDA should provide a response to the employee's grievance, if the matter has not been resolved, including reasons for not implementing any proposed remedy.
 - (v) If no resolution of the employees grievance can be found, then the matter may be referred to the Industrial Relations Commission of New South Wales by the employee or the employees union, or by MSDA for conciliation and/or arbitration.
 - (vi) While a procedure is being followed, normal work must continue.
 - (vii) The employee may be represented by an industrial organisation of employees or other representative at any stage of discussion.
- (b) Procedures relating to dispute etc. between MSDA and their employees:
- (i) 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.
 - (ii) Reasonable time limits must be allowed for discussion at each level of authority.
 - (iii) If no resolution can be found to the question, dispute or difficulty, the matter may be referred to the Industrial Relations Commission of New South Wales by any party to the dispute or the industrial organisation representing any of the parties to the dispute.
 - (iv) While a procedure is being followed, normal work must continue.
 - (v) MSDA may be represented by an industrial organisation of employers or advocate of its choice and the employees may be represented by an industrial organisation of employees or advocate of their choice for the purpose of each procedure at any stage of discussion.



40. ANTI DISCRIMINATION

- (1) It is the intention of the parties bound by this Agreement to seek to achieve the object in section 3(f) of the Industrial Relations Act 1996 to prevent and eliminate discrimination in the workplace. This includes discrimination on the grounds of race, sex, marital status, disability, homosexuality, transgender identity, carers' responsibilities and age.
- (2) It follows that in fulfilling their obligations under the grievance procedure prescribed by this Agreement the parties have obligations to take all reasonable steps to ensure that the operation of the provisions of this Agreement are not directly or indirectly discriminatory in their effects.
- (3) Under the Anti-Discrimination Act 1977, it is unlawful to victimise an employee because the employee has made or may make or has been involved in a complaint of unlawful discrimination or harassment.
- (4) Nothing in this clause is to be taken to affect:
 - (a) any conduct or act which is specifically exempted from anti-discrimination legislation;
 - (b) offering or providing junior rates of pay to persons under 21 years of age;
 - (c) any act or practice of a body established to propagate religion which is exempted under section 56(d) of the Anti-Discrimination Act 1977;
 - (d) a party to this Agreement from pursuing matters of unlawful discrimination in any State or federal jurisdiction.
- (5) This clause does not create legal rights or obligations in addition to those imposed upon the parties by the legislation referred to in this clause.



EXECUTED AS AN ENTERPRISE AGREEMENT

Merck Sharp & Dohme (Australia) Pty Limited

.....
Signature of Director

Jim Gazdars
.....
Signature of Director/~~Secretary~~
(Strike through whichever is not applicable)

15/11/01
.....
Date

The Australian Workers Union, New South Wales Branch, by its duly authorised representatives

R. K. COLLISON
.....
Signature of

R. K. COLLISON
.....
Name

SECRETARY
.....
Title

21.11.01
.....
Date

RICHARD TRIPOLI
.....
Signature of

RICHARD TRIPOLI
.....
Name

SENIOR INDUSTRIAL OFFICER
.....
Title

20/11/01
.....
Date

The Shop Distributive & Allied Employees Association, New South Wales
~~██████~~ by its duly authorised representatives

CRAIG DONNELLY
.....
Signature of

CRAIG DONNELLY
.....
Name

SECRETARY - TREASURER
.....
Title

15/11/01
.....
Date

BERNIE SMITH
.....
Signature of

BERNIE SMITH
.....
Name

JUNIOR INDUSTRIAL OFFICER
.....
Title

15/11/01
.....
Date

